SECURITY VALUATIONAND PRICE MOVEMENT IN THE NIGERIAN STOCK EXCHANGE.

A RESEARCH PROJECT SUBMITTED IN PARITAL FULFILLMENT OF THE REQUIREMENTS FOR THE MASTER DEGREE OF BUSINESS ADMINISTRATION (M. B.A.)

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CERTIFICATION

This project is entitled – SECURITY VALUATION AND PRICE MOVEMENT IN THE NIGERIAN STOCK EXCHANGE; written by **IMAM BASHIR BALA**, meets the regulation governing the award of the Degree of **MASTER OF BUSINESS ADMINISTRATION** (MBA) of AHMADU BELLO UNIVERSITY, ZARIA, and is approved for its contribution to knowledge and literary presentation.

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DECLARATION

I hereby declared that this project was written by me, and that it is a record of my research work. To the best of knowledge, this project has not been presented to any post Graduate School for the award of a higher degree.

IMAM BASHIR BALA		04/03/95
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Prof. Mohammed Dalhatu Bashir		5/3/95
NAME OF SUPERVISOR	SIGNATURE	DATE.

DEDICATION

This work is dedicated to the Islamic World

and sensible, reasonable and logical

thanking persons on earth.

ACKNOWLEDGEMENT

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Big thanks.

Bashir B, Imam.

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A B S T R A C T

This research presents the movement of stock prices in the Nigerian stock Exchange, and also the valuation of such securities at both primary and secondary markets. In this work, some selected companies and financial institutions that are registered in the Stock Exchange are used.

A careful analysis was conducted on the stock price movement for each of the selected companies using the fundamental approach (multiple P/E) to the forecasting of shares.

The research work also help to examine how efficient is the Nigerian Capital Market, especially with respect to security pricing.

At the end of this presentation some far researching advice were given which can assist to improve the activities of the Nigerian Stock Exchange.

CHAPTER 1

INTRODUCTION

The survival of any economy, fundamentally, depends largely on the existence of an efficient regulatory financial system to determine the cost, and application of funds. The financial system is made up of money market and capital market.

The money market is where short term funds usually within one year are sourced. It could be inform of treasury bills, commercial papers, securities, Negotiable certificates of deposits, etc.

The transactions are usually carried out inform of interbank activities on behalf of customers. Recently, the interbank cost of borrowing recorded an unprecedented increase to as high as 75% per annum, due to the central Banks' withdrawal of N22 Billion from circulation through the stabilization bills. An indication of unplanned and inadequate analysis of the consequences of their action on the economy.

The capital market, on the other hand, is the market for long-term funds and securities where the period extends beyond one year. These include long term loan, preference share, ordinary shares, mortgage bonds, Federal Government Bonds (often called gilt edged securities) and industrial loans.

The capital market is a "Complex Institutions" and mechanism through which intermediate funds and long term funds are pooled and made available for business, government and individuals and instrument already outstanding are transfered" (Gaumnd 2 and Dougal 1905).

In the capital market, the principal actors that play one role or the other in the transfer of fund from savers to users include the stock exchange, share registers, issuing houses, stock brokers and under writers and securities and

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exchange commission. Since the capital market acts as intermediary between holders of surplus fund and individual, institution or government with good business idea, but with little or no capital, through the Nigerian Stock Exchange Commission, then, it is necessary to look at how the securities are valued at primary and secondary market.

The primary market is the market where newly issued securities to the investing public are valued, priced and approved for sales or subscription. On the other hand the secondary market is the market for second-hand securities, that have already been issued and changing hands from among investors.

The securities valuation in the primary market is usually carried out by the Nigerian Securities and Exchange Commission. In conjunction with the Nigerian Stock Exchange, as the principal actor in the determination of the prices of securities in the secondary market which are usually influenced by the forces of supply and demand.

In the views of some market watchers, the Nigerian securities and Exchange Commission are inefficient, incept, Bureaucratic and insensitive to general stock exchange principles. This is due to their inability to inculcate into the investors of the need to:-

(a) Invest more regularly so that they can make some capital gain or alternatively create awareness in the investing public to change from "Defensive investor to "Enterprising Investors".

(b) Encourage more companies to get registered with the Commission by reducing the stringent conditions for enlisting.

(c) Application of the "call" system of operation or trading at call-over room in the stock Exchange.

Nonetheless, the above observation are quite obvious and should not be over emphasized considering the fact that ours is a developing economy with a lot of short falls, the stock exchange cannot be exceptional. Despite the short

comings, it is imperative to state here that the Nigerian Capital market is gradually picking up the prices with the establishment of the corporate Department to inform the public of the importance in vesting in quoted companies. As a result, between 1981 and 1993, the number of quoted companies has increased from 91 to 221 approximately, if is thus important, that system of securities valuation must be designed as insurance against arbitrary price fixing in any capital formation. It is therefore necessary for financial institutions like the Nigerian Securities and Exchange Commission and the Nigerian Stock Exchange to be critically examined in their assigned responsibilities in a country like Nigeria with a developing economy full of endless cries about uncontrollable inflation and shortages of capital for long term investment.

1.2 STATEMENT OF PROBLEMS

The realization of the existence of shortage of capital especially foreign Exchange for effective industrial based in Nigerian become a prime factor, coupled with the increased cost of capital in most of our financial institutions. Therefore, the role play by the Nigerian Capital Market is vital in the determination of the cost of fund, where and when it should be sourced. "Thus the securities price valuation are usually influenced by the performance of the company, the industry, the company belong and the prevailing circumstances in the capital market".

Capital is the bedrock of any company. The introduction of Stuctural Adjustment Programme (SAP), a lot of companies were forced out of business and thus closed down due to shortage of raw materials and lack of capital.

It is unpleasant for a firm to run out of capital, because in a competitive economy, a firm will loss both sales and customers as well as the good will if it runs out of business as a result of lack of capital. Therefore, it is the

responsibilities of the top management to always decide whether to go to the capital market to raise fund or not.

The interest for this paper was generated by the problems which have just been highlighted above.

The questions which the paper would attempt to answer are:-

(i) Why do company go to capital market?

(ii) What critical do Nigerian Security and Exchange Commission use in the valuation of securities?

(iii) Are securities under or over valued by sec?

(iv) Which method of valuation will be most appropriate for each industry?

(v) Other related problem shall be explored.

1.3 OBJECTIVES OF THE STUDY (THE RESEARCH AIM MAINLY AT):-

1. Investigating and evaluation of the techniques used by the Nigerian Stock Exchange in determining the prices of securities in the primary and secondary markets, and to evaluates the behaviour and movement of this securities in the Nigerian Stock Exchange.

2. To determine the various factors that are responsible for price movement in the secondary market.

3. Compare the Nigerian Capital Market to the modern world capital market.

4. Suggest possible solution to improve on the performance of the Nigerian Capital Market to become more competitive with their counterpart in developed countries.

1.4 RELEVANCE OF THE STUDY:

The Nigerian Capital Market has been in existence for the past 32 years, but it does not seems to have come of age, when compared with other stock Exchange like that of New York stock Market (NYSM), London stock

Market and Tokyo Stock Exchange. This is due to the fact that there are few relevant research to be fully synthesized in the operational operandi, of the Nigerian Capital Market.

The operations of the Nigerian capital market such as stock Exchange are been carried out in "Secrecy" with only few Nigerians having adequate knowledge of it existence, operations and advantages.

