



**DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION  
IN EQUITY TRADING – April 2018**

On a monthly basis, The Nigerian Stock Exchange polls trading figures from major custodians and market operators on their Foreign Portfolio Investment (FPI) flows. The table below shows an analysis of transactions on The Exchange as at the end of April 2018.

**Table 1: Analysis of Transactions for the Period Ended 30 April 2018<sup>1</sup>**

All figures are in ₦' Billions

Period	Total	Foreign	Foreign %	Domestic	Domestic %	Foreign Inflow	Foreign outflow	Domestic Retail	Domestic Institutional
Jan 2018	394.44	166.39	42.18%	228.05	57.82%	91.75	74.64	106.49	121.56
Feb 2018	212.05	83.22	39.25%	128.83	60.75%	44.89	38.33	52.75	76.08
Mar 2018	272.48	132.21	48.52%	140.27	51.48%	69.71	62.50	49.00	91.27
Apr 2018	212.23	122.53	57.74%	89.70	42.26%	64.28	58.25	43.19	46.51
2018 YTD <sup>2</sup>	1,091.2	504.35	46.22%	586.85	53.78%	270.63	233.72	251.43	335.42
2017 YTD <sup>3</sup>	509.38	233.51	45.84%	275.87	54.16%	76.89	156.62	73.31	202.56

Note the decrease in transactions in April compared to March 2018.

## Analysis

### Domestic vs. Foreign 2018

Total transactions at the nation's bourse decreased by 22.11% from ₦272.48 billion recorded in March 2018 to ₦212.23 billion (about \$0.70 billion)<sup>4</sup> in April 2018. The cumulative transactions from January to April increased by 114.22% from ₦509.38 billion recorded in 2017 to ₦1.091 trillion in 2018.

Foreign investors outperformed domestic investors by 15.48% in April 2018. Total domestic transactions reduced by 36.05% from ₦140.27 billion in March to ₦89.70 billion in April 2018. Foreign transactions also reduced by 7.32% from ₦132.21 billion to ₦122.53 billion within the same period.

There was a 7.79% decrease in foreign inflows from ₦69.71 billion in March 2018 to ₦64.28 billion in April 2018. Foreign outflows also reduced by 6.8% from ₦62.50 billion to ₦58.25 billion within the same period.

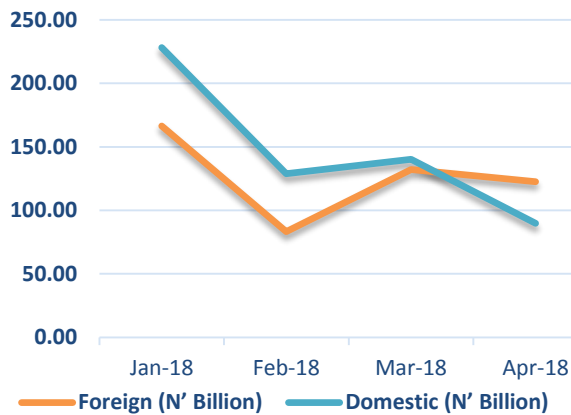
<sup>1</sup> Methodology - The FPI outflow includes sales transactions or liquidation of portfolio investments through the stock market, whilst the FPI inflow includes purchase transactions on the Nigerian Stock Exchange (Equities only).

<sup>2</sup> 2018 YTD represents January to April 2018 transactions.

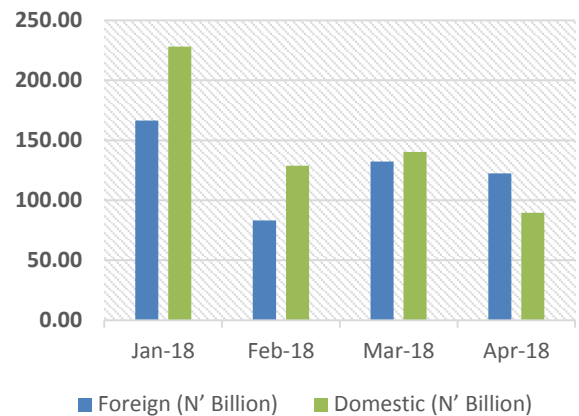
<sup>3</sup> 2017 YTD represents January to April 2017 transactions.

