

STOCK MARKET REPORT FOR THE SECOND QUARTER OF 1988

1. Volume of Transactions

The high volume of trade recorded in the first quarter of 1988 and the second quarter of 1987 was not sustained in the second quarter of 1988. Total stocks traded declined sharply to 74.5 million in 4727 deals, as against the 149.3 million stocks in 5048 deals, and 125.6 million stocks in 5153 deals traded in the first quarter of 1988, and the second quarter of 1987 respectively. At ₦71.8 million, the value of stocks traded was also 50.2 and 42.1 per cent lower than the ₦144.3 and ₦124.1 million marketed in the preceding quarter and the corresponding quarter of 1987 respectively (See Table 1). The major factors responsible for the low tempo in stocks trading were: the strike actions in May 1988 and the various public holidays which forced the market to close for business transactions.

In the quarter under review, transactions in the Federal Government stocks were not too impressive as only 62.7 million stocks exchanged hands as against 137 million and 116.7 million stocks resold in the preceding quarter and the corresponding period of 1988 and 1987 respectively. However, the Second Tier Securities Market was active as 397,457 stocks exchanged hands in 40 deals compared with the 131,400 stocks in 42 deals and 28,755 stocks in 28 deals sold in the first quarter of 1988 and the second quarter of 1987 respectively. Trading in industrial loans and Preference stocks was active too as 6.0 million stocks were traded as against the 2.5 million units each, sold in both the preceding quarter and the corresponding quarter of 1988 and 1987, respectively.

However, transactions in equity trading was bearish as only 5.4 million shares were traded in 4648 deals as against 5.5 million shares traded in 4970 deals in the first quarter of 1988, and 6.3 million shares which changed hands in 5066 deals in the corresponding quarter of 1987.

On sectoral basis the financial sector exchanged 291,064 shares, representing an increase of 8.8 per cent vis-a-vis its level of 267,500 shares recorded for the preceding quarter. This however represents a marginal decline of 1.0 per cent when compared with the level a year ago. While the manufacturing sector with its sales of 3.3 million shares recorded declines of 5.3 and 26.5 per cent relative to the levels in the first quarter of 1988 and the second quarter of 1987, the commercial sector fared better with its sales increasing by 2.1 and 41.9 per cent over the levels in the same periods. In the services sector however, trading activities remained dormant as the volume of shares which exchanged hands fell to 131,460 representing declines of 0.1 and 67.8 per cent relative to the levels in the first quarter of 1988 and the second quarter of 1987 respectively (See Table 2).

2. Sectoral and Sub-Sectoral Share Price Indices

The aggregate price index of ordinary shares stood at 136.0, representing increases of 1.6 and 3.9 per cent over the levels attained in the preceding quarter and the corresponding period of 1987 respectively. Besides the share price indices of the manufacturing and commercial sectors that recorded price increases vis-a-vis their respective levels in the first quarter of 1988, movement of price indices in other

sectors was sluggish compared with the level in the preceding quarter. At 140.6, the share price index of the financial sector dropped by 2.8 per cent below the level in the first quarter. The price index of manufacturing sector was 139.9, representing increases of 3.6 and 0.1 per cent over the levels in the first quarter of 1988 and the second quarter of 1987 respectively. Although the index of the sector appreciated marginally however significant share price drops of 68, 30 and 24 kobo respectively were noticed in the prices of Sterling Products, Nigerian Hoechst and Food Specialities following dividend declarations (See Appendix 2). While the share price index of the commercial sector stood at 149.8 indicating increases of 0.1 and 2.9 per cent over its levels in the preceding quarter, and the second quarter of 1987, the share price index of the services sector fell by 0.6 per cent below the level in the first quarter. The low activity in the construction sub-sector and the persistent stagnation in the performance of the publishing sub-sector contributed to the decline in the index of the services sector (See Tables 3, 4 & chart).

3. Price Movement

Only 39 companies declared price gains of between 1 and 73 kobo relative to a maximum of 26 kobo gained by 45 companies in the first quarter of 1988. The highest price gainer of 73 kobo was Nigercem, followed by Blackwood Hodge (26 kobo), UACN (25 kobo) and Glaxo Nig. Ltd. (25 kobo) respectively (See Appendix 1). However, minimum and maximum price drops of 1 and 68 kobo were recorded for 19 equities compared with between 1 and 54 kobo lost by 42 companies in the preceding quarter. Sterling Products had the sharpest price drop of 68 kobo while Total Nig. Ltd., Hoechst, Food Specialities, African Petroleum and First Bank shedded 48, 30, 24, 21 and 20 kobo respectively. The drop in share prices was due to dividend payments and scrip issues (See Appendices 1 & 2).