The introduction of the structural Adjustment Programme (SAP) coupled with the privatization decree, the Nigerian Stock Exchange suddenly become active.

Most of this companies that are being privatized are companies with huge investment but with little profit to justify their investment.

This study will therefore, try to justify the incrinsic value of securities in the capital market by using the fundamental analyst tools and make some recommendations if there is any disequilibria in the market.

1.5 SCOPE AND LIMITATIONS:

This research work is mainly exploratory seeking to investigate the extent to which the Nigerian Securities and Exchange Commission in conjunction with the Nigerian Stock Exchange use in determining the value and prices of securities and the factors they use in the evaluation.

The work will not go into areas such as rate of return that stock-holders would have for their investment in any of the companies analyzed or the selection of portfolio for investment purposes.

The study will cover some aspects of the Nigerian Capital Market Operations. Primary data will be collected from Nigerian Securities and Exchange Commission and Nigerian Stock Exchange for analysis. Nonetheless, the following limitations are been envisaged in the course of the project.

The problems of collecting datas that is relevant to this study from the Nigerian Securities and Exchange Commission as well as the Nigerian Stock

Exchange. This is due to the fact that they are always very secretive in their handling of information relating to some of the companies that are listed in the Stock Exchange. So getting accurate result or responses that are positive on the questionnaires may not be easy.

Another problem is the cost of transportation to Nigerian Stock Exchange in Lagos and the time constraints will militate against the quick conclusion of the study.

In view of the fact that no enough representative data were collected for analysis, generalizations should not be much emphasized.

1.6 HYPOTHESIS: STOCK ON THE NIGERIAN CAPITAL MARKET ARE UNDER-VALUED.

1.7 CORPORATE INFORMATION ON NIGERIAN CAPITAL MARKET:

The Nigerian Security and Exchange Commission (NSEC) is the apex regulatory body for the Nigerian Capital Market. It was set up under the security and Exchange Decree, 1979 (effective from 1st Aril, 1978) with the main aim of protecting the interest of the investors and to oversea the efficient and effective development of capital market.

The Nigerian Stock Exchange is non-profit making organization, limited by guarantee, incorporated via the inspiration and support of the Federal Government and businessmen with the following as the founding members:-

C. T. BOWRING AND COMPANY NIGERIA LIMITED, CHIEF THEOPHILUS ADEBAYO DONEXTY, JOHN HOLT (NIG) LIMITED, THE INVESTMENT COMPANY OF NIGERIA LIMITED, SIR ODUMEGWU OJUKWU, AKINTOLA WILLIAMS AND ALHAJI SHEHU BUKA.

The Nigerian Stock Exchange is made up of shareholders comprising financial institutions, stock brokers and the individual Nigerians.

1.7 MANAGEMENT, OPERATION AND BRANCHES:

At the top, the Nigerian stock exchange has a president and council

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members, Chairman and Board of Directors who are elected at each Annual General Meeting of members of the Exchange. The tenure of the Presidency is one year term. The council is responsible for policy making, but the day to day running of the affairs of the Exchange is administered by the Director-General, and his management team.

The Nigerian Stock Exchange (NSE) is responsible for the listing and delis ting and general discipline in the market and its orderly conduct. There are six branches of the exchange located in Lagos, Kaduna, Kano, Port-Harcourt, Onitsha and Ibadan.

The Nigerian Stock Exchange opened its first trading floor in Lagos in 1961 with only 19 Securities worth N80 million listed in it. By December, 1990 there were 221 Securities with a market capitalization of about N16 million, about 60 issuing over 75 stock-broking. However, over 100 floor dealers, several registrars, more experienced and skilled staff and a computerized communication system.

CHAPTER 2

2.1 INTRODUCTION

Paradoxically, security valuation is one of the most important functions of the Nigerian Market. This literature review is going to cover the methods used in the valuation of stock, the body entrusted with the responsibilities and their achievements. We shall also look at some of the assumptions of some Market watchers as it relate to security valuation and price movement in the Nigerian Capital Market.

2.2 INVESTING IN SECURITY:

Most investors invest in security with the hope of getting adequate return on their investment. There are usually three different types of investors:

(i) The Risk Averter Investor;

(ii) The Risk Neutral Investor;

(iii) The Risk Lover Investor.

The risk avertor avoid risk. He prefers assured income for his investment to the same amount of its expected monetary value. They prefer to invest in a fixed income portfolio than variable income portfolio. The risk avertor usually has a utility of wealth function which is concave in nature.

The risk Lover would prefer a gamble even if it is an unfair gamble. That is, he has a very large chance of losing his investment, but small chance of winning large sum.

For the risk lover, it does not matter whether his expected monetary losses exceed his expected monetary gain. He has a utility wealth function that is convex.

On the other hand, the risk neutral investor, only accept a gamble when is fair

and not if it is unfair. His utility of wealth function is a straight line.

A prospective investor has combination of Assets to choose from securities such as Government bonds, Debentures, Common Stock, Preferred Stock, Treasury bills, Real Estate, International currencies, etc. The investor is aware of the market ability of the above securities, as a result they prefer to invest in any of them with the hope of making return in specified period.

Since securities available in the market are so many, the investor is often face with a lot of choices. Nonetheless, the investor usually select the best security that can guaranteed a certain return with a limited associated level of risk. In a country like Nigeria, most investors invest in Government Treasury bills because of the low risk associated with it. This has gone along way to show that the average Nigerian is a "defensive investor". That is they are conservative and avoids risk as much as possible. His emphasis is on the safety of his investment, so he is an infrequent decision maker. It is pertinent to state here that the revise is the case in developed countries like United State of America and Japan. The investors in developed world care "enterprising" investors. At times they can even go into speculative transaction in order to make adequate return on their investment.

Since most of this activities are carried out by institutional investors and investment analyst on behalf of their clients, it is desirable therefore to assess critically the prices of securities they intend to invest and determine whether they are over valued or undervalued.

2.3 SECURITY VALUATION IN THE CAPITAL MARKET:

Security valuation in the capital market normally is carried out in the primary market and secondary market.

The primary market:- "Is the new issues market where newly issued securities being offered to the investing public are valued, priced and approved for sale/subscription".

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Secondary market:- "is the market for second hand securities, securities that have already been issued and are changing hands among investors" (BOB OSAZE, pg. 109 the capital market). The secondary market is the stock exchange where transactions take place in already issued securities. The distinctions between the two market is imperative because pricing and valuation in both markets is different, is affected by different factions and also is carried out by different regulatory bodies.

In the primary market, the Nigerian securities and Exchange Commission, in collaboration with the Nigerian Stock Exchange, issuing Houses, stockbrokers, investment Advisers and companies that determines the prices at which new securities are to be issued for sale. On the other hand, the economic forces of supply and demand resulting from investors perception of the worth of a security, essentially determines the prices of securities in the secondary market.

2.3.1 BOND VALUATION:

Bond or debenture are usually fixed income securities back up by collaterals, the value of a bond is a function of the interest income that the investor or bondholder expects plus the terminal value of the principal that must be paid at the maturity of the bond.

Bond value = (1/1+kd)1 + (1/1+kd)2 + (1/1+kd)3 + (1/1+kd)n + (pn/1 + kd)n

where

I = Interest Income per annum,

Kd = Cost of debt or required rate of return,

Pn = Principal of the bond

N = Holding period of the bond or its maturity.

