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Stock Market Report for the Second Quarter of 1989

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STOCK MARKET REPORT FOR THE SECOND QUARTER OF 1989

1. Transactions in the Nigerian Stock Exchange (NSE)

The main event that dominated the transactions on the Nigerian Stock Exchange during the second quarter, 1989 was the compulsory transfer of the accounts of ministries and parastatals from the commercial and merchant banks to the CBN. In an attempt to raise their liquidity positions the banks and other private holders of Federal Government Development Stocks unloaded their holdings of the stocks on the Exchange. Consequently, the total volume of stocks traded rose from 14.9 million in 6558 deals during the first quarter of 1989 to 270.9 million in 8307 deals in the quarter under review. Compared with the corresponding quarter of last year, when 73.9 million stocks were sold in 4538 deals, transactions during the second quarter of 1989 increased tremendously. Similar trend was also exhibited by the value of stocks exchanged during the period under review. At ₦264.0 million, the total value of stocks traded significantly surpassed the respective amounts of ₦16.6 million and ₦71.0 million worth of stocks sold in the comparable quarters of 1989 and 1988.

At 266.4 million stocks, transactions in the Federal Government Development Stocks increased significantly over the 9.2 million and 62.7 million stocks traded in the preceding quarter and the corresponding quarter of 1988 respectively. The industrial loans and preference stocks traded declined to only 201,700 from 1.0 million and 6.0 million stocks in the first quarter of 1989 and the second quarter of 1988 respectively. Although the volume of transactions in the Second-Tier Securities Market (SSM), at 38,826 shares improved slightly over the 34,313 shares sold in the preceding quarter, trading in this sector was still bearish when compared with 397,457 shares exchanged a year ago. Similarly, the volume of shares (4.3 million) traded in the equities sector was slightly lower than the volume of shares sold in the preceding quarter and the corresponding period of 1988 (See Tables 1 & 2).

2. Price Indices of Ordinary Shares

The aggregate price index of ordinary shares stood at 149.9, representing increases of 1.1 and 10.2 percent over the levels in the first quarter of 1989 and the second quarter of 1988 respectively. At 128.2, the share price index of the financial sector declined by 1.2 and 8.8 percent below the levels in the preceding quarter and the corresponding quarter of 1988. The share price index of the manufacturing sector improved slightly by 1.7 and 13.7 percent over the levels in the preceding quarter and the corresponding period of 1988. Good trading results emerged for some listed companies in the sector, leading to increased transactions in the shares of the textiles, building materials and breweries sub-sectors. While the share price index of the commercial sector, at 167.0 also exhibited similar increases over the levels in the first quarter of 1989 and the second quarter of 1988, that of the services sector, at 89.6, declined below its preceding quarter's level. This contrasted with the level in the second quarter of 1988, when the index rose by 3.8 percent.

3. Other Price Developments

In the quarter under review, price gains of between 1 and 36 kobo were recorded for 47 companies as against minimum and maximum price gains of 1 and 77 kobo recorded for 58 companies in the preceding quarter. Conversely, price drops of between 1 and 55 kobo were recorded for 23 companies during the period under review. Dividends declared also ranged between 1 and 48.2 kobo per share for twenty-four companies (See Appendices 1 & 2).

General Economic Statistics Office
Statistics and Econometrics Division
Research Department.

NIGERIAN STOCK EXCHANGE (NSE) TOTAL STOCKS TRADED IN THE SECOND QUARTER 1989

Table 1

Stocks	2nd Quarter 1988		1st Quarter 1989		2nd Quarter 1989	
	No. of Shares Traded	No. of Deals	No. of Shares Traded	No. of Deals	No. of Shares Traded	No. of Deals
Federal Government Stocks	62,704,500	32	9,173,640	19	266,388,871	27
Industrial Loans & Preference Stocks	6,017,573	7	1,014,900	5	201,700	9
Second Tier Securities	397,457	40	34,313	56	38,826	107
Equity	4,770,805	4,459	4,641,418	6,478	4,255,251	8,307
Total Stocks	73,890,335	4,538	14,864,271	6,558	270,884,648	8,450
Total Value	₦71,047,699.38		₦16,578,957.70		₦263,962,256.89	

