

## DEVELOPMENTS IN THE STOCK MARKET DURING THE FOURTH QUARTER OF 1989

### 1. Transactions In The Nigerian Stock Exchange (NSE)

Trading on the Nigerian Stock Exchange (NSE) was sluggish as total stocks traded declined from 124.7 million in 8902 deals in the third quarter of 1989 to 85.0 million in 8379 deals. However, compared with the fourth quarter of 1988 when only 14.9 million stocks exchanged hands in 6558 deals, the volume of stocks sold recorded an appreciable improvement. The decline in the volume of Federal Government stocks sold, coupled with the closure of business activities during the public holidays in the fourth quarter of 1989, largely accounted for the fall in the volume of stocks traded. At ₦76.8 million, the total value of stocks sold also declined by 34.7 per cent compared with value of ₦117.7 million recorded in the third quarter of 1989, but represented an increase of over 360 per cent compared with the fourth quarter of 1988 (see Table 1).

At 51.7 million, the number of Federal Government stocks sold declined by 47.1 per cent compared with the 97.7 million stocks traded in the third quarter of 1989. However, the sales represented substantial improvement compared with the 9.2 million stocks exchanged in the corresponding period of 1988. Trading in the industrial loans and preference stocks sector improved significantly over the levels in the preceding quarter and the comparable quarter of 1988. Also, trading activities in the Second-Tier Securities Market (SSM) and equities were active compared with those in the preceding quarter (see Tables 1 & 2).

### 2. Price Indices of Ordinary Shares

The all-sector share price index was 161.5, representing increases of 7.6 and 13.6 per cent over the levels in the third quarter of 1989 and the fourth quarter of 1988, respectively. Apart from the share price index of the fi-

nancial sector which declined by 12.8 and 14.7 per cent, respectively from the levels in the preceding quarter and the comparable quarter of 1988, all other sectoral indices recorded increases over their levels in the preceding and corresponding quarters of 1988 (see Table 3). At 167.8 (Dec 1984 = 100) the share price index of the manufacturing sector rose by 7.2 and 11.9 per cent over the respective levels in the preceding quarter and the corresponding period of 1988. The active trading in soap and toiletries, building materials, chemical and paints, industrial/domestic products and textiles sub-sectors accounted for the appreciable performance of the manufacturing sector (see Table 4). Similarly, the increase in the share price index of the commercial sector (183.9), by 8.0 and 19.4 per cent vis-a-vis the levels in the preceding quarter and the corresponding quarter of 1988, was traceable to substantial trading activities in computer and office equipment, petroleum marketing and conglomerate sub-sectors. At 104.1, the share price index of the services sector was also boosted by the impressive performance of the construction and publishing sub-sectors (see Tables 3 & 4, Appendix 1 and chart).

### 3. Other Price Developments

Price gains of between one kobo and 169 kobo were recorded for 66 companies, as against minimum and maximum price gains of one kobo and 34 kobo recorded for 48 companies in the preceding quarter. Conversely, price declines of between one kobo and 41 kobo, however, featured in the prices of 22 equities, relative to price losses of one kobo and 42 kobo incurred by 34 companies in the third quarter of 1989.

Dividends of between 3 and 50 kobo were also declared by 11 companies (see Appendices 1 & 2).

General Economic Statistics Office  
Statistics and Econometrics Division  
Research Department.

Table 1

**NIGERIAN STOCK EXCHANGE (NSE)  
TOTAL STOCKS TRADED IN THE FOURTH QUARTER OF 1989**

STOCKS	4th Quarter 1988 (1)		3rd Quarter 1989 (2)		4th Quarter 1989 (3)	
	No of Shares Traded	No of Deals	No of Shares Traded	No of Deals	No of Shares Traded	No of Deals
Federal Government Stocks	9,173,640	19	97,674,570	65	51,728,100	45
Industrial Loans and Preference Stocks	1,014,900	5	20,619,450	16	25,827,700	22
Second-tier Securities	34,313	56	124,286	159	129,695	230
Equity	4,641,418	6478	6,241,120	8662	7,306,087	8082
<b>TOTAL STOCKS</b>	<b>14,864,271</b>	<b>6558</b>	<b>124,659,426</b>	<b>8902</b>	<b>84,991,582</b>	<b>8379</b>
<b>TOTAL VALUE</b>	<b>₦16,578,957.70</b>		<b>₦117,646,290.90</b>		<b>₦ 76,842,418.93</b>	