Distinctively, the price of value of a bond will depend on the yield or required

rate of return. That the investor or bond-holder expects from investing in it. The issue as to whether the bond can earn that yield or not is another matter entirely.

It is therefore the sole responsibility of the Nigerian Security and Exchange Commission to look into this matter and evaluate the worth of the bond before doing a quantitative pricing as shown above. In appraising the worth of a bond on offer, is the Nigerian Securities and Exchange Commission attempts to evaluate the entire proposal or project for which the bond is being issued, including the issuing company for the purpose of ensuring that the interest of the investor is catered for. Particularly, the most important in the appraisal process is the trust Deed that accompanies the bond offer.

(a) The bond has adequate security to back up their request. This could either be in form of fixed tangible assets, a floating security, a guarantee or just a negative pledge;

(b) Interest payment must be steady, sure, regular and periodic;

(c) The existence of a sinking fund account provisions, which is an account specially, set aside and into which a specified amount are kept for redeeming the bond at maturity.

(d) The bond is redeemable at maturity at the option of the issuing company or in the alternative convertible into ordinary share at some predetermined date and a specified conversion price.

(e) The issuing company or organization should be able to generate enough earnings from its operations to services the debt as and when due.

(f) The bond to be issued should not jeopardize the present position of

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ordinary stockholders unnecessarily.

In the secondary market, bond pricing obeys the economic law of supply and demand. The demand for a bond will be influenced by the yield which the investors who are interested in the bond expect to earn, the safety of their capital, the ability to pay interest regularly and the offered by other alternative fixed income investment. The availability of bond in the secondary market is essential function of the liquidity needs of the current holders, their investment objectives and the present of other more attractive investment opportunities. Thus, the price of bond may rise or fall depending on the relationship between demand and supply for a bond.

2.3.2 PREFERED STOCK VALUATION.

The valuation of preferred stock is similar to the valuation of bond and debentures. This is because they are both fixed income securities. The preferred stock is often not redeemable (except so expressly stated), hence there may be no need for seeking fund provisions and pledges of security as collateral. It is important to ensure the steady nature of fixed dividend payments and also to protect the preferred shareholders.

In a situation where the preferred stock are redeemable, then it will be necessary to ensure that the issuer makes sinking fund provisions. The moment all these conditions are compiled with, the price of the preferred stock can be determined as follows:-

$$\text{Value of preferred stock} = \frac{\text{Preferred Dividend}}{\text{Required rate of return}}$$

The price of the preferred stock will depend, here, on the required rate of return expected by the preference share-holders and this is a function of the

attractiveness or otherwise of the stock at the time of the offer.

2.3.3 COMMON STOCK VALUATION.

The most difficult security to value either in the primary or secondary market is common stock. This is because several factors influence the price of this variable income security; these factors are fundamental and outside the control of the issuing company and other economic, business, political and psychological factors which must be considered.

Let me quickly present a skeletal design of some of the factors that determine the market price of a common stock.

SPECULATIVE	1. Market factors Technical manipulative Psychology.	
	2. Future value factors Management reputation com- Petition Probable change in Volume/price/cost.	Attitude) Bids of Public) and the issue Offer Market Price
INVESTMENT	3. Intrinsic value factors Earnings Dividends, Assets Capital Structure terms of the issue	Figure 1

2.3.4 SHARE PRICING IN THE PRIMARY MARKET:

Share pricing in the primary market is the responsibility of Nigeria Securities and Exchange Commission in conjunction with the Nigerian Stock Exchange.

SHARE PRICING IN THE PRIMARY MARKET:

In the process of stock pricing, the issuing houses (i.e. Financial Institution assisting in the sale of the stock on behalf of the company) representing the company is expected to be accompanied by a Senior Management Staff of the company to meeting of the Nigerian Securities and Exchange Commission (NSEC) to provide more information about the operations and prospects of the company and also to obtain the Nigerian Securities and Exchange Commission's explanation and criteria for the valuation.

LISTING: For a company shares to be priced for public subscription and quotation on the Nigerian Stock Exchange (NSE) the following documents must be submitted to Nigerian Securities and Exchange Commission.

(i) A five year audited annual account for the period immediately proceeding the application;

(ii) Details of all financial statements for five years;

(iii) A brief history of the company, its business date of incorporation and capitalization.

(iv) Nature of the staff and management of the company;

(v) Any legal tussles between it and other company if any.

(vi) A copy of the Memorandum and articles of association.

Before the commencement of the actual pricing, Nigerian Securities and

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Exchange Commission will endeavor to remove all fictious assets such as:

(i) Goodwill;

(ii) Formation expenses not yet written off

(iii) Adverse balance on profit and loss account not yet written off;

(iv) Publicity and Advertising not yet written off.

Usually, Nigerian Securities and Exchange Commission uses one of the three different methods of valuing stock, these are:-

(i) The maintainable annual profit method;

(ii) The new Asset method;

(iii) The weighted Average Annual profit method.

It is pertinent to state here that the method eventually adopted by Nigerian Security and Exchange Commission depends on the nature of the company in question. For instance, if a foreign company is making about 100% sale of its shares to investors or financial institutions, the New Asset Method is more suitable to apply. This involves a deduction of the total liabilities of the company from the total assets after eliminating all the fictious assets enumerated earlier. The net value or net worth will then be divided by the total number of shares on offer to obtain the price per share.

By the Net Asset Value, assuming we have 40,000 share on sale

$$= \frac{\text{FIXED ASSET + NET CURRENT ASSETS – LONG TERM LOAN}}{\text{40,000 shares}}$$

when the Nigerian Securities and Exchange Commission computes the Net Asset value, it operates on the presumption that the value of the business as a going concern does not depend on assets, but the efficient utilization of the

assets as measured by the profit record.

The second method of valuing stock is:-

MAINTAINABLE AVERAGE ANNUAL PROFIT METHOD.

In applying this method adjustments are made in the profit and loss account for extraordinary items by deduction extra-ordinary income and expenses from the accounts. The maintainable Average Annual Profit (MAP) are calculated by taking average profits of the company's five years preceding time of the valuation. The average profit is then capitalized using the expected rate of return depending on the class of industry the company belongs.

The following are the capitalization rate of each industry the company belongs.

The following are the capitalization rate of each industry in Nigeria.-

Agriculture and Agro-Allied	10 – 12%
Property	12 – 15%
Banking and Finance	15 – 17%
Manufacturing	17 – 20%
Commercial	20 – 25%
Service	25 – 30%

As a matter of convention, the Nigerian Security and Exchange Commission uses the mean value the capitalization rate of each category to capitalize the average profits of the companies. To determine the price of value per share, the capitalized profit is then divided by the number of shares issued and fully

paid, taking account of script issued and any other proposed new issues. Some of the criteria's used in determine the management efficiency and corporate stability include the following:

1. The liquidity position of the company for the year under review, infact if the liquidity ratio is high, it means the company can easily meet its short-term obligations.
2. We also look at the gearing (average) ratio. This will help to tell us when the company is using more equity as against debt in financing its investment. A high ratio indicates that the financial average is very encouraging.
3. The rate of growth of turnover, profit before tax, and dividends are also used in determining the companies stability and efficiency.
4. Also consider is the ratio of gross profit to turn over.
5. Earning per share for the year under consideration.
6. The earnings yield at various and the price/earnings ratio.
7. Also mostly considered, is the growth of shareholders fund, return on capital employed (before and after tax).

Note: Unpaid dividend are usually included in the capital employed.

