



**DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION  
IN EQUITY TRADING – February 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 February 2018.

**Table 1: Analysis of Transactions for the Period Ended 28 February 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
2018 YTD <sup>2</sup>	606.49	249.61	41.16%	356.88	58.84%	136.64	112.97	159.24	197.64
2017 YTD <sup>3</sup>	169.43	78.55	46.36%	115.22	57.22%	27.95	58.20	55.12	60.10

Note the decrease in total transactions in February compared to January 2018.

## Analysis

### Domestic vs. Foreign 2018

Total transactions at the nation's bourse decreased by 46.24% from ₦394.44 billion recorded in January 2018 to ₦212.05 billion (about \$0.69 billion)<sup>4</sup> in February 2018. However, the cumulative transactions from January to February increased significantly by 257.96% from ₦169.43 billion recorded in 2017 to ₦606.49 billion in 2018.

Domestic investors outperformed foreign investors by 21.50%. However, total domestic transactions decreased by 43.51% from ₦228.05 billion in January to ₦128.83 billion in February 2018. Foreign transactions also decreased by 49.98% from ₦166.39 billion to ₦83.22 billion within the same period.

There was a 51.07% decrease in foreign inflows from ₦91.75 billion in January 2018 to ₦44.89 billion in February 2018. However, foreign outflows also decreased by 48.65% from ₦74.64 billion to ₦38.33 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).

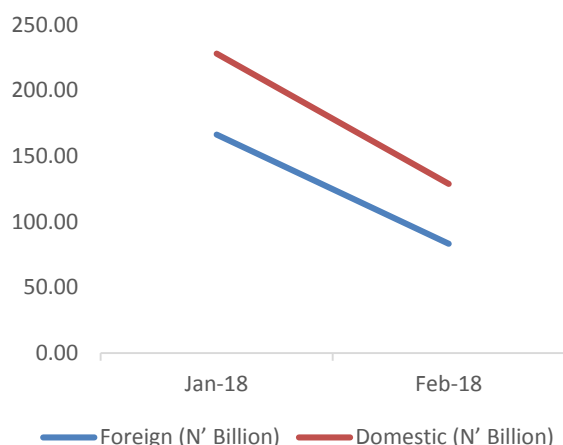
<sup>2</sup> 2018 YTD represents January to February 2018 transactions.

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

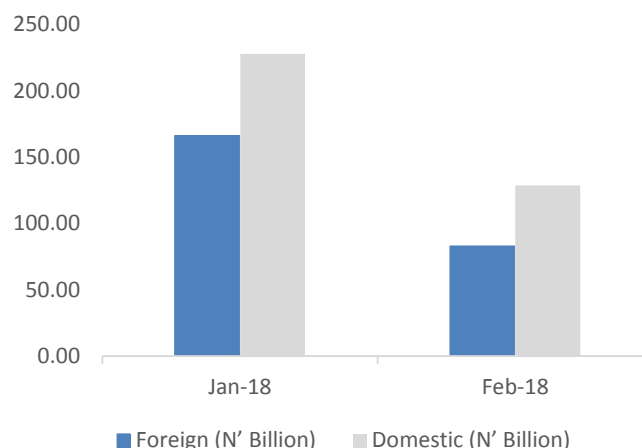
<sup>4</sup> The Exchange rate as at 28 February 2018 was ₦305.40.



**Fig 1: Foreign vs Domestic Trend  
Jan - Feb**



**Fig 2: Foreign vs Domestic Market Share  
Jan/Feb**



**Fig 3: Retail vs. Institutional January 2018<sup>5</sup>**

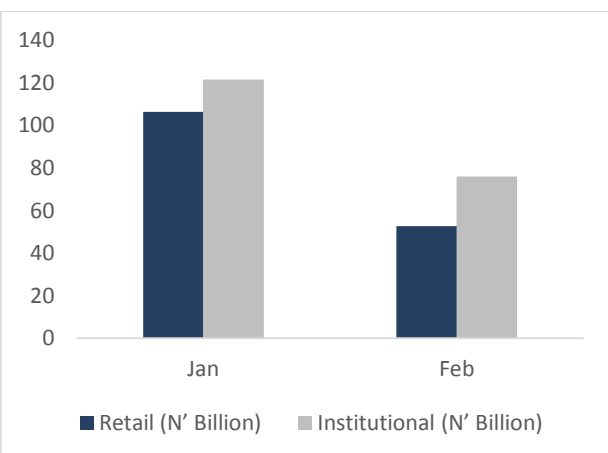


Fig 3 highlights the domestic composition of transactions on The Exchange between January and February 2018. The institutional composition of the domestic market decreased by 37.44% from ₦121.56 billion recorded in January to ₦76.08 billion in February 2018. The retail composition also decreased by 50.46% from ₦106.49 billion to ₦52.75 billion within the same period.

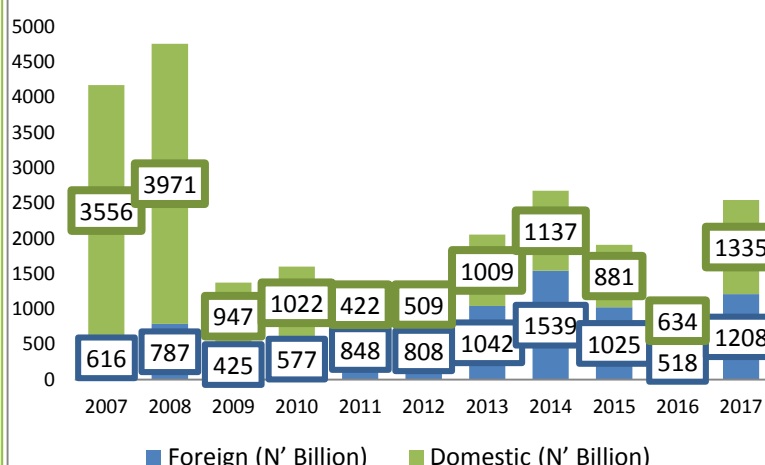
This indicates a higher participation by institutional investors over their retail counterparts.

Fig 4 highlights that since 2011, 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 February 2018 is based on data obtained from about 98% of Active Dealing Members of The Exchange.