

REPORT ON PRICE INDICES OF ORDINARY SHARES QUOTED ON THE NIGERIAN STOCK EXCHANGE DURING THE 4TH QUARTER OF 1986*

Trading in equities on the Nigerian Stock Exchange (NSE) was on the increase during the fourth quarter of 1986. In 6,543 deals, 5,039,046 shares changed hands in contrast with 3,427,898 shares traded in 7,208 deals in the third quarter of 1986 and 2,673,714 shares in 5,469 deals during the fourth quarter of 1985.

The significant volume of transactions in the last quarter of 1986 reflected to a large extent, the liquidity crunch in the economy which forced most investors to exchange holdings of financial assets for cash.

Among the actively traded securities in the quarter were: Bewac (425,658 shares), Nigerian Breweries (360,533 shares), Guinness (358,923 shares), R. T. Briscoe (323,295 shares) and Golden Guinea (250,902 shares).

Sectoral and Subsectoral Indices

At 134.0, the all-sector share price index was 2.5 per cent higher than the level in the third quarter of 1986. The increase was reflected in all the component indices, except that of the financial sector which declined by 1.7 per cent. The index was also higher than the level in the corresponding quarter of 1985 by 17.5 per cent (see Table 1 and Chart 1). The share price index of the manufacturing sector rose by 1.6 per cent to 139.5. Compared with the fourth quarter of 1985, the share price index rose by 20.3 per cent. The investors' confidence in the manufacturing sector appeared to have been strengthened by encouraging operational results of most companies. As a result, price gains ranging between 1 and 42 kobo in respect of 32 manufacturing companies were recorded during the quarter under review.

The share price index of the commercial sector was 153.0 during the fourth quarter, representing increases of 3.6 and 23.0 per cent above its levels in the preceding quarter and the corresponding quarter of 1985, respectively. The observed increase over the third quarter was reflected in all the component indices except those of footwear, machinery and pharmaceuticals which recorded respective declines of 23.3,

1.3 and 2.4 per cent. The services sector also indicated a significant increase of 7.4 per cent largely as a result of the improvement in the construction subsector and the encouraging performance of the publishing firms in the last quarter of 1986. However, further improvement is still expected from this sector as most of the listed securities were still trading below their par values.

Price Movements

Price gains ranging between 1 and 42 kobo were recorded for 61 companies during the period under review. This compared with increases of 1 to 47 kobo in the share prices of 47 companies in the third quarter of 1986 and a range between 1 and 33 kobo for 72 companies during the fourth quarter of 1985. Sterling products maintained the highest price gain of 42 kobo while First Bank, Union Bank of Nigeria, Food Specialities and J.L. Morison recorded remarkable gains of 34, 26, 21 and 20 kobo, respectively. The shares of other companies which appreciated in price included Arbico (17 kobo) Agip Oil (14 kobo) Guinness Nigeria Limited (14 kobo), Vono Products (13 kobo) and African Petroleum (12 kobo).

About 25 securities experienced price declines ranging between 1 and 36 kobo during the review period. In the third quarter of 1986, 32 companies recorded price drops of between 1 and 96 kobo while price declines ranged between 1 and 13 kobo for 15 companies during the fourth quarter of 1985. Nigerian Bottling Company recorded the sharpest price drop of 36 kobo, while U.N.T.L. (Textile), Northern Nigerian Flour Mill, Thomas Wyatt and Lennards recorded price declines of 16, 15, 11 and 8 kobo, respectively.

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* This report is based on data obtained from the Nigerian Stock Exchange.

Table 1
SUMMARY OF PRICE INDICES OF SHARES LISTED ON THE NIGERIAN STOCK EXCHANGE
FOR 4TH QUARTER 1986
(DEC 1984=100)

Sectors	4th Qtr	3rd Qtr	4th Qtr	Percentage Change between	
	1985 (1)	1986 (2)	1986 (3)	(1) & (3) (4)	(2) & (3) (5)
FINANCIAL	116.8	118.2	116.2	-0.5	-1.7
MANUFACTURING.....	116.0	137.3	139.5	20.3	1.6
COMMERCIAL.....	124.4	147.7	153.0	23.0	3.6
SERVICES.....	83.3	78.1	83.9	0.7	7.4
ALL SECTORS	114.0	130.7	134.0	17.5	2.5

Source: Derived from data obtained from the Nigerian Stock Exchange.

Table 2
PRICES INDICES OF ORDINARY SHARES LISTED ON THE NIGERIAN STOCK EXCHANGE
FOR 4TH QUARTER 1986
(DEC 1984=100)

Sectors/Sub	Sectors	4th Qtr	3rd Qtr	4th Qtr	Percentage Change between	
		1985 (1)	1986 (2)	1986 (3)	(1) & (3) (4)	(2) & (3) (5)
FINANCIAL		116.8	118.2	116.2	-0.5	-1.7
MANUFACTURING.....		116.0	137.3	139.5	20.3	1.6
Breweries		108.1	104.1	107.5	-0.6	3.3
Building Material.....		103.9	108.3	108.0	3.9	-0.3
Chemical & Paints.....		150.8	105.6	110.4	-26.8	4.5
Cosmetics & Toiletries		111.4	163.2	169.4	52.1	3.8
Food, Bev & Tobacco.....		126.9	152.1	146.3	15.3	-3.8
Ind/Domestic Products.....		119.0	149.1	157.5	32.4	5.6
Packaging.....		105.2	131.9	131.8	25.3	-0.1
Pharmaceuticals & Animal						
Feeds		76.1	126.5	133.4	75.3	5.5
Textiles		142.9	189.2	187.4	31.1	-1.0
COMMERCIAL		124.4	147.7	153.0	23.0	3.6
Automobile & Tyre.....		104.6	144.3	153.7	46.9	6.5
Commercial		116.2	158.0	169.8	46.1	7.5
Comp. & Office Equip		175.9	230.1	249.3	41.7	8.3
Conglomerates.....		127.8	160.4	166.8	30.5	4.0
Footwear		176.1	137.3	105.3	-40.2	-23.3
Machinery		103.8	101.3	100.0	-3.7	-1.3
Petroleum		126.7	133.0	134.5	6.2	1.1
Pharmaceuticals		126.7	109.4	106.8	-15.7	-2.4
SERVICES.....		83.3	78.1	83.9	0.7	7.4
Construction.....		85.0	72.8	77.1	-9.3	5.9
Publishing.....		77.4	97.0	117.2	51.4	20.8
Machinery (marketing).....		77.8	109.9	118.5	52.3	7.8
ALL SECTORS		114.0	130.7	134.0	17.5	2.5

Source: Derived from data obtained from the Nigerian Stock Exchange.

**PRICE INDICES OF ORDINARY SHARES LISTED ON THE NSE
4TH QUARTER 1984 – 4TH QUARTER 1986**