A total of 25 companies declared dividends of between 1.5 and 70.3 kobo. The highest dividend of 70.3 kobo was declared by Sterling Products while Texaco Nig. Ltd., NCR, Food Specialities, Total Nig. Ltd. and Lever Brothers declared 45, 44, 40, 36 and 29.76 kobo respectively (See Appendix 2).

General Economic Statistics Office
Statistics and Econometrics Division
Research Department

**NIGERIAN STOCK EXCHANGE (NSE) TOTAL STOCKS TRADED
SECOND QUARTER, 1988**

Table 1

Stocks	2nd Quarter 1987 (1)		1st Quarter 1988 (2)		2nd Quarter 1988 (3)		Percentage change between	
	No of shares traded	No of deals	No of shares traded	No of deals	No of shares traded	No of deals	(1) & (3) (4)	(2) & (3) (5)
Equity	6,341,183	5066	5,502,785	4970	5,377,966	4648	-15.2	-2.3
Federal Govt. Stocks	116,745,900	52	137,070,000	20	62,704,500	32	-46.3	-54.3
Industrial Loans & Preference Stocks	2,522,300	7	2,520,800	11	6,017,573	7	138.6	138.7
Second Tier Securities	28,755	28	131,400	42	397,457	40	1282.2	202.5
Total Stocks	125,638,138	5153	149,334,985	5048	74,497,496	4727	-40.7	-50.1
Total Value	₦124,146,280.75		₦144,330,037.05		₦71,833,339.60		-42.1	-50.2

**VOLUME OF EQUITY SHARES TRADED IN NIGERIAN STOCK EXCHANGE
2ND QUARTER, 1988**

Table 2

Sector	2nd Quarter 1987 (1)	1st Quarter 1988 (2)	2nd Quarter 1988 (3)	Percentage change between	
				(1) & (3) (4)	(2) & (3) (5)
Financial	293,870	267,500	291,064	-1.0	-8.8
Manufacturing	4,450,030	3,452,062	3,269,237	-26.5	-5.3
Commercial	1,188,520	1,651,648	1,686,205	41.9	2.1
Services	408,763	131,575	131,460	-67.8	-0.1
Total	6,341,183	5,502,785	5,377,966	-15.2	-2.3
Value of All Shares	₦6,760,046.47	₦5,926,236.97	₦6,644,852.02	-1.7	12.1

**SUMMARY OF PRICE INDICES OF ORDINARY SHARES LISTED ON THE
NIGERIAN STOCK EXCHANGE FOR SECOND QUARTER 1988
(December 1984 = 100)**

Table 3

Sector	2nd Quarter 1987 (1)	1st Quarter 1988 (2)	2nd Quarter 1988 (3)	Percentage change between	
				(1) & (3) (4)	(2) & (3) (5)
Financial	102.8	144.6	140.6	36.8	-2.8
Manufacturing	139.7	135.0	139.9	0.1	3.6
Commercial	145.6	149.6	149.8	2.9	0.1
Services	81.7	86.8	86.3	5.6	-0.6
All Sectors	130.9	133.8	136.0	3.9	1.6

Table 4

**PRICE INDICES OF ORDINARY SHARES LISTED ON THE
NIGERIAN STOCK EXCHANGE FOR 2ND QUARTER 1988**

(December 1984 = 100)

Sectors/Sub-Sectors	2nd Quarter 1987 (1)	1st Quarter 1988 (2)	2nd Quarter 1988 (3)	Percentage change between	
				(1) & (3) (4)	(2) & (3) (5)
Financial	102.8	144.6	140.6	36.8	-2.8
Manufacturing	139.7	135.0	139.9	0.1	3.6
Breweries	94.4	63.3	65.9	-30.2	4.1
Building Materials	112.6	122.6	131.8	17.1	7.5
Chemicals & Paints	105.7	124.9	131.2	24.1	5.0
Soap & Toiletries	180.4	198.1	206.1	14.2	4.0
Food, Bev. & Tobacco	136.6	115.4	115.7	-15.3	0.6
Ind./Domestic Products	176.1	158.0	162.0	8.0	2.5
Packaging	104.5	109.9	118.1	13.0	7.5
Pharmaceutical/An. Feeds	134.1	198.1	210.3	56.8	6.2
Textiles	194.5	242.2	250.7	28.9	3.5
Commercial	145.6	149.6	149.8	2.9	0.1
Automobile & Tyre	161.2	173.9	167.9	4.2	-3.5
Commercial	168.9	170.4	166.4	-1.5	-2.3
Computer & Office Equipment	250.0	267.2	292.3	16.9	9.4
Conglomerates	142.0	137.7	130.7	-8.0	-5.1
Footwear	133.1	142.6	125.2	-5.9	-12.2
Machinery (mktg.)	77.0	74.6	86.5	12.3	16.0
Petroleum "	151.5	166.0	177.6	17.2	7.0
Pharmaceutical (mktg)	113.7	108.5	103.8	-8.7	-4.3
Services	81.7	86.8	86.3	5.6	-0.6
Construction	74.9	81.3	80.8	7.9	-0.6
Publishing	115.7	112.4	112.4	-2.9	0.0
All Sectors	130.9	133.8	136.0	3.9	1.6

