

# STOCK MARKET REPORT FOR THE THIRD QUARTER OF 1988

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

The Nigerian Stock Exchange experienced a slump during the third quarter of 1988 as total stocks traded declined by 71.2 per cent from 73.9 million in 4538 deals in the second quarter to 21.3 million in 4594 deals in the third quarter of 1988. Compared with the corresponding quarter of 1987 the volume of trade also declined by 38.8 per cent. At ₦21.8 million, the value of stocks traded was 69.3 and 35.5 per cent lower than the values of stocks exchanged in the preceding quarter and the corresponding period of 1987 respectively (See Table 1). Factors accounting for the low tempo of trading include the lull experienced in Federal Government Stocks, industrial loans & preference stocks as well as the second tier securities market (SSM).

Transactions in the Federal Government stocks totalled only 13.9 million as against the 62.7 million and 17.3 million stocks exchanged in the preceding quarter and the corresponding quarter of 1987. Similarly, the industrial loans and preference stocks sector traded only 2.1 million stocks as against the 6.0 million and 9.0 million exchanged in the preceding quarter and the third quarter of 1987 respectively. With the number of shares sold at 56,781, transactions in the SSM were low when compared with 397,457 shares sold in the second quarter of 1988. However the market recorded a significant increase of 107 per cent over the volume of transaction a year ago. Conversely, trading in equity was bullish during the quarter as 5.2 million shares were traded vis-a-vis 4.8 million shares traded last quarter. However, a decline of 38.4 per cent was recorded when compared with the volume of sales, a year ago (See Tables 1 & 2).

## 2. Price Indices Of Ordinary Shares

The aggregate price index of ordinary shares stood at 141.5 indicating increases of 4.0 and 1.2 per cent over the levels in the preceding quarter and the corresponding period of 1987. Apart from the financial sector which recorded declines of 2.2 and 5.2 per cent below the levels in the second quarter of 1988 and the third quarter of 1987 respectively, all other sectoral indices performed relatively well. (See Table 3).

At 137.5, the drop in the share price index of the financial sector was accounted for by the significant price declines of 37,15,13 and 3 kobo in the share prices of UBA, FBN, UBN and SBN respectively (See Appendix 1). The share price index of the manufacturing sector was 147.8 representing increases of 5.6 and 1.7 per cent over the levels in the preceding quarter, and the third quarter of 1987 respectively. The boost in the manufacturing sector was influenced by the improved performance in the share prices of NTC, Nigerian Breweries, Nigercem, Guinness and Nigerian Bottling Co. At 154.7, the share price index of the commercial sector also indicated increases of 3.3 and 0.6 per cent over the levels recorded in the second quarter of 1988 and third quarter of 1987 respectively. The share price index of the services sector was 89.5 indicating increases of 3.7 and 6.4 per cent over the levels in the preceding quarter, and the corresponding period of 1987 respectively. The improved performance of the services sector resulted mainly from

good trading results following increased activities in both the publishing and construction subsectors (See Tables 3, 4 and Appendix 1).

## 3. Price Movement

A total of 46 companies recorded price gains ranging between 1 and 67 kobo, as against minimum and maximum price gains of 1 and 73 kobo declared by 39 companies in the preceding quarter. The highest price gainer of 67 kobo was Nigerian Tobacco Company, while Nigerian Breweries, Guinness, Nigerian Bottling Co. and Westex had price gains of 50, 25, 19 and 18 kobo respectively.

Price drops of between 1 and 37 kobo were recorded for 30 companies, as against the minimum and maximum price drops of 1 and 68 kobo recorded for 29 companies in the second quarter of 1987. The sharpest price drop of 37 kobo was recorded by UBA while Texaco, Total, Sterling Products, African Petroleum, FBN and Hagemeyer shedded 22, 18, 18, 17, 15 and 15 kobo respectively (See Appendix 1).

Overall, 26 companies declared dividends of between 2 and 40.5 kobo per share. Texaco declared the highest dividend of 40.5 kobo, while Grommac Industries Limited, United Nigerian Textiles, Thomas Wyatt, UBA and Nigerian Bottling Co. declared 30, 20, 20, 20 and 18 kobo per share respectively (See Appendix 2).

