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## Stock Market Report for the Second Quarter of 1987

Central Bank of Nigeria CBN  
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## STOCK MARKET REPORT FOR THE SECOND QUARTER OF 1987

Transaction in equity on the Nigerian Stock Exchange declined during the second quarter when the number of equities traded fell from 5.5 million in 5,333 deals in the first quarter, to 5.4 million in 4,605 deals. The decline contrasted with a substantial increase of 73.4 per cent over the 3.1 million shares swapped in the corresponding quarter of 1986. The factor responsible for the slump in trading activities during the review period was poor corporate trading results in some quoted companies.

Among the actively traded securities were those of Guinness Nigeria Limited (1,244,159 shares), Lever Brothers Limited (672,624 shares), Nigerian Breweries Limited (468,182 shares) and Nigerian Bottling Company (308,652 shares). A total of 2.5 million units of industrial loan/preference stocks changed hands in 7 deals while 105.8 million units of Federal Government stocks were traded in 52 deals. The Second-Tier Securities Market (SSM) transacted 27,755 in 29 deals during the period under review.

### Sectoral And Sub-Sectoral Share Price Indices

In spite of revaluation of assets of some quoted companies in June 1987, the all-sectors share price index fell by 1.9 per cent to 130.9 in the second quarter of 1987. This compared with a fall of 0.4 per cent in the corresponding quarter of 1986 (see tables 1,2 and chart). The decline during the quarter under review was attributable to the tight liquidity position of institutional investors which resulted in heavy unloading of their equity holdings at the Exchange. All the sectoral indices recorded declines ranging between 7.5 per cent and 0.6 per cent during the review period (see Table 1).

At 102.8, the index of financial sector reflected declines of 7.5 and 12.8 per cent below the levels recorded in the first quarter of 1987 and the corresponding quarter of 1986. The major influence of the decline during the review quarter was the inability of the share prices of First Bank and John Holt Investments to rebound after dividends declaration and issuance of scrip to share holders.

The share price index of the manufacturing sector declined marginally by 0.6 per cent to 139.7. This contrasted with an increase of 1.0 per cent when compared with the second quarter of 1986. The decline is traceable to the falls in the sub-sectors of packaging (14.8 per cent), breweries (10.3 per cent), food, beverages and tobacco (6.9 per cent) (See Tables 1, 2 and chart).

The commercial sector's index at 145.9, fell by 3.8 per cent during the second quarter of 1987. However, an increase of 0.9 per cent was noticed when compared with its level in the corresponding quarter of 1986. The index of the services sector also suffered a decline of 1.0 per cent in contrast to an increase of 4.7 per cent recorded in the second quarter of 1986. The decline in the index for services was due to decreases of 0.5 and 6.3 per cent recorded for construction and publishing sub-sectors respectively during the review quarter.

### Price Movements

Price gains not exceeding 37 kobo was recorded in 31 equities as against gains of 20 kobo in 37 equities during the preceding quarter. United Bank for Africa recorded the highest price gain of 37 kobo while eight companies had the least price gains of 1 kobo each. Among the high level price gainers were Sterling Products (30 kobo) and Union Bank (24 kobo) (see Appendix 1). On the other hand, 49 companies had price drops of between 1 kobo and 89 kobo. The hardest hit was Tate and Lyle that lost 89 kobo. Others include Dunlop Nigeria (45 kobo), UACN (30 kobo) and A.C. Christlieb (27 kobo). In the first quarter of 1987, 40 equities recorded price drops varying from 1 kobo to 37 kobo.

GENERAL ECONOMIC STATISTICS OFFICE  
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TABLE 1

**SUMMARY OF PRICE INDICES OF ORDINARY SHARES LISTED ON THE NIGERIAN STOCK EXCHANGE FOR THE 2ND QUARTER, 1987 (DECEMBER 1984 = 100)**

SECTORS	2nd Quarter 1986 (1)	1st Quarter 1987 (2)	2nd Quarter 1987 (3)	Percentage Change Between	
				(1) & (3) (4)	(2) & (3) (5)
Financial . . . . .	117.9	111.1	102.8	-12.8	-7.5
Manufacturing . .	138.3	140.5	139.7	1.0	-0.6
Commercial . . . .	144.3	151.3	145.6	0.9	-3.8
Services . . . . .	78.0	82.5	81.7	4.7	-1.0
All-Sectors . . . .	131.4	133.5	130.9	-0.4	-1.9

Table 2

**PRICES INDICES OF ORDINARY SHARES LISTED ON THE NIGERIAN STOCK EXCHANGE FOR THE 2ND QUARTER 1987 (DECEMBER, 1984 = 100)**