Table 2

**VOLUME OF EQUITY SHARES TRADED IN THE NIGERIAN STOCK  
EXCHANGE IN THE FOURTH QUARTER OF 1989**

SECTOR	4th Quarter 1988	3rd Quarter 1989	4th Quarter 1989
	(1)	(2)	(3)
Financial	202,749	273,619	343,334
Manufacturing	2,086,434	2,831,256	5,211,726
Commercial	2,096,482	2,477,132	1,611,361
Services	255,753	659,113	139,666
<b>TOTAL</b>	<b>4,641,418</b>	<b>6,241,120</b>	<b>7,306,087</b>
<b>VALUE OF SHARES</b>	<b>₦5,193,717.51</b>	<b>₦6,788,641.77</b>	<b>₦9,917,308.75</b>

Table 3

**SUMMARY OF PRICE INDICES OF ORDINARY SHARES LISTED ON THE  
NIGERIAN STOCK EXCHANGE FOR THE FOURTH QUARTER OF 1989  
(DEC. 1984 = 100)**

SECTOR	4th Quarter 1988	3rd Quarter 1989	4th Quarter 1989	Percentage Change Between	
	(1)	(2)	(3)	(1) & (3) (4)	(2) & (3) (5)
Financial	131.5	128.7	112.2	-14.7	-12.8
Manufacturing	150.0	156.6	167.8	11.9	7.2
Commercial	154.0	170.2	183.9	19.4	8.0
Services	90.4	92.1	104.1	15.2	13.0
<b>ALL Sectors</b>	<b>142.2</b>	<b>150.1</b>	<b>161.5</b>	<b>13.6</b>	<b>7.6</b>

Table 4

**PRICE INDICES OF ORDINARY SHARES LISTED ON THE  
NIGERIAN STOCK EXCHANGE FOR 4TH QUARTER 1989  
(DECEMBER 1984 = 100)**

SECTOR/SUBSECTOR	4th Quarter 1988	3rd Quarter 1989	4th Quarter 1989	Percentage Change Between	
	(1)	(2)	(3)	(1) & (3) (4)	(2) & (3) (5)
FINANCIAL	131.5	128.7	112.2	-14.7	-12.8
MANUFACTURING	150.0	156.6	167.8	11.9	7.2
Breweries	90.8	107.6	108.9	18.9	0.4
Building Materials	132.2	138.4	172.6	30.3	24.7
Chemicals & Paints	132.5	123.2	155.3	17.2	26.1
Soap & Toiletries	196.7	209.5	294.0	49.5	40.3
Food, Bev & Tobacco	136.8	145.2	133.3	- 2.6	- 8.2
Ind/Domestic Products	175.3	176.7	204.9	16.9	16.0
Packaging	129.1	121.0	136.9	6.0	13.1
Pharmaceutical/An. Feeds	205.1	177.7	174.3	-15.0	- 1.9
Textiles	265.5	306.8	371.6	40.0	21.1
COMMERCIAL	154.0	170.2	183.9	19.4	8.0
Automobile & Tyre	188.5	261.9	273.1	44.9	4.3
Commercial	168.1	186.5	199.5	18.7	7.0
Computer & Office Equipment	300.2	213.2	266.6	-11.2	25.0
Conglomerates	141.5	164.7	175.8	24.2	6.7
Footwear	160.3	169.3	179.0	11.7	5.7
Machinery (mktg)	83.3	92.7	104.4	25.3	12.6
Petroleum	165.1	181.5	208.8	26.5	15.0
Pharmaceutical/(mktg)	95.4	86.1	71.4	-25.2	-17.1
SERVICES	90.4	92.1	104.1	15.2	13.0
Construction	86.0	89.5	100.1	16.4	11.8
Publishing	110.5	103.6	122.2	10.6	18.0
ALL — SECTORS	142.2	150.1	161.5	13.6	7.6