General Economic Statistics Office  
Statistics & Econometrics Division  
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NIGERIAN STOCK EXCHANGE (NSE) TOTAL STOCKS TRADED – THIRD QUARTER 1988

Table 1

Stocks	3rd Quarter 1987		2nd Quarter 1988		3rd Quarter 1988	
	No of Shares Traded	No of Deals	No of Shares Traded	No of Deals	No of Shares Traded	No of Deals
Equity	8,375,245	5,439	4,770,805	4,459	5,163,015	5,433
Federal Government Stocks	17,336,580	31	62,704,500	32	13,939,680	24
Industrial Loans & Preference Stocks	9,008,250	22	6,017,573	7	2,108,400	4
Second Tier Securities	27,426	42	397,457	40	56,781	33
<b>Total Stocks</b>	<b>34,747,501</b>	<b>5,534</b>	<b>73,890,335</b>	<b>4,538</b>	<b>21,267,876</b>	<b>5,494</b>
<b>Total Value</b>	<b>₦33,800,201.83</b>		<b>₦71,047,699.38</b>		<b>₦21,798,114.02</b>	

VOLUME OF EQUITY SHARES TRADED IN THE NIGERIAN STOCK EXCHANGE  
3RD QUARTER 1988

Table 2

Sector	3rd Quarter 1987	2nd Quarter 1988	3rd Quarter 1988
Financial	327,367	255,088	263,818
Manufacturing	5,045,300	2,771,173	2,964,692
Commercial	2,713,646	1,613,859	1,632,721
Services	288,932	130,685	299,784
<b>Total</b>	<b>8,375,245</b>	<b>4,770,805</b>	<b>5,161,015</b>
<b>Value of All Shares</b>	<b>₦9,548,445.96</b>	<b>₦5,859,211.80</b>	<b>₦5,958,185.75</b>

SUMMARY OF PRICE INDICES OF ORDINARY SHARES LISTED ON THE  
NIGERIAN STOCK EXCHANGE FOR THIRD QUARTER 1988  
(NOVEMBER, 1984 = 100)

Table 3

Sector	3rd Qtr. 1987 (1)	2nd Qtr. 1988 (2)	3rd Qtr. 1988 (3)	Percentage Change Between	
				(1) & (3)	(2) & (3)
				(4)	(5)
Financial	145.1	140.6	137.5	-5.2	-2.2
Manufacturing	145.4	139.9	147.8	1.7	5.6
Commercial	153.8	149.8	154.7	0.6	3.3
Services	84.1	86.3	98.5	6.4	3.7
<b>All – Sectors</b>	<b>139.8</b>	<b>136.0</b>	<b>141.5</b>	<b>1.2</b>	<b>4.0</b>

Table 4

**PRICE INDICES OF ORDINARY SHARES LISTED ON THE NIGERIAN STOCK EXCHANGE  
FOR 3RD QUARTER, 1988 (DECEMBER 1984 = 100)**

Sectors/Sub-Sectors	3rd Qtr 1987 (1)	2nd Qtr 1988 (2)	3rd Qtr 1988 (3)	Percentage Change Between	
				(1) & (3) (4)	(2) & (3) (5)
FINANCIAL	145.1	140.6	137.5	-5.2	-2.2
MANUFACTURING	145.4	139.9	147.8	1.7	5.6
Breweries	84.8	65.9	77.8	-8.3	18.0
Building Materials	122.3	131.8	136.0	11.2	3.2
Chemicals & Paints	122.3	131.2	134.8	10.2	2.7
Soap & Toiletries	196.1	206.1	209.7	6.9	1.7
Food, Bev. & Tobacco	139.3	115.7	130.2	-6.5	12.5
Ind/Domestic Products	176.8	162.0	169.3	-4.2	4.5
Packaging	100.3	118.1	119.9	19.5	1.5
Pharmaceutical/An. Feeds	181.1	210.3	207.7	14.7	-1.2
Textiles	267.0	250.7	250.7	-6.1	0.0
COMMERCIAL	153.8	149.8	154.7	0.6	3.3
Automobile & Tyre	169.0	167.9	171.3	1.4	2.0
Commercial	165.8	166.4	167.1	0.8	0.4
Computer & Office Equipment	318.8	292.3	286.7	-10.1	-1.9
Conglomerates	145.6	130.7	142.2	-2.3	8.8
Footwear	173.9	125.2	150.8	-13.3	20.4
Machinery (mktg)	76.0	86.5	104.9	38.0	21.3
Petroleum (mktg)	149.0	177.6	159.4	7.0	-10.2
Pharmaceutical (mktg)	120.9	103.8	97.5	-19.4	-6.1
SERVICES	84.1	86.3	89.5	6.4	3.7
Construction	78.0	80.8	84.3	6.3	4.3
Publishing	113.5	112.4	113.5	0.0	1.0
ALL - SECTORS	139.8	136.0	141.5	1.2	4.0

