



Domestic & Foreign Portfolio Investment Report of Nigerian Exchange Limited

March 2023

DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS AS AT 31 MARCH 2023¹

Period	Total	Foreign N'Billion	Foreign %	Domestic N'Billion	Domestic %	Foreign Inflow N'Billion	Foreign outflow N'Billion	Domestic Retail N'Billion	Domestic Institutional N'Billion
Jan-23	195.10	24.90	12.76%	170.20	87.24%	9.84	15.06	35.66	134.54
Feb-23	188.91	19.62	10.39%	169.29	89.61%	3.68	15.94	34.79	134.50
Mar-23	146.22	9.19	6.29%	137.03	93.71%	4.60	4.59	52.83	84.20
2023 YTD ²	530.23	53.71	10.13%	476.52	89.87%	18.12	35.59	123.28	353.24
2022 YTD ³	692.20	128.91	18.62%	563.29	81.38%	55.33	73.58	265.62	297.67

On a monthly basis, Nigerian Exchange Limited (“NGX”) polls trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI)⁴ flows. As at 31 March 2023, total transactions at the nation’s bourse decreased by **22.60% from ₦188.91billion (about \$409.72million) in February⁵ 2023 to ₦146.22billion (about \$317.09million) in March⁶ 2023**. The performance of the current month when compared to the performance in March 2022 (₦185.26billion) revealed that total transactions decreased by **21.07%**. In March 2023, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **88%** as shown in figure 1 below.

ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (MARCH'23)

Figure 1: Domestic vs. Foreign Participation

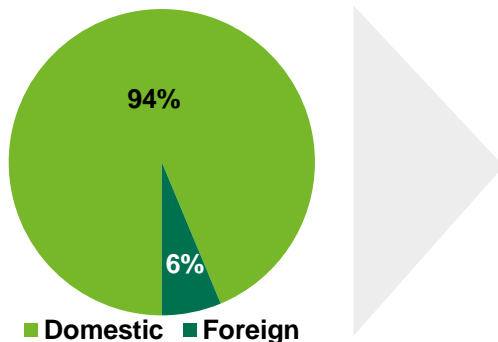


Figure 2: Inflow (N'Bn)

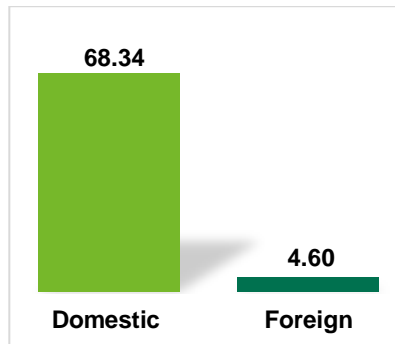
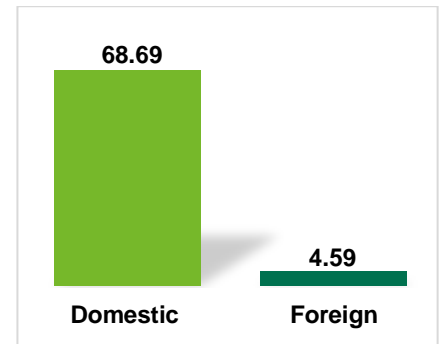


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (February 2023) revealed that total domestic transactions decreased by **19.06%** from ₦169.29billion in February to ₦137.03billion in March 2023. Similarly, total foreign transactions decreased more significantly by **53.16% from ₦19.62billion (about \$42.51million) to ₦9.19billion (about \$19.94million)** between February 2023 and March 2023.

ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Institutional Investors outperformed Retail Investors by **22%**. A comparison of domestic transactions in the current and prior month (February 2023) revealed that retail transactions increased by **51.85%** from ₦34.79billion in February to ₦52.83billion in March 2023. However, the

¹ Information on the retail and institutional components of the total domestic transactions in March 2023 is based on data obtained from the monthly stockbroking transaction report of 99% of the Active Trading License Holders (TLHs) of Nigerian Exchange Limited (“NGX”).

² 2023 Year to Date (YTD) represents January to March 2023 Transactions.

³ 2022 Year to Date (YTD) represents January to March 2022 Transactions.

⁴ Methodology - The FPI outflow includes sales transactions or liquidation of portfolio investments through the stock market, whilst the FPI inflow includes purchase transactions on NGX (Equities only).

⁵ The Exchange rate as at 28 February 2023 was ₦461.07 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

⁶ The Exchange rate as at 31 March 2023 was ₦461.15 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

institutional composition of the domestic market decreased significantly by **37.40%** from ₦134.50billion in February 2023 to ₦84.20billion in March 2023.