After a critical analysis of the factors above, Nigerian Security and Exchange Commission will then synthesis them with the following factors before the final price is arrived at:-

1. The competitive nature of the market and the market share of the firm, for instance, the points that are allocable to "Continental Merchant Bank" will be quite higher than that of

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Prime Merchant Bank because of its strong competitive nature in the banking industry.

2. The profit trend and the ability of the company to improve or maintain will also be considered.
3. The nature of the company's products and their susceptibility to changes in fashion, which might result to their losing a large proportion of the market.
4. They are looking at the effect of government policies on the fortune of the company.
5. The effect of indeginisation of Management efficiency and future profitability of the company.
6. Provision for depreciation on fixed assets, bad debt and doubtful debt.

A hypothetical example of the computation of the MAP method is shown below, where x1, x2, x3, x4, x5 are the Net profit for the past five years;

$= MAP = (x1 + x2 + x3 + x4 + x5) - 5 = xy$

$vo = \frac{xy \times 100}{}$

capitalization rate for the industry.

It is pertinent to state here that it is often difficult to determine the actual price or value of a security, but can only determine the intrinsic value with a margin of error.

According to P. Cootner, (Stock Prices = Ramdom vs Systematic changes) No. 2 pp 24 – 25, suggest that market trading forces (through differing actions of naïve and professional investors) tends to make security prices "a series of constrained random fluctuations around the true intrinsic value", he

feels that price changes would behave as if confined within 'reflecting barriers' i.e. with an upper and lower limit, prices will fluctuate freely within the reflecting barriers but when prices reach the barriers (through the action of Naïve" investors), professional actions will cause them to move towards their intrinsic value".

Eugene Fama the behaviour of stock market prices, (Journal of Business p. 36, January, 1965) also agree with the above presupposition by saying, "The intrinsic value of a security vibrates randomly and the market price always equals the underlying intrinsic value at every instant in time".

WEIGHT AVERAGE NET PROFIT METHOD:

When using this method in the primary market, SEC adjusts the annual net profit figure for the five years assigning greater weight to the most recent years profits. Let us look at a hypothetical example. Assuming the profit for the next 5 years are x1, x2, x3, x4, x5, we now compute as follows:

1988	-	x1 x 1 =	1x
1989	-	x2 x 2 =	2 x 2
1990	-	x3 x 3 =	3 x 3
1991	-	x4 x 4 =	4 x 4
1992	-	x5 x 5 =	5 x 5
Total		=	xy

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Average profit therefore = Xy/15 = Z

To get the price per share, the final value 'Z' is then divided by the number of shares issued = Z/No. of share on offer.

The difference between the Net Asset value method and that of maintainable

average profit and weighted Annual profit are assets are unusually valued at historical cost which is often lower than the current market value of these assets. The balance sheet from which the figures are extracted give a picture of the company not as a going concern but at a particular point in time whereas the profit and loss account shows the performance of the company over a period as a going concern. In order words, the Maintainable Average Profit (MAP) and Weighted Annual Profit WAP) recognizes the dynamic nature of the company. Hence they are mostly used in the valuation process.

SHARE PRICING IN THE SECONDARY MARKET:

The price of a share that is traded in the secondary market or stock exchange is a function of the forces of supply and demand for that share. Supply and demand are in turn a function of the attractiveness of the share in terms of the returns it offers investors and the risks associated with earning those returns. Nonetheless, other salient factors usually influence share prices in the market. Some school of thought stated that, dividend payout levels constitute the greater determinants of a company's stock price, Williams J. B (Evaluation by the rule of present worth" reprinted in Lorie and Brealey (ed) 1978 op cit pp 471 – 491) first postulated the dividend model in 1938 with presumed that only dividends be discounted in the determination of value".

M. J. GORDON (the investment, financing and valuation of the corporation p. 962 Richard Irwin Inc) in his "bird-in-hand" model also contends that, on the basis of uncertainty of future earnings (and capital appreciation) investors would rather prefer the certainty of dividend payments in the evaluation of a security's value.

A thorough study by Richardson Pettit; (Dividend announcements, security

performance and capital market efficiency Journal of finance Dec. 1972) on the stock prices of 625 companies (N.Y.S.E.) showed that, "dividend announcements convey substantial information market participants that causes them to revalue their shares"

OTHER SALIENT FACTORS ARE AS FOLLOWS:

1. The investors' attitude and response to developments which are likely to affect the fortunes of a company, for instance when there is news of the company' plan to merge or take over by a bigger company;
2. *The other salient factor is the investors response to the* market situation such as "Bullish" and "Bearish" market arising from hope or fear of adverse budgetary measurers, monetary policies or balance of trade and payment figures. A good example is the present deregulation of the economy where allot of people are now selling off their shares in some quasi-government organization.
3. The third factor is the level of interest rate within the economy, and the yield differential between bonds and shares which can lead to bonds if interest rate rise and the yield differential drop. Of recent, the interest rate went up as high as between 50 – 65% which has resulted in many company already listed in the Nigerian Stock Exchange choose to go to the market to raises their capital needs.
4. Another factor that affects stock prices in the market are the *speculative activities of investors and stockbrokers which*

can aggravate share movements either upward or downward.

In spite of these factors however, it is important to note that the stock market can be very unpredictable at times. This is because quite often the market is volatile not only as a result of information, but because of changing moods, emotions and guesses.

2.3 Some models have thus been developed in the literature that try to give some direction as to what the value of a share should be in the secondary market. This model can be aptly categorized into three:

(i) Dividend models;

(ii) The price Earnings ratio models;

(iii) The equity model.

i. **DIVIDEND MODELS OF SHARE PRICING:**

As stated earlier, this Gordon model: argues that the value of a share depends on the dividend income that the investors expect to earn capitalized at an appropriate discount rate thus:

$$Po = \frac{Do(1+g)t}{(1+Ke)t} \text{ OR } Po = \frac{Do}{Ke-g}$$

Where Po = *Prevailing price of the share*

Do = Anticipated dividends stream

Ke = Required rate pf return

G = Earnings/dividends growth rate.

Malkiel Model: Malkiel in his contribution, share valuation, critically looked at the holding period of the stock. Thus it includes the terminal earnings per

share of the stock at the end of the holding period and the price/earning ratio, i.e.

$$Po = \frac{D(1+g)1 + D(1+g)2 + D(1+g)3 + D(1+g)n + MsE\,(1+g)n}{(1+Ke)1 \quad (1+Ke)2 \quad (1+Ke)3 \quad (1+Ke)n \quad (1+Ke)n}$$

Where =

Po = Ruling price of the share

D = Anticipated dividend stream

G = Anticipated Earnings/dividend growth rate

E = Earnings per share

Ms = Standard price /Earnings ratio.

Multiple expected to prevail in year n for a standard non growth stock.

ii. **THE PRICE/EARNING RATIO MODELS:**

These model is of the believe that price of share is some multiple of the company's earnings. There are about six models that analyse the price/warnings ratio.

Whitbeck and Kisor model

$$= \quad P = ao + al,(g) + a2\,(po) + a3(6)$$

$$En$$

When P/En = Normalized P/E ratio based on the earning per share that would exist at the mid-point in the business cycle.

G = Projected growth rate in earnings per share over five years.

Po = Payout ratio during the last ten years

6 = Standard error of estimate for the projected 5 years growth rate.