**APPENDIX 1**

**SUMMARY OF EQUITY PRICE MOVEMENT IN THE NIGERIAN STOCK EXCHANGE IN THE THIRD QUARTER OF 1988**

Price Gains	Kobo	Price Drops	Kobo
<b>FINANCIAL</b>		<b>FINANCIAL</b>	
1. BFN	2	1. FBN	15
<b>MANUFACTURING</b>		2. SBN	3
2. Cross River Breweries	1	3. UBA	37
3. Golden Guinea	2	4. UBN	13
4. Guinness	25	<b>MANUFACTURING</b>	
5. Nigerian Breweries	50	5. Nigerian Ropes	3
6. Nigercem	30	6. WAPCO	8
7. Berger Paints	14	7. Hagemeyer	15
8. Chemical & Allied	3	8. Nigerian Hoechst	6
9. Int. Paints	11	9. 7 Up	1
10. Lever Brothers	5	10. Food Specialities	7
11. P.Z. Industries	16	11. Alumaco	9
12. Cadbury	4	12. Ind. Gases	8
13. Flour Mills	7	13. Leventis Technical	1
14. N. Nig. Flour Mills	5	14. Studio Press	7
15. Nig. Bottling Co.	19	15. Livestock Feeds	3
16. NTC	67	16. Sterling Products	18
17. P.S. Mandrides	7	17. United Nigerian Textiles	3
18. Tate & Lyle	13	<b>COMMERCIAL</b>	
19. Nig. Enamelware	3	18. Bewac	1
20. Vitaform	17	19. NCR	12
21. Metal Box	5	20. Wiggins Teape	3
22. Poly Products	3	21. Incar	3
23. Van Leer	12	22. John Holt	7
24. Beecham	6	23. Bata	1
25. Glaxo	12	24. Nigerian Sewing Machine	5
26. Pfizer	2	25. African Petroleum	17
27. Afprint	2	26. Texaco	22
28. Enpee	3	27. Total	18
29. Nigerian Textiles	1	28. Boots	3
30. Westex	18	29. Pharma Deko	5
<b>COMMERCIAL</b>		<b>SERVICES</b>	
31. R.T. Briscoe	7	30. Dumez	7
32. J.L. Morrison	1		
33. Thomas Wyatt	12		
34. A.G. Leventis	3		
35. CFAO	1		
36. SCOA	6		
37. UACN	36		
38. UTC	1		
39. Lennards	9		
40. Blackwood Hodge	11		
41. Stokvis	5		
42. Agip	1		
43. Mobil	2		
<b>SERVICES</b>			
44. G. Cappa	6		
45. Julius Berger	3		
46. Taylor Woodrow	2		
47. University Press	1		

## APPENDIX 2

### NUMBER OF DIVIDENDS DECLARED – THIRD QUARTER, 1988

1.	UBA	–	20k per share
2.	SBN	–	10k per share
3.	Texaco	–	40.5k per share
4.	Golden Guinea	–	3k per share
5.	Int. Paints Ltd.	–	15k per share
6.	United Nig. Textiles	–	20k per share
7.	Afprint Nig. Ltd.	–	15k per share
8.	Julius Berger	–	10.5k per share
9.	J.L. Morrison	–	4k per share
10.	G.Cappa	–	4k per share
11.	Thomas Wyatt	–	20k per share
12.	WAPCO	–	12.5k per share
13.	P.S. Mandrides	–	12.5k share
14.	FBN	–	5k per share
15.	7–Up Bottling Co.	–	14k per share
16.	Grommac Ind. Ltd	–	30k per share
17.	UTC	–	10k per share
18.	A.G. Leventis	–	4k per share
19.	N. Nig. Flour Mills	–	6k per share
20.	Nig. Breweries Ltd.	–	15k per share
21.	Uni. Press Ltd.	–	7.5k per share
22.	Glaxo Ltd.	–	10.5k per share
23.	Leventis Tech.	–	2k per share
24.	Flour Mills of Nig.	–	4k per share
25.	Nig. Bottling Co.	–	18k per share
26.	Enpee Ind. Ltd.	–	10k per share

**PRICE INDICES OF ORDINARY SHARES  
LISTED ON THE NIGERIAN STOCK EXCHANGE 3RD  
QUARTER 1986 – 3RD QUARTER 1988 (DECEMBER 1984 = 100)**

A	B	C	D	E		
Financial	Manufacturing	Commercial	Services	All-Sectors		
200	200					
180	180					
160	160					
140	140					
C	B	E				
120	120					
	A					
100	100					
80	80					
	D					
60	60					
40	40					
20	20					
0	0					
3rd	4th	1st	2nd	3rd	4th	1st
2nd	3rd	1986		1987		
1988	Quarters					

**RETAIL PRICE INDICES OF SELECTED CONSUMER  
ITEMS IN LAGOS AREA THIRD QUARTER '86 – THIRD  
QUARTER '88 (NOVEMBER 1975 = 100)**

2000	KEY	2000				
A	Food					
B	Beverages & Drinks					
C	Tobacco					
D	Fuel & Light					
E	Clothing					
F	All Items					
1800		1800				
1600		1600				
1400	E	1400				
1200	A	1200				
1000	F	1000				
800	B	800				
600	D		600			
400	C	400				
200		200				
0		0				
3rd	4th	1st	2nd	3rd	4th	
1st	2nd	3rd	1986	'86	'87	'87
'87	'87	'88	'88	'88		