



Domestic & Foreign Portfolio Investment Report of Nigerian Exchange Limited

September 2022

DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS AS AT 30 SEPTEMBER 2022¹

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-22	323.38	41.31	12.77%	282.07	87.23%	18.10	23.21	143.62	138.45
Feb-22	183.56	45.43	24.75%	138.13	75.25%	20.86	24.57	61.39	76.74
Mar-22	185.26	42.17	22.76%	143.09	77.24%	16.37	25.80	60.61	82.48
Apr-22	205.88	27.08	13.15%	178.80	86.85%	15.02	12.06	68.22	110.58
May-22	607.45	45.30	7.46%	562.15	92.54%	25.53	19.77	74.19	487.96
Jun-22	156.52	42.19	26.96%	114.33	73.04%	24.63	17.56	44.11	70.22
Jul-22	101.18	29.68	29.33%	71.50	70.67%	13.68	16.00	30.65	40.85
Aug-22	123.97	28.21	22.76%	95.76	77.24%	15.78	12.43	39.81	55.95
Sep-22	81.90	19.67	24.02%	62.23	75.98%	10.08	9.59	34.18	28.05
2022 YTD ²	1969.10	321.04	16.30%	1648.06	83.70%	160.05	160.99	556.78	1091.28
2021 YTD ³	1331.76	287.20	21.57%	1044.56	78.43%	135.39	151.81	436.53	608.03

Note the significant decrease in the total value of transactions between August and September 2022.

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 30 September 2022, total transactions at the nation’s bourse decreased by **33.94% from ₦123.97billion (about \$289.04million) in August 2022⁵ to ₦81.90billion (about \$187.09million) in September 2022⁶**. The performance of the current month when compared to the performance in September 2021 (₦118.15billion) revealed that total transactions decreased by **30.68%**. In September 2022, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **52%** as shown in figure 1 below.

ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (SEPTEMBER'22)

Figure 1: Domestic vs. Foreign Participation

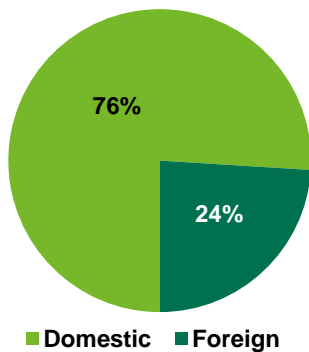


Figure 2: Inflow (N'Bn)

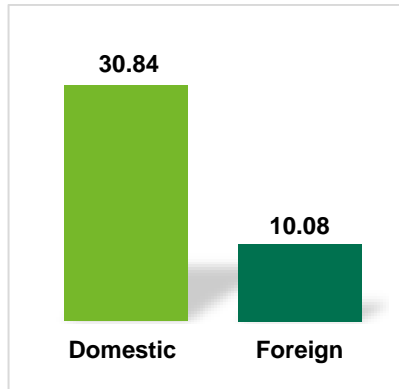
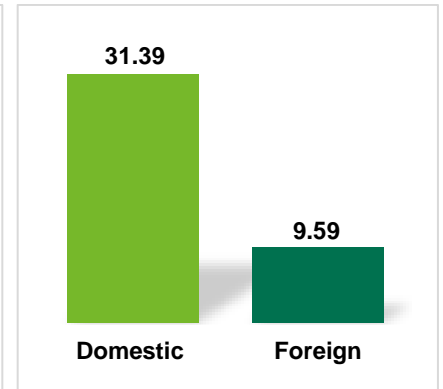


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (August 2022) revealed that total domestic transactions decreased significantly by **35.01%** from ₦95.76billion in August to ₦62.23billion in September 2022. Similarly, total foreign transactions decreased by **30.27% from ₦28.21billion (about \$65.77million) to ₦19.67billion (about \$44.93million)** between August 2022 and September 2022.

¹ Information on the retail and institutional components of the total domestic transactions in September 2022 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 2022 Year to Date (YTD) represents January to September 2022 Transactions.

³ 2021 Year to Date (YTD) represents January to September 2021 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 31 August 2022 was ₦428.91 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

⁶ The Exchange rate as at 30 September 2022 was ₦437.74 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Retail Investors outperformed Institutional Investors by **10%**. A comparison of domestic transactions in the current and prior month (August 2022) revealed that retail transactions decreased by **14.14%** from ₦39.81billion in August to ₦34.18billion in September 2022. Similarly, the institutional composition of the domestic market decreased by **49.87%** from ₦55.95billion in August 2022 to ₦28.05billion in September 2022.