Arditti Model: The rate of return on equity model was tested by Aridtti to see

if the observed rate of return required by investors as measured by dividends plus capital gains over the period under review. For instance:-

$$R = ao + al X 1 + a2 X 2 + a3 X 3 + a4 X 4 N a5 X 5$$

Where

R = Investors required rate of return

Xi = Variability of the required rate of return distribution

X2 = Skewness in the distribution of the rate of return

X3 = The market corrolation between the return of the individual stock and return of all stock.

4X = The debt/equity ratio

x5 = The payout ratio.

iii. **THE EQUITY MODEL:**

Lerner – Carlton Model: This model believes that the value of a share is a function of the level of earnings retained by the firm and the leveraged return on assets thus:

$$P = \frac{(I - b)\ rIA}{K \text{ ------ } rIb}$$

$$1 - 2$$

Where P = Intrinsic value of share

B = Retention rate

RI = Leveraged return on assets

A = Assets per share

Z = Ration of liabilities to Assets

K = Capitalization rate.

2.4 Despite all the above enumerated theoretical constructs of share

pricing in the literature, two other major categories of factors determine stock prices and their behaviour in the capital market. These are fundamental and Technical factors.

FUNDAMENTAL FACTORS DETERMINING STOCK PRICES IN THE MARKET:

Fundamental factors predict stock prices and their behavior from factors that are basic to the company, its industry or the economy as a whole. The factors are as follows:

2.5.1 COMPANY RELATED FACTORS:

The Company's earning stability, growth rate, dividend stability, quality of the company's management, merger and acquisition plans by the Company, and Labour unrest have a significant effect on the direction of the company's stock price will move. If the company is doing well on the above stated aspect, there is every tendency that the share price will increase whereas if the company's performance is declining as regards dividends, merger and growth, the investors may be reluctant to buy or hold the company's stock. This will eventually have a negative effect on the stock price.

A very good example of company's related matter was a planned take-over of a "US OIL Company, Delhi International Oil by an oilgiant, the firm's share on the N.Y.S.M. rose TO $114.50, ONLY TO SLUMP TO $64.5, WHEN THE MARKET HEARD THAT Delhi had failed to find a buyer" (The economist August 22, 1981 pp. 69 – 70 and August, 29, 1981 p. 69).

The management set-up can also have a significant effect on the stock price. This could be buttressed by the "unprecedented fall in stock price of ICI in November, 1977 by 8 pence with the unexpected resignation of the Managing

Director of ICI (K. Midgley and R. G. Burns: Business Finance and the Capital Market 3rd Edition 1979 pp. 394).

2.5.1 INDUSTRIAL RELATED FACTORS:

(a) The demand and supply of the industry goods play a significant role in the behaviour of its security in the capital market. If the demand of the Company's product is very high, and the sources of the raw materials for the industry are regular, there is every tendency of the stock price to move upward. On the other hand, if the Government's policies, bank credit and impact of inflation is severe on the industry, this will show down production which will eventually result to a negative effect on the stock price.

ECONOMY RELATED FACTORS:

The general economic and business performance also play a major role in the price in the market.

Richard Brealey is quoted as saying "to have said that when the wind of recession blows, there are few companies that do not learn with it. In consequences, aggregate corporate profits tend to rise and fall in line with economic activity – (Bober Hagin with Chris Mader. The new sciences of Investing Dow Jones 1973 p. 118) General economic outlook and information that may have adverse effect on the economy may reflect on the stock price. A very good example is the current deregulation of the economy which has made it virtually impossible for most companies with high foreign content in the Raw materials to breaken. This will normally reflect in their share prices. Also, policies emanating from the budget can affect the stock price. In

Nigeria, the tightening of import controls in 1978 by the government has a negative effect on the fortunes of commercial companies and consequently their stock price.

In far away United States of America, in 1983, when President Reagan announced a huge budget deficit, the bad news took its toil on wall street. This was after the reduction of interest rate from 16% to 15.5% by many banks – the Dow Jones Industrial Average fell to 22 points – Newsweek August 9, 1982 p. 42. The strength of the currency vis-à-vis other International currencies Level of investment, inflation and changes in money supply all have influence on the stock prices. In Nigeria today, it is generally assumed that stock are undervalued because of the low purchasing power of the Naira and the prevailing inflationary rate.

POLITICAL FACTORS:

Another major invisible hand that influence stock price is the political stability and the possibility of loss of investment and drop in business activities.

A sudden change in government and the possibility of the new government policies that might affect business activities. For instance, prices in the London stock market fluctuated widely because of the Falkland crises. There was this fear that Britain will not win the war and the government will fall and will subsequently make the market to tumble as it did in 1956 during the Suez crises. (Newsweek May 31, 1982 p. 36).

Also, in 1981, stock on the Paris stock Exchange moved uncertainly even before (and depressed after) the election of Socialist President Mitterand whose programme include the Nationalization of French Banks and Industries – Times Ci t 12, 1981 p. 56).

MARKET FACTOR:

The stock market's aggregate perception of share values are as a result of analysis and consideration of the market forces. However, it may be wrong to conclude that investors behave rationally; they do get carried away emotionally and overact to news such that the tendency is to sometimes drive price to extremes (cohen et al 1973 op cit p. 218) note that "their actions occasionally seems to brooder one insane" Although investors action are usually based on the consideration of the intrinsic value of the stock, when optimism is rampant, conceptions of values are liberalized and prices rises. When it is realized that optimism was excessive, prices then take a downward turn.

VOLUME OF TRADING:

When the volume of trading in a particular stock is high or low, it has some psychological influence on the investor.

However, it has been proved to be difficult to conclude that the value of trading will have a significant influence on the stock price. Nevertheless, it can make investors to purchase the stock at a premium with the hope of selling it in the near future to make some capital gain.

MONEY SUPPLY:

There seems to be a close relationship between money supply and the stock prices because as the supply increases, disposable incomes also increase, inflation increases and the demand for variable income securities in the form of shares also increases. This result in the increase of the nominal prices of

stock at the same rate as the general price level.

EARNINGS AND DIVIDENDS:

Both earnings and dividends tend to play a positive or negative impact on the stock prices. Even when the company's overall average performance is not too fantastic, but they are able to pay out a very good dividend, investors will be interested in that Company's stock, which may lead to increase in price of the stock.

Basically, stock price movement in the market are seen as the prime indicator or private sector's evaluation of current business conditions.

2.5.1 TECHNICAL FACTORS DETERMING STOCK PRICES IN THE MARKET

Technical factors hold that fundamental factors are very much important and are reflected in the price behaviour of stock in the market. But other factors like investor's emotions epitomized in sometimes irrational behaviour are also important in determing the behaviour of stock prices in the market. It is possible to predict the future of a stock by a diligent and painstaking study of the past price movements of the stocking the market. In this premises therefore, the technical analysis is based on the assumption that stock prices are determined by demand and supply for securities in the market, mainly as a result not only for investors perception of the intrinsic value of a stock, but also the in tangle market sentiment and emotions which cannot always be quantified. This is the plotting of historical financial data on charts and graphs and estimating the next price movement or changed based on the last price change. It involves studying these historical graphs in an attempt to discover meaningful trends and patterns to be used in predicting future prices. The

underlying factor in technical analysis is that certain stock price patterns tend to be repetitive and hence when they are identified, they can be detected. It is therefore to predict whether to Buy, Hold or See, when they reappear. According to "Graham et al (1962).