**VOLUME OF EQUITY SHARES TRADED IN THE NIGERIAN STOCK EXCHANGE
IN THE 2ND QUARTER, 1989**

Table 2

Sector	2nd Quarter 1988 (1)	1st Quarter 1989 (2)	2nd Quarter 1989 (3)
Financial	255,088	202,749	193,433
Manufacturing	2,771,173	2,086,434	2,803,590
Commercial	1,613,859	2,096,482	1,187,365
Services	130,685	255,753	70,863
Total	4,770,805	4,641,418	4,255,251
Value of Shares	₦5,859,211.80	₦5,193,717.51	₦3,242,808.47

**SUMMARY OF PRICE INDICES OF ORDINARY SHARES LISTED ON THE
NIGERIAN STOCK EXCHANGE FOR 2ND QUARTER 1989**

Table 3

Sectors	2nd Quarter 1988 (1)	1st Quarter 1989 (2)	2nd Quarter 1989 (3)	Percentage Change Between	
				(1) & (3) (4)	(2) & (3) (5)
Financial	140.6	129.7	128.2	-8.8	-1.2
Manufacturing	139.9	156.4	159.0	13.7	1.7
Commercial	149.8	164.4	167.0	11.5	1.6
Services	86.3	91.1	89.6	3.8	-1.6
All - Sectors	136.0	148.3	149.9	10.2	1.1

Table 4

**PRICE INDICES OF ORDINARY SHARES LISTED ON THE NIGERIAN STOCK EXCHANGE
FOR 2ND QUARTER, 1989 (DECEMBER 1984 = 100)**

Sectors/Sub-Sectors	2nd Quarter 1988 (1)	1st Quarter 1989 (2)	2nd Quarter 1989 (3)	Percentage Change Between	
				(1) & (3) (4)	(2) & (3) (5)
FINANCIAL	140.6	129.7	128.2	-8.8	-1.2
MANUFACTURING	139.9	156.4	159.0	13.7	1.7
Breweries	65.9	97.1	101.1	53.4	4.1
Building Materials	131.8	133.3	140.2	6.4	5.2
Chemicals & Paints	131.2	135.4	128.3	-2.2	-5.2
Soap & Toiletries	206.1	199.6	205.8	-0.1	3.1
Food, Bev. & Tobacco	115.7	142.6	147.5	27.5	3.4
Ind/Domestic Products	162.0	174.6	178.5	10.2	2.2
Packaging	118.1	130.3	129.7	9.8	-0.5
Pharmaceutical/An. Feeds	210.3	196.8	184.3	-12.4	-6.4
Textiles	250.7	279.3	309.5	23.5	10.8
COMMERCIAL	149.8	164.4	167.0	11.5	1.6
Automobile & Tyre	167.9	230.0	244.3	45.5	6.2
Commercial	166.4	174.0	175.4	5.4	0.8
Computer & Office Equipment	292.3	224.1	228.4	-21.9	1.9
Conglomerates	130.7	152.3	154.1	17.9	1.2
Footwear	125.2	168.4	158.3	26.4	-6.0
Machinery (mktg)	86.5	85.1	85.1	-1.6	0.0
Petroleum (mktg)	177.6	185.9	201.6	13.5	8.4
Pharmaceutical (mktg)	103.8	103.3	90.2	-13.1	-12.7
SERVICES	86.3	91.1	89.6	3.8	-1.6
Construction	80.8	88.1	88.4	9.4	0.3
Publishing	112.4	104.4	94.5	-15.9	-9.5
ALL - SECTORS	136.0	148.3	149.9	10.2	1.1