Figure 4: Retail vs. Institutional

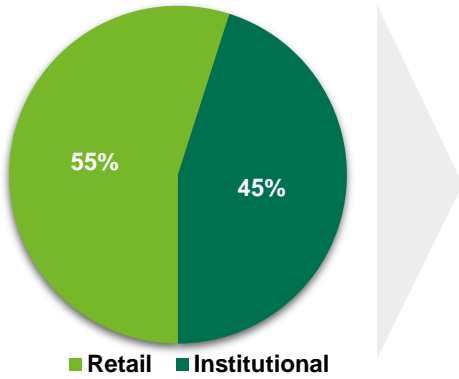


Figure 5: Inflow (N'Bn)

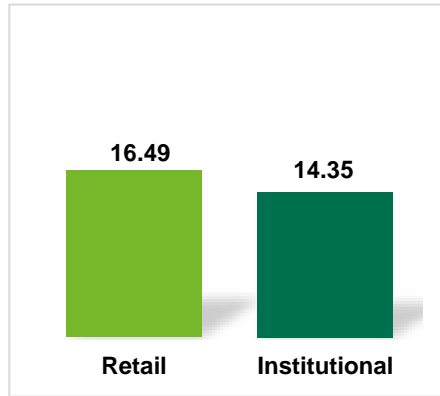


Figure 6: Outflow (N'Bn)



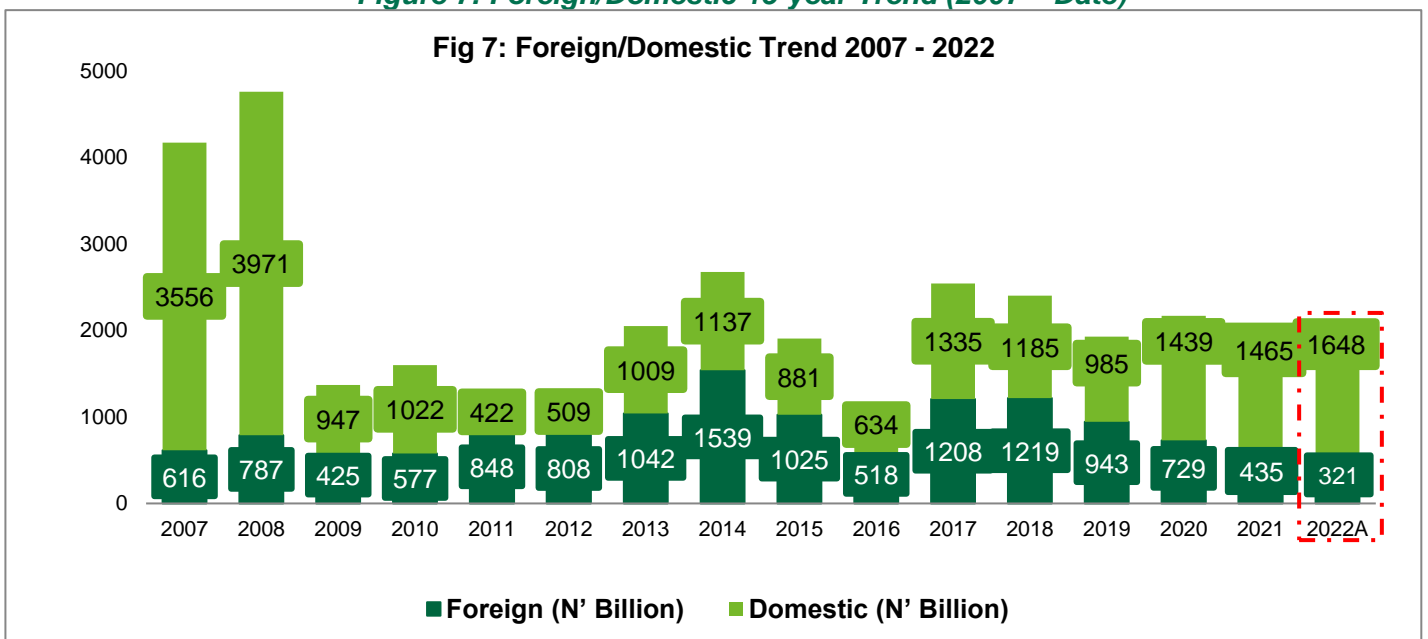
HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

The data in figure 7 below highlights the performance of the market over the last decade. Over a fifteen (15) year period, domestic transactions decreased by **58.80%** from ₦3.556t in 2007 to ₦1.465t in 2021 whilst foreign transactions also decreased by **29.38%** from ₦616bn to ₦435bn over the same period.

Total domestic transactions accounted for about 77% of the total transactions carried out in 2021, whilst foreign transactions accounted for about 23% of the total transactions in the same period.

The transaction data for 2022 shows that total domestic transactions are circa ₦1.648trillion, whilst total foreign transactions are circa ₦321.04billion.

Figure 7: Foreign/Domestic 15-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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