Technical analysis agrees that stock prices do indeed fluctuate around their intrinsic values but also contain that fundamental analysis does not account for the impact of investors, emotions often demonstrated in an unscientific and sometimes irrational manner. It is also argued that accounting income statements on which fundamental analysis is based are inadequate because they are compared with inaccurate manipulation and misleading information.

TECHNICAL ANALYSIS TECHNIQUES

This techniques are numerous which are used in the prediction of individual and market price behavior. Among them are:-

THE DOW THEORY

The Dow Theory was propounded by Charles Dow who correctly forecasted the 1929 stock market crash in the U.S.A. The purpose of the theory is to call the turns (ups and downs) on the market and to forecast the business cycle. The theory believes that once a trend has been established it tend to follow the same direction. It sees the stock market as comprising of the three trends:

(i) The primary Trend: These are either bull or bear markets and occur over longer period (years).

(ii) Secondary Trend: These last for only few weeks to a few months.

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(iii) Tertiary Trend (Daily Fluctuations: This constitute the daily movement which are always considered meaningless. A single primary trend may be made up of several secondary trends both up and down.

The key indicators of Dow theory are:

A BULL MARKET:

A bull market is indicated as possibility when an intermediate decline in the industrial average or stock market index stops just above the bottom of the last intermediate drop. A bull market is often characterized with the next intermediate rise if the index goes above the preceding peak.

A BEAR MARKET:

This is when an intermediate rally in the index fails to break through the top of the previous intermediate rise. A bear market is confirmed when the next intermediate decline breaks through the low of the previous. This is because there is selling pressure due to increase in business and earnings. There is usually distress selling of value. (Burns 1975).

MOVING AVERAGE:

These techniques are based on the statically moving average. In the market, a 52 weeks moving average of stock prices gives the closing price of all stocks used for the 52 most recent Fridays (the least trading day of the week)

divided by the 52 to get the moving average. This moving average is then compared with the stock market index to serve as a trend indicator as follows:

(a) The stock market index is above the moving average line, which means the outlook is bullish.

(b) If the stock market index is below the moving average line, the outlook is said to be bearish.

(c) If the moving average line finally penetrates downwards, it is a sell signals, but fogler concludes that, "it appears that trading rules using moving average will not provide the golden goose" (Fogler (1978) pg. 76).

THE BREADTH OF MARKET TRADING:

The number of share traded on a particular security can be used as an indicator of investors interest in a security, when the market is rising, trading in many issues indicates market strength. When it is declining, trading in several issues shows weaknesses. On the other hand, when the market is rising trading in very few issues indicates the end of the rise and when the market is declining narrow trading signals that the drop will soon be reversed.

CONFIDENCE INDEX

This indicates investors state of confidence and expectations from the market and the economy at large; it reveals their level or willingness to bear greater risk in the market through their investment activities. Thus, the confidence index is given as:

HIGH GRADE BOND YIELD:

Low Grade Bond Yield: This is on the assumption that when bond investors are more confident about the future of the economy, they shift their investment holdings from high grade bonds to lower grade and more risky bond in anticipation of higher return/yields. This shift then bids up the prices of low grade bonds. Lower, their yield relative to high grade bonds and increases the confidence index. It is pertinent to stated that when the price of a bond rises, so does it yield drop and vice-versa. Since bond trading is usually done by professional managers on behalf of Large Institutional Investors, Technical Analyst rely on their assessment and confidence in the market and the economy as measured by the confidence index.

FILTER RULE TESTS:

These are based on the assumption that by using a mechanical filter, it is possible to buy or sell securities profitably. According to Alexander (1961 – 7 – 26), "The filter rule tests can indeed give indications of the future price directions of stocks. Thus, if the price of a stock rises by y% an investor should buy and holds it until the price drops by at least y%.

At that period, he should sell the stock simultaneously and assume a short selling position until the price rises y% when the whole process is begun again. In most cases, price movement of less than y% are ignored.

PRICE TRADING VOLUME ANALYSIS:

In (1966), Ying in his book argues that it take volume to really move the price

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of a stock because volume is a measure of the intensity of investor's emotion. But Professor Bob Osaze 1985 research found this not to be absolutely correct in the Nigerian Market.

RELATIVE STRENGTH ANALYSIS.

In his contribution (Levy in 1967 pg. 129 – 132) suggest that some individual stock or group of stocks have relative strength, i.e. their prices consistently rise in bull market much more faster than other stocks and also fall faster in a bear market, hence their high risks.

These stocks are easily identifiable by their high prices and high rate of return compared to industry or market average. When identified, possible profit is possible through relative strength ranking of stocks.

BREADTH OR MARKET ANALYSIS:

This study believes that in bull markets individual stocks reach their peaks gradually over a long period of time, with the number of peaks accelerating as market indices rise towards their peak.

In bear market however, there are concentrated collapse of the prices of several stocks in a short period of time. Breadth of market analysis is an instrument which seeks to determine if the prices of a large number of stocks are falling, while the average market stock price is rising in order to detect any condition of internal market weakness, before it is generally acknowledged that the tide of a bull market has turned.

To be able to detect this stage, the analysis focuses on discovering how widespread the selling pressure is. Detection is based on the direction of price changes.

When the breadth follows path which is divergent from the path of the market (both should indeed be moving in the same direction) technical analysis interprets this as a signal of reversal in the market trend. For instance, we can examine daily cummulation of the net number of advancing, decline or uncharged issues on the stock exchange and find the net advances (positive or negative figures). The net outcome from the summation of the positive and negative figure will show us the direction of the net figure.

According to (Cohen et al (1973) pg. 519). "The general impression from em perical evidance from N.Y.S.E. is that Breath of market analysis may be a useful "advance" indicator of major stock declines but that it is by no means infallible".

INSIDER TRADING

Insider or companies whose stock are traded in the stock market such as Directors, Corporate Officers, Major Shareholders and Suppliers are normally expected to have the latest information about the company. As a result, the technical analysis believes that their purchase and sale of the Company's stock indicate the future prospects of the company and thus its future stock price trend. For this reason, reports of insiders transaction in the market are published in the (U.S.A. Stock Market) for analysis. A study by J. F. Jaffa (Special Information and insider trading Journal of Business volume 47 July 1974 pg. 410 – 428) using residual analysis showed that on the N.Y.S.E. an investor could have benefited by 2-3% better than average (after transactions cost) from buying and selling securities with a consensus of insider, after risk – adjustment.

THE THEORY OF CONTRARY OPINION:

These theory 'go against the crowd' theories and are based on the assumption that when everybody is thinking alike, they are likely to be wrong. These theories are called:-

(a) **THE ODD-LOT THEORY:** This theory argues that the small amateur (Naïve) investor is the one that usually buys stocks in odd-lots (block and branches of less than 100 units). Analyst therefore use daily reports of odd-lot trading data and use their trading to try to predict trends. However, recent research has shown that odd-lotters have generally made sensible trading decisions, which defied the theory about them.

(b) **SHORT SALES:** Short selling is a means of making profit in the market when prices are falling. This is brought about an investor sells his stock in anticipation of fall in price of that company's stock. It is a speculative trading, whereby the short seller will sooner or later buy back the same number of shares he sold earlier in order to complete the cycle. If Mr. A. owns U.B.A. stock which he believes that the price is likely to drop, he sells it at 105k and when the price finally settled at 80k a share, he will repurchase all the stock he sold before and make a capital gain.