# APPENDIX 1

## SUMMARY OF EQUITY PRICE MOVEMENT ON THE NIGERIAN STOCK EXCHANGE IN THE FOURTH QUARTER OF 1989

	PRICE GAINS	KOBO		PRICE LOSS	KOBO
	<b>FINANCIAL</b>			<b>FINANCIAL</b>	
1.	<b>BFN</b>	7			
2.	<b>FBN</b>	23			
3.	<b>SBN</b>	7	1	<b>Mercantile Bank</b>	18
4.	<b>UBA</b>	1	2	<b>UBN</b>	3
	<b>MANUFACTURING</b>			<b>MANUFACTURING</b>	
5.	Golden Guinea	21			
6.	Guinness	67			
7.	Nigerian Breweries	53	3	<b>Cross River Breweries</b>	10
8.	Nig. Ropes	16	4	<b>7-Up</b>	10
9.	Nig. Wire	9	5	<b>Foremost Dairies</b>	14
10.	WAPCO	18	6	<b>N. Nig. Flour Mills</b>	41
11.	Berger Paints	53	7	<b>Nig. Bottling Co.</b>	1
12.	CAPL	10	8	<b>Ovaltine</b>	12
13.	Hagemeyer	5	9	<b>Berec Nig</b>	4
14.	Int. Paints	34	10	<b>Leventis Tech.</b>	3
15.	Nig. Hoechst	25	11	<b>W.A. Glass</b>	6
16.	Lever Brothers	109	12	<b>Livestock Feeds</b>	18
17.	Nigercem	77	13	<b>Pnzer Products</b>	9
18.	P.Z. Industries	48	14	<b>Afprint</b>	2
19.	Cadbury	41			
20.	Food Specialities	47			
21.	NTC	20		<b>COMMERCIAL</b>	
22.	Tate & Lyle	10	15	<b>Intra Motors</b>	1
23.	Alumaco	21	16	<b>K. Chellarams</b>	7
24.	Ind. Gases	50	17	<b>Thomas Wyatt</b>	19
25.	Nig. Enamelware	6	18	<b>SCOA</b>	17
26.	Vitafoam	55	19	<b>Niger Sewing Machine</b>	3
27.	Vono	12	20	<b>Pharma-Deko</b>	11
28.	Metal Box	48			
29.	Poly Product	7			
30.	Studio Press	15		<b>SERVICES</b>	
31.	Van Leer	15	21	<b>Dumez</b>	3
32.	Beecham	7	22	<b>Roads</b>	4
33.	Glaxo	20			
34.	Sterling Products	21			
35.	Enpee	5			
36.	Nig. Textiles	21			
37.	United Nig. Textiles	86			
38.	WESTEX	23			
	<b>COMMERCIAL</b>				
39.	Dunlop	24			
40.	R.T. Briscoe	14			
41.	Berec Int	1			
42.	J.L. Morisson	19			
43.	NRC	63			
44.	Wiggins Teape	30			
45.	A.G. Leventis	1			
46.	C.F.A.O.	8			
47.	Incar	8			
48.	John Holt	24			
49.	UACN	26			
50.	UTC	20			
51.	Bata	9			
52.	Lennards	1			
53.	Blackwood Hodge	16			
54.	Stockvis	10			
55.	African Petroleum	4			
56.	Agip	68			
57.	Texaco	69			
58.	Total	13			
59.	Boots	9			

### APPENDIX 1 (CONT.)

	PRICE GAINS	Kobo	
	SERVICES		
60.	Arhico	8	
61.	Cappa & D'Alberto	7	
62.	Costain	9	
63.	G. Cappa	22	
64.	Julius Berger	20	
65.	Daily Times	7	
66.	University Press	10	

### APPENDIX 2 DIVIDENDS DECLEARED BY COMPANIES IN THE FOURTH QUARTER OF 1989

NO.	COMPANIES	DIVIDENDS DECLARED
1.	Cappa & D'Alberto Ltd.	— 7 kobo per share
2.	Nigerian Bottling Company Ltd	— 18 kobo per share
3.	P.Z. Industries	— 24 kobo per share
4.	Enpee Ind. Ltd.	— 12.5 kobo per share
5.	NTC	— 50 kobo per share
6.	K. Chellarams & Sons	— 10 kobo per share
7.	Arbico Ltd.	— 4 kobo per share
8.	WESTEX	— 20 kobo per share and a bonus issue of one (1) share for every 2 shares held
9.	Berec Int.	— 3 kobo per share
10.	Union Bank of Nig. Ltd.	— 6.25 kobo per share
11.	Poly Products (Nig.) Ltd.	— 10 kobo per share

**SUMMARY OF PRICE INDICES OF ORDINARY SHARES LISTED ON THE  
NIGERIAN STOCK EXCHANGE, 4TH QUARTER, 1987 — 4TH QUARTER 1989 (Dec. 1984 = 100)**