<sup>4</sup> The Exchange rate (in dollars) as at 30 April 2018 was ₦305.15.

**Fig 1: Foreign vs Domestic Trend Jan - Apr 2018**



**Fig 2: Foreign vs Domestic Market Share Jan - April 2018**



**Fig 3: Retail vs. Institutional component of Total Domestic transaction (April 2018<sup>5</sup>)**

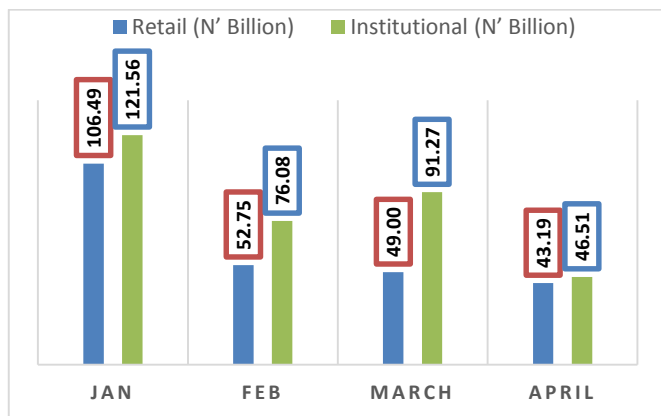


Fig 3 highlights the domestic composition of transactions on The Exchange between January and April 2018.

The institutional composition of the domestic market reduced by 49.04% from ₦91.27 billion in March to ₦46.51 billion in April 2018. The retail composition also decreased by 11.86% from ₦49 billion to ₦43.19 billion within the same period.

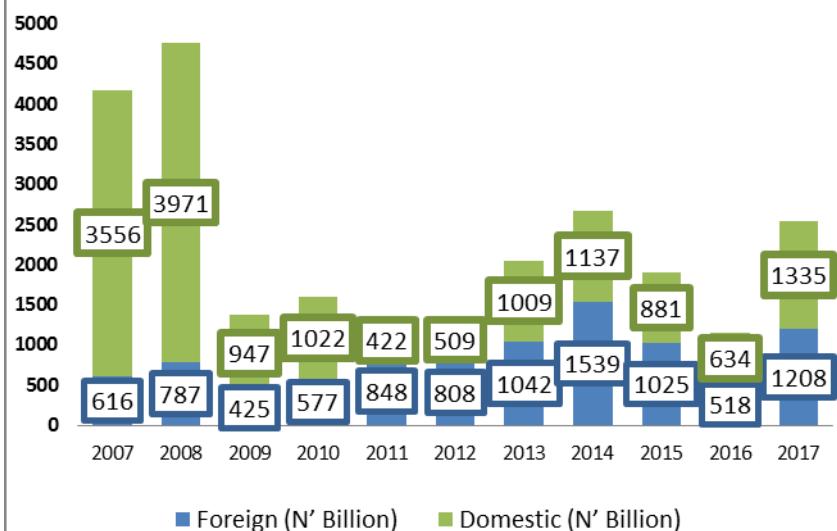
There is a higher participation by institutional investors over their retail counterparts.

Fig 4 highlights that between 2011 and 2015, foreign transactions consistently outperformed domestic transactions. However, domestic transactions marginally outperformed foreign transactions in 2016 and 2017, accounting for 52% of the total transaction value in 2017.

Also, foreign transactions which was ₦1.539t in 2014 declined to ₦518b in 2016, but increased significantly by 133% to ₦1.208t in 2017 thereby accounting for about 48% of total transactions in 2017.

Over an eleven (11) year period, domestic transactions have decreased by 62.46% from ₦3.556t in 2007 to ₦1.335t in 2017. However, there was a significant increase in 2017 by 111% from ₦634 billion recorded in 2016.

**Fig 4: Foreign/Domestic Trend 2007 - 2017**



<sup>5</sup> Information on the retail and institutional components of total domestic transactions in April 2018 is based on data obtained from about 98% of Active Dealing Members of The Exchange.