(c) Short sales are usually carried out by those seller who are not owners of the stock but hope to cover the short position later at a lower price. (F. Weston & E. Brighman) Managerial Finance Holt Saundas (1978) pg. 458 – 459.

CONCLUSION ABOUT TECHNICAL ANALYSIS:

The empirical studies carried out has shown that "while certain long-term non-random patterns (e.g. the head and shoulders) exist in most of the stock markets of the world, the techniques of technical analysis cannot be a key to untold wealth, this is because if such predictive powers were so obvious, everyone would be aware of this in which situation no one would make an excessive profit since everyone would react in the same way to signals. This is the consensus of opinion that leads to acceptance of the efficient market hypothesis".

(Granger and Morgenstern 1970 pp. 133 – 149).

2.7 THE EFFICIENT MARKET HYPOTHESIS AND RANDOM WALK THEORY:

The efficient market hypothesis and random walk theory contents that, the market is efficient, so efficient that one cannot beat it with any of the techniques despite the strong argument by the technical and fundamental analysts about the price behaviour of stocks in the market upon which capital gain can be made. Reilly (1989) assumes that "An efficient market is one in which security prices adjust rapidly to the infusion of new information, and current stock prices fully reflect all available information including the risk involved.

Also, Samuels and Milkes (1980 p. 442) defined an efficient market as "One in which prices traded securities always fully reflect all publicly available information concerning these securities".

Brockington (1980 pg. 233) sees an efficient market as one that assimilates and responds to new information so rapidly that there is no source of

information that will enable an individual investor to gain a permanent advantage over others.

It is implied in these view that:-

i. The expected return is commensurate with the risk involved;

ii. Security prices adjust instantly and without bias to any new information released to the market. (Reilly 1977) recognized four assumptions underlying the efficient market hypothesis:-

i. There is a host of profit maximization, independent operators concerned with valuation of securities.

ii. It is also assumed that any new set of relevant information gets to the market in a random manner and the announcements over time are generally independent of each other.

iii. A third assumption is that investors adjust security prices instantaneously to reflect the arrival of new information without bias.

iv. Finally, given all the above assumption, a security's price at any point in time "is an unbiased estimate of the true intrinsic value of the security at that point in time".

Samuels and Wilkes also identify some conditions for efficient market which includes "accurate signals for investors choice". This means that today's price, which reflects all publicity available information, is the best estimate of tomorrow's price. On the basis of these definitions and explanations the efficient market hypothesis (EMH) argues that the future price is a security, given today's set of information, is equal to today's price compound at some

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desired return that is commensurate with the risk associated with the security (Bachelier 1900 and Fama (1965) theories de la speculation (1900) reproduced in cootner ed above and referred to in Hagin and Mader p. 56 – 48).

There are three variants of the Efficient Market Hypothesis (E.M.H.):-

THE WEAK FORM OF THE E.M.H.

This variant believes that current stock prices fully reflect what is knowledgeable from the study of the historical share price behaviour. That is, current security prices fully reflect information given the market regarding historical events, and investors, knowing their investment returns nor improve their ability to select stocks. (Samuels and Wilkes 1980). Thus, current stock prices fully reflect all stock market information, including the historical sequence of prices, price changes and any volume information. That means, share price behaviour abide to the random walk of a drunkard whose next step cannot be predicted on the basis of his last step.

Historical price information is unlikely to contain any information which can be used to earn a profit. Investors attitude and behaviour to stock are always unpredictable. At a time, investors may have information that makes them optimistic about a stock. That optimism leads to over optimism and as other date unfold, the over optimism leads to realism. But when expectation is been delayed or fail to materialized, the optimism will lead to caution and caution to fear and fear to pessimism.

THE SEMI-STRONG FORM OF THE E.M.H.

The semi-strong form argues that current stock prices reflect only all public information about a stock. This is known as Fama's Fair Game theory. Samuels and Wilkes (1980 – pg. 445) considered the semi-strong form as being concerned with "the question of whether it is worth some effort to acquire and analyses this public knowledge with the hope of gaining superior investment result". Because of this, any analysis based on information already made public cannot earn greater trading profit, considering the cost of transactions, since there is no information advantage.

THE STRONG FORM OF THE E.M.H.

The strong form postulates that share prices reflect not only what is publicly known about a stock, but also what is knowledgeable. That is to say, no one can persistently earn a profit larger than what could be earned with a naïve Buy Hold strategy, (i.e. consistently earned above average profits, since no one has monopolistic access to relevant data) even with the availability of inside information. To be precise, it demands "efficient" and "perfection".

THE RANDOM WALK THEORY

The random walk, i.e. base on the promise that successive price movements of stocks in the market are independent of each other. It abide strictly with the weak form of the E.M.H. It believes that there is a correlation between price changes from one period to another. Infact, if a Company like PZ

announces profit, which is much higher than the expected profit, there may not be any significant effect on the price of its stock if the market doubts its ability to maintain such increase in profit. In other words, it is the forces supply and demand working on the floor of the market that causes price movements and the prices emerging from the interaction of these forces following a random sequence. The theory believes in the efficiency of the market with the operations and investors having equal access to information in trying to predict the future course of prices in order to optimized profit.

Eugene Fama (the behaviour of stock market) (pg. 34 – 105) in his exhaustive supply of price changes to test hypothesis conclude that:-

1. The statistical independence assumption of the random walk model seems to be an adequate description of reality.
2. The distribution of price changes conform more with a stable paretian process than a gaussian one

The random theory does not deny that the prices of some stocks can appreciate and others depreciate more than others, nor the possibility of superior investment performance from information other than historical information. The theory however, fails to tell us why stock prices changes.

CONCLUSION ON SECURITY VALUATION AND PRICE MOVEMENT:

It is generally assumed that the valuation of securities in Nigeria by the securities and exchange commission in conjunction with the Nigerian Stock Exchange are full of anomalies and restrictive in nature. The invariably affect the movement of stock prices in the Nigerian Capital Market contrary to all predictions and theories propounded by different analyst.

According to PENNER (1986/92), "if it were shown that significant market inefficiencies do exist that allow investors to reap big profit, it would follow that capital market might be misdirected into less and less productive investments. A company whose stock is bid way up will find its cost of capital lower than it might otherwise have been and unnecessary investments might result, by contrast, thus hindering productive investments".

In Nigeria, some investors would want to beat the market. This, however, is often difficult as one can only be said to be as good as the market itself.

Paradoxically, there may be anomalies here and there in the market, but they do not threaten the efficiency theory. As you are aware, inefficiencies tend to self-distrust once discovered as investors rush to take advantage of them (Malkol 1986: p. 84). This literature is therefore, concern mainly with the maximization of the investors expected utility by investing in securities that has been carefully priced in order to accumulate capital gain in the future.

CHAPTER 3

3.0 THE NIGERIAN SECURITIES AND EXCHANGE COMMISSION:

The Nigerian Securities and Exchange Commission (NSEC) was set up under the securities and exchange commission Decree 1979 (effective April, 1st 1978) to regulate and monitor activities in the Nigerian Capital Market in order to protect the interest of investors and also to ensure an efficient development of the capital market. Among some of the functions of the Nigerian Securities and Exchange Commission are as follows:-

(1) They help to prevent fraudulent manipulations

in all dealings in securities. They do this by monitoring the activities of the Nigerian Stock Exchange trading floor. This help to forestall illegal deals by privileged insiders at the expense of innocent and ignorant investor.