Sectors/Sub-Sectors	2nd Quarter 1986 (1)	1st Quarter 1987 (2)	2nd Quarter 1987 (3)	Percentage Change Between	
				(1) & (3) (4)	(2) & (3) (5)
FINANCIAL . . . . .	117.9	111.1	102.8	-12.8	-7.5
MANUFACTURING . . . . .	138.3	140.5	139.7	1.0	-0.6
Breweries . . . . .	107.5	105.2	94.4	12.2	10.3
Building Materials . . . . .	116.8	107.3	112.6	-3.6	4.9
Chemical and Paints . . . . .	115.4	109.8	105.7	-8.4	-3.7
Soap & Toiletries . . . . .	155.9	167.2	180.4	15.7	7.9
Food, Bev. & Tobacco . . . . .	152.1	146.7	136.6	-10.2	-6.9
Industrial/Domes. Prod. . . . .	142.0	170.2	176.1	24.0	3.5
Packaging . . . . .	136.2	122.7	104.5	-23.3	-14.8
Pharmaceuticals/Animal Feeds . . . . .	122.4	137.0	134.1	9.6	-2.1
Textiles . . . . .	193.0	189.7	194.5	0.8	2.5
COMMERCIAL . . . . .	144.3	151.3	145.6	0.9	-3.8
Automobile and Tyres . . . . .	127.1	147.0	161.2	26.8	9.7
Commercial . . . . .	133.4	168.0	168.9	26.6	0.5
Computer & Office Equip . . . . .	227.6	242.5	250.0	9.8	3.1
Conglomerates . . . . .	155.7	164.8	142.0	-8.8	-13.8
Footwear . . . . .	142.7	97.3	133.1	-6.7	36.8
Machinery (Marketing) . . . . .	108.0	97.3	77.0	-28.7	-20.9
Petroleum (Marketing) . . . . .	149.3	143.9	151.5	1.5	5.3
Pharmaceutical (Marketing) . . . . .	131.5	108.3	113.7	-13.5	5.0
SERVICES . . . . .	78.0	82.5	81.7	4.7	-1.0
Construction . . . . .	73.6	75.3	74.9	1.8	-0.5
Publishing . . . . .	94.0	123.5	115.7	23.1	-6.3
ALL-SECTORS . . . . .	131.4	133.5	130.9	-0.4	-1.9

**APPENDIX 1**

**SUMMARY OF EQUITY PRICE MOVEMENTS ON THE NIGERIAN STOCK EXCHANGE FOR 2ND QUARTER, 1987**

<b>SECTOR / SECURITY FINANCIAL SECTOR</b>	<b>PRICE GAINS KOBO</b>	<b>Manufacturing Sector</b>	
1. United Bank for Africa	37	5. Guinness	1
2. Union Bank of Nig.	24	6. Nigerian Breweries	7
3. Savannah Bank	8	7. Golden Guinea	16
		8. Cross River Breweries	14
<b>Manufacturing Sector</b>		9. West African Portland Co.	2
4. Nigeria Wire Industry	2	10. Nigeria Ropes	1
5. Hagemeyer	4	11. Berger Paints	18
6. P. Z. Industries	12	12. Chemical and Allied	12
7. Food Specialities	5	13. Nigeria Hoechst	5
8. Ovaltine	2	14. Lever Brothers	7
9. P. S. Madrides	1	15. Cadbury	17
10. Nigeria Tobacco Co.	11	16. A.C. Christlieb -	27
11. Alumaco	5	17. Tate and Lyle	89
12. Vono Products	1	18. Flour Mills	16
13. Berec Nig. Ltd.	1	19. North. Nig. Flour Mills	8
14. Industrial Gasses	5	20. Nigerian Bottling Co.	7
15. Beecham	9	21. Bata	19
16. Sterling Products	30	22. Vitafoam	4
17. Afprint	2	23. Dunlop Nig. -	45
18. Nigeria Textiles	3	24. Nigerian Sewing Machine	1
19. Enpee	3	25. Metal Box	10
20. United Nig. Textile Mills	2	26. Studio Press	11
		27. Van Leer	8
<b>Commercial Sector</b>		28. Poly Products	2
21. Leventis Motors	1	29. West African Glass	12
22. Bewac	1	30. Glaxo	2
23. Lennards	1	31. Pfizer	17
24. Agip	8	32. Livestock Feeds	21
25. African Petroleum	12	33. Westex	3
26. Pharma-Deko	3		
27. Boots	2	<b>Commercial Sector</b>	
		34. J. L. Morrison	8
<b>Services Sector</b>		35. Leventis Technical	2
28. Arbico	2	36. University Press	2
29. Roads Nigeria	5	37. NCR	2
30. Cappa and D'Alberto	1	38. Wiggins Teape	1
31. Julius Berger	1	39. C. F. A. O.	21
		40. U. A. C. N.	30
		41. A. G. Leventis	1
		42. S. C. O. A.	9
		43. Stokvis Nig.	9
		44. Texaco	15
		45. Mobil	11
<b>SECTOR / SECURITY FINANCIAL SECTOR</b>	<b>PRICE DROPS (KOB)</b>	<b>Services Sector</b>	
1. Bentworth Finance Nig.	10	46. Costain	2
2. John Holts Investments	7	47. Taylor Woodrow	5
3. First Bank	3	48. Daily Times	4
4. Mercantile Bank	6	49. Blackwood Hodge	4

**APPENDIX 2**

**VOLUME OF TRANSACTION**

2nd Quarter 1986:	3,115,515	equities exchanged in 5,483 deals.
1st Quarter 1987:	5,515,914	equities exchanged in 5,333 deals.
2nd Quarter 1987:	5,402,876	equities exchanged in 4,605 deals.

**PRICE INDICES OF ORDINARY SHARES LISTED ON THE NIGERIAN STOCK EXCHANGE  
2ND QUARTER 1986-2ND QUARTER 1987 (DECEMBER 1984 = 100)**