APPENDIX 1
SUMMARY OF EQUITY PRICE MOVEMENT IN THE NIGERIAN STOCK EXCHANGE
2ND QUARTER, 1989

Price Gains	Kobo	Price Drops	Kobo
FINANCIAL		FINANCIAL	
1. BFN	1	1. FBN	14
2. UBN	2	2. UBA	1
MANUFACTURING		MANUFACTURING	
3. Cross River Breweries	1	3. Guinness	4
4. Golden Guinea	3	4. Berger Paints	38
5. Nig. Breweries	5	5. CAPL	2
6. Nig. Ropes	6	6. Hagemeyer	2
7. WAPCO	3	7. Lever Brothers	33
8. Int. Paints	1	8. Cadbury	11
9. Nig. Hoechst	10	9. Food Specialities	8
10. P.Z. Industries	5	10. Industrial Gases	1
11. 7-Up	8	11. Nig. Enamelware	1
12. Flour Mills	15	12. Studio Press	1
13. Nig. Bottling Co.	5	13. Poly Products	4
14. NTC	8	14. Sterling Products	55
15. P.S. Mandrides	2	COMMERCIAL	
16. Tate & Lyle	16	15. NCR	14
17. Alumaco	1	16. CFAO	23
18. Leventis Technical	4	17. John Holt	31
19. Vita Foam	6	18. SCOA	3
20. Vono	1	19. Bata	7
21. Metal Box	1	20. Mobil	3
22. Van Leer	1	21. Pharma-Deko	10
23. Beecham	4	SERVICES	
24. Glaxo	3	22. Taylor Woodrow	2
25. Livestock Feeds	2	23. Daily Times	9
26. Afprint	15		
27. Enpee	9		
28. Nig. Textiles	12		
29. United Nig. Textiles	20		
30. WESTEX	10		
COMMERCIAL			
31. Dunlop	7		
32. Leventis Motors	18		
33. R.T. Briscoe	1		
34. J.L. Morrison	1		
35. Thomas Wyatt	1		
36. Wiggins Teape	3		
37. A.G. Leventis	6		
38. UACN	36		
39. UTC	9		
40. African Petroleum	5		
41. Agip	1		
42. Texaco	26		
43. Total	3		
44. Boots	1		
SERVICES			
45. Cappa & D'Alberto	1		
46. G. Cappa	5		
47. Julius Berger	3		

APPENDIX 2

DIVIDENDS DECLARED BY COMPANIES IN THE SECOND QUARTER OF 1989

1.	Food Specialities Nig. Ltd.	– 35k per share
2.	Nigerian Enamelware Co.	– 3 kobo per share
3.	Nig. Hoechst Ltd.	– 1.5 kobo per share
4.	Grommac Ind. Ltd.	– 30 kobo per share
5.	Mobil Oil Nig. Ltd.	– 13.18 kobo per share
6.	Blackwood Hodge	– 1 kobo per share
7.	Hagemeyer	– 13.6 kobo per share
8.	FBN	– 22 kobo per share
9.	Lever Brothers	– 43 kobo per share and a scrip issue of one new share for every two existing shares.
10.	NBL	– 21.4 kobo per share
11.	Nig. Ropes Ltd.	– 14 kobo per share
12.	NCR	– 48.2 kobo per share
13.	Sterling Products	– 35 kobo per share and a scrip of 1.1
14.	CFAO	– 20 kobo per share
15.	PBN	– 5 kobo per share
16.	Christlieb Ltd.	– 3 kobo per share
17.	UBA	– 25 kobo per share
18.	Studio Press (Nig.) Ltd.	– 10 kobo per share
19.	International Paints Ltd.	– 15 kobo per share
20.	Nigerian Cement Co. Ltd.	– 5 kobo per share
21.	Aluminium Manufacturing Co.	– 11 kobo per share and a scrip of 1.1
22.	Industrial Gases	– 14 kobo per share
23.	Agip	– 19 kobo per share and a scrip of 1.2
24.	Total (Nig.) Ltd.	– 21 kobo per share

SUMMARY OF PRICE INDICES OF ORDINARY SHARES IN THE NIGERIAN STOCK EXCHANGE
2ND QUARTER 1987 – 2ND QUARTER 1987 – 2ND QUARTER 1989 (DECEMBER 1984 = 100)