APPENDIX 1

SUMMARY OF EQUITY PRICE MOVEMENT ON THE NIGERIAN STOCK EXCHANGE
IN THE SECOND QUARTER OF 1988

Price Gains		Kobo	Price Drops		Kobo
	Financial			Financial	
1.	Savannah Bank	4	1.	First Bank	20
2.	BFN	1	2.	UBA	11
	Manufacturing		3.	Union Bank	7
3.	Golden Guinea	2	4.	Mercantile Bank	5
4.	Guinness Nig.	10		Manufacturing	
5.	Nigercem	73	5.	Nig. Ropes Ltd.	7
6.	WAPCO	1	6.	Hagemeyer	10
7.	Nigerian Breweries	19	7.	Nigerian Hoechst	30
8.	Chemical & Allied Products	5	8.	Food Specialities	24
9.	International Paints Ltd.	6	9.	Lever Brothers	6
10.	P.Z. Ind. Ltd.	1	10.	Northern Nig. Flour Mills	3
11.	Nig. Bottling Co.	20	11.	Alumaco	1
12.	Nig. Tobacco Co.	25	12.	Cadbury	9
13.	Foremost Dairies	1	13.	P.S. Mandrides	1
14.	Nig. Enamelware	12	14.	Leventis Tech.	2
15.	Vitafoam Nig. Ltd.	10	15.	Ind. Gases Ltd.	6
16.	Metal Box	8	16.	Studio Press	7
17.	Poly Products	2	17.	Van Leer Containers	2
18.	Beecham Ltd.	13	18.	Livestock Feeds	10
19.	Glaxo Nig. Ltd.	20	19.	Pfizer Products	10
20.	Enpee	1	20.	Sterling Products	68
21.	Afprint	8	21.	R.T. Briscoe	4
22.	Nig. Textiles Mills	4	22.	SCOA	12
23.	Westex Ltd.	1	23.	CFAO	9
24.	United Nig. Textiles	4	24.	Bata	10
	Commercial		25.	African Petroleum	21
25.	K. Chellarams	2	26.	Total Nig. Ltd.	48
26.	NCR	2	27.	Pharma-Deko Ltd.	6
27.	Thomas Wyatt	10		Services	
28.	A.G. Leventis	1	28.	G. Cappa	1
29.	Incar Nig. Ltd.	2	29.	Taylor Woodrow Ltd.	1
30.	Wiggins Teape	1			
31.	UACN	25			
32.	Blackwood Hodge	26			
33.	UTC	4			
34.	Stokvis	1			
35.	Agip	5			
36.	Mobil	6			
37.	Texaco	2			
	Services				
38.	Costain	1			
39.	Julius Berger	1			

APPENDIX 2

DIVIDENDS DECLARED BY COMPANIES

1.	Nigerian Enamelware Co.	-	1.5k per share
2.	Cadbury Nig. Ltd.	-	10k per share
3.	CFAO Nig. Ltd.	-	10k per share
4.	Nigerian Hoechst	-	10k per share and a scrip of 1 to 2 shares
5.	Van Leer Containers	-	17k per share
6.	Nig. Breweries Ltd.	-	17k per share
7.	Mobil Oil Nig. Ltd.	-	16.6k per share
8.	Lever Brothers Ltd.	-	29.76k per share
9.	Food Specialities	-	40k per share
10.	Pfizer Products	-	15k per share
11.	Industrial Gases Ltd.	-	16k per share
12.	Livestock Feeds	-	20k per share
13.	Sterling Products	-	70.3k per share
14.	Alumaco Ltd.	-	9.9k per share
15.	NCR	-	44.0k per share
16.	Agip Oil Nig. Ltd.	-	18.5k per share
17.	Guinness Nig. Ltd.	-	4k per share
18.	Dumez Nig. Ltd.	-	8k per share
19.	Total Nig. Ltd.	-	36k per share
20.	Union Bank of Nig. Ltd.	-	8k per share
21.	African Petroleum	-	16.68k per share and a scrip of 1 to 5 shares
22.	Studio Press Nig. Ltd.	-	10k per share
23.	Metal Box Nig. Ltd.	-	7.5k per share
24.	Hagemeyer	-	6.5k per share and a scrip of 1 to 4 shares
25.	Texaco Nig. Ltd.	-	45k per share

**SUMMARY OF PRICE INDICES OF ORDINARY SHARES LISTED ON THE
NIGERIAN STOCK EXCHANGE 2ND QUARTER 1986 – 2ND QUARTER 1988**
(DECEMBER 1984 = 100)