Figure 4: Retail vs. Institutional

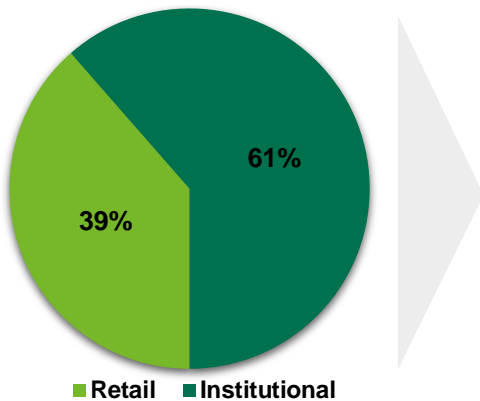


Figure 5: Inflow (N'Bn)

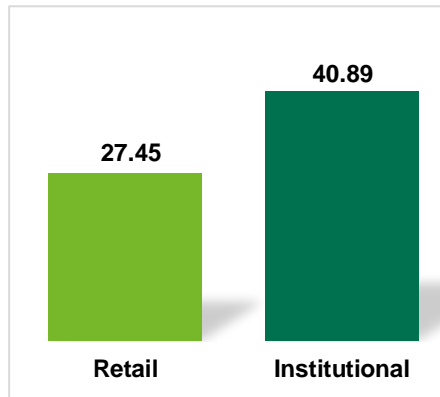
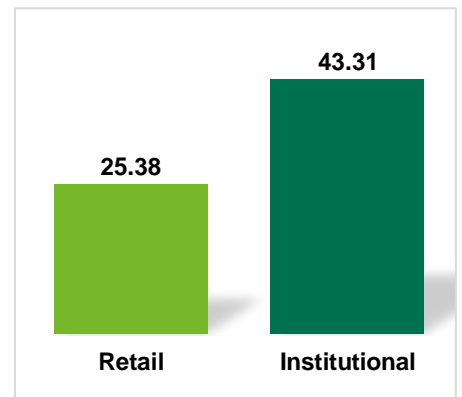


Figure 6: Outflow (N'Bn)



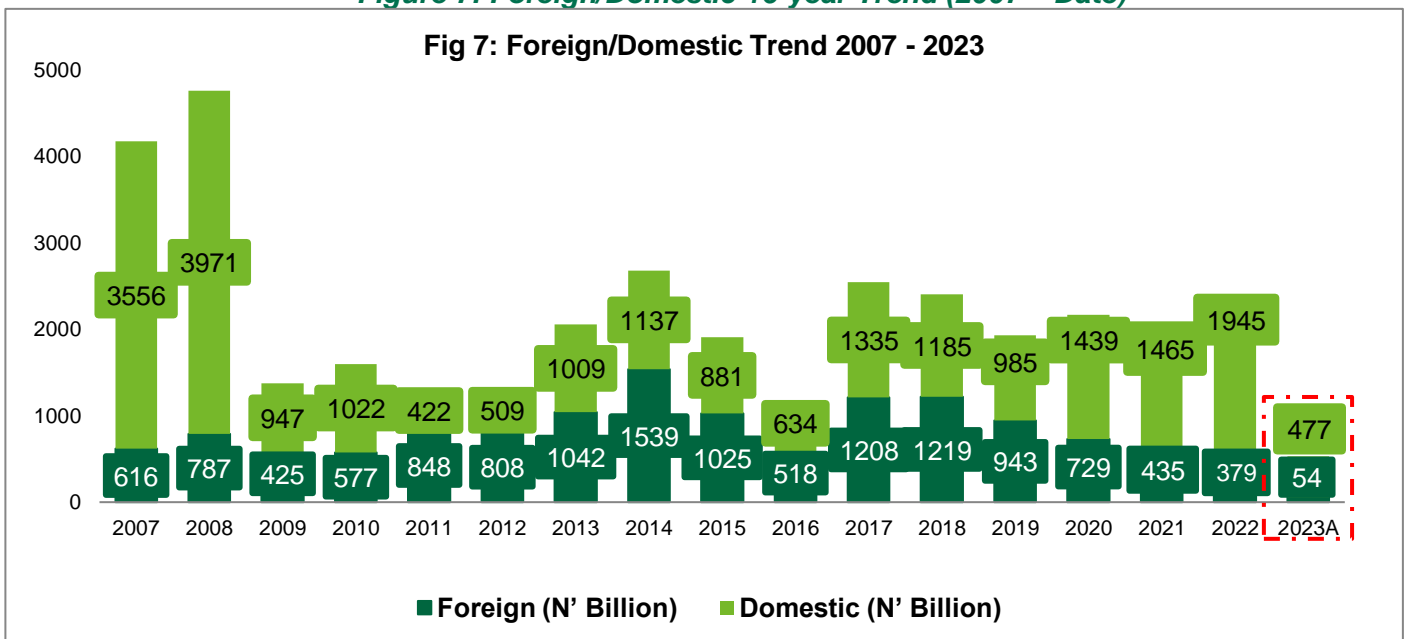
HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

The data in figure 7 below highlights the performance of the market over the last decade. Over a sixteen (16) year period, domestic transactions decreased by **45.30%** from ₦3.556t in 2007 to ₦1.945t in 2022 whilst foreign transactions also decreased by **38.47%** from ₦616bn to ₦379bn over the same period.

Total domestic transactions accounted for about 84% of the total transactions carried out in 2022, whilst foreign transactions accounted for about 16% of the total transactions in the same period.

The transaction data for 2023 shows that total domestic transactions are circa ₦476.52billion, whilst total foreign transactions are circa ₦53.71billion.

Figure 7: Foreign/Domestic 16-year Trend (2007 – Date)





About The Domestic and Foreign Portfolio Investment Report of Nigerian Exchange Limited

The Domestic and Foreign Portfolio Investment Report is prepared on a monthly basis by NGX Regulation Limited, with trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI) flows. These transactions are carried out by Domestic and Foreign investors. The Domestic investors are further categorized into Retail and Institutional investors.

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