(2) They also ensure the wide spread of share ownership by determining the allotment of securities. For instance, it is the responsibility of NSEC to ensure the Companies been privatized under the Technical Committee on Privatisation and Commercialisation are not purchased by one section of the country.

(3) They determine the price, the amount and the time at which securities of a company are to be offered for sale through public issues.

(4) They register all securities that are been offered for sale either to the public or private. They also register person, institutions involved in securities dealings such as stockbrokers, Registrars, Agents and Jobbers.

It is pertinent to state here that, S.E.C. seems to be active only in the primary market. This is against the spirit under which it was set up. According to Henry Atenega, (Business Times May 17, 1982 p. 3), the N.S.E.C. is being described as a "Sleeping Giant because of its not involvement in the secondary market". It has not been able to perform its functions as the

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"Watch dog" of the capital market.

On pricing policy, N.S.E.,C. only value and price the shares of new issues on the basis of available qualitative and quantitative data, it's predecessor (CIC) Capital Issue Commission was often criticize for arbitrary fixing of price for companies.

According to Shonekan – (A public Quoted Company – Nigerian Stock Exchange Seminar January, 1981), "the pricing at which the companies came to the market were arbitrary fixed by the government agency and not by market forces". As a result of the low pricing policies, most investors would prefer private placing to public subscription.

Despite the additional power granted N.S.E.C. by section 8 of Decree No. 29 of 1988 such as: - "To prove any application made under this section, it has not perform too creditably to our satisfaction."

THE NIGERIAN STOCK EXCHANGE: TODAY

The Nigerian Stock Exchange (N.S.E.) is a non profit making organization limited by guarantee, incorporated with the support of businessmen and the Federal Government as earlier mentioned.

But today various operators in the Nigerian Stock Exchange NSE) strive to perform their responsibilities by providing the best quality, most efficient and most cost effective market place for the trading of financial instruments; to promote confidence in and understanding of that process; and to serve as a forum for discussion of relevant national policy issues. It serves also as a broad communication arena for its constituencies and the dual role of overseeing the markets and their member –firm participants and on the other hand self-regulating itself. By maintaining broad, liquid secondary markets for

corporate securities, the exchange helps to build public confidence and participation in the market. Enhancing issuers' ability to raise capital in the primary market and underscoring the importance of efficient capital management".

In the words of some market watchers, the stock exchange is secretive, bureaucratic and inept in their activities and has a bourgeolistic set up.

According to Mrs. Idowu Yinka, the Corporate Affairs Manager, "To the average Nigerian, the stock Exchange is seen as a bourgeois set up, mainly for elitists who can only get additional riches to their existing stockpile" ..... to her, "public enlightment programme is any priority, we want those who do not know about the stock market to be informed; we invite University students to come with us for excursions and we are opening up to erase the conservative image we have been saddle with, however, the stock market is not for the run of the mile man on the street; it is not for those who cannot eat, but for those with extra savings and can afford to invest" (Weekend Concord 19th Sept., 1991).

BUSINESS VOLUMENON THE STOCK EXCHANGE:

The Nigerian Stock Exchange as at March, 1992 listed a total of 221 securities. Out of these securities, 45 were gilt-edged securities, 43 industrial loans and 133 equities. We have over 4 million individual investors and about 400 institutional stockholders in the stock market. The annual turnover in the stock Exchange is still very low when compare to its counter-part in Europe and North America. As at 1989, it has about N800 million turnover. But with the recent introduction of the Technical Committee on Privatization and Commercialization and the recent increase cost of capital and the Central

Bank of Nigeria (CBN)'s directives to Merchant and Commercial Banks to increase their capital base to N4 million and N50.00 respectively, the turnover has greatly increased.

3.1.3 RULES AND REGULATION OF THE NIGERIAN STOCK EXCHANGE (N.S.E.C.)

The Stock Exchange has its code of conduct to cover the activities of stock brokers, listed companies, investors, etc. These include the maintenance of discipline in the capital market, price determination, disclosure of information by listed companies, Brokers, Agents, etc.

These rules and regulations are met to help the Nigerian stock Exchange (NSE)to achieve its objectives in the capital formation and efficient allocation of resources among competing projects.

SUPPLY AND DEMAND FOR SECURITIES:

A closer look at the week stock against report on the Nigerian Business Times or Business Concord will often shows plus (+) or negative (-) signs on the quotation of each securities. These signs helps to show the supply and demand for each security in the Stock Exchange. A positive sign indicates that more people are willing to buy the shares as against few who would want to sell.

On the other hand, a negative sign indicates that there are more shares supplied to the market as against few willing investors. In the stock exchange, you will notice more positive (+) than negative (-). This means that the shares are been over subscribed because of the following reasons:-

(a) most perceive shares as a means of savings rather than for speculative purpose. These shares are sometimes used as

collaterals to raise loan from other sources.

(b) Indigenous companies often prefer to have his Company within his family. They are afraid of the floatation cost and the requirements to get listed in the market.

(c) Foreign companies are reluctant to offer their shares to the public to avoid dilution of the ownership and share control with Nigerians.

(d) Also, some of these big companies like "First Bank" are in partnership with the Federal Government thereby making it difficult for the average investors to get access to the shares.

NIGERIAN CAPITAL MARKET: A PERFORMANCE ANALYSIS

The survival of any economy depends largely on the efficiency of its capital market. It provides the where withal for its growth and development programmes. The importance of a properly functioning capital market cannot therefore be over emphasized.

In 1969, Briton simply put capital market as the environment for selling the word's capitalized values; it is also the citadel of capital and the temple of values. To be able to discharge its responsibilities therefore, it must be allowed to operate freely and obeying to a reasonable extent the market mechanism, it must be free from all encumbrances; it must have both depth and breath, price continuity and liquidity. The question now is that, is the Nigerian Capital Market adhering to the principles above? The answer is an emphatical NO. The Nigerian Stock Exchange and the Nigerian Securities and Exchange Commission over regulate prices in the capital market.

According to Onosode (portfolio Management paper presented at the Kaduna N.S.C. May, 1981) "In a regime under which price movements are not merely

monitored, but are managed to the extend that I believe they are on the N.S.E. there is hardly what one might call a market.

While the stock Exchange must not be allowed to degenerate into a gambling casino, it must equally not be managed as a saving bank. He also states that the stock Exchange should allow investors and brokers to make sensible pricing without act or hindrance". "I cannot understand why a flourishing and well managed company should have its share traded at below par or its nominal value merely because it has committed the crime of declaring a decent dividend out of revenue..... The N.S.E. as far as its trading practices are concerned is too insensitive and obtuse for my liking. The element of speculation is virtually outlawed".

It is pertinent to state that the frequent intervention of these two bodies has greatly retared the growth of the Nigerian Capital Market. This is responsible to the buy-hold attitude of most investors which does not augor well for an efficient and development of a capital market. The pricing mechanism, business volume and price movement are under tight control. For instance, the use of 10 point rule which set the lowest level at which public quoted securities can drop are two stringent and thus makes nonsense of the capital market. (Fifth, 1975 pg. 105).

Thus states that, a good market must not only have depth and ensure adequate liquidity, but also price continuity. (Reilly in 1989) also state as follows: - "Efficient market is one in which security prices adjust rapidly to the infusion of new information and current stock prices fully reflect all available information including the risk involved". That is to say, for the Nigerian Capital Market itself to be efficient, information must be freely available to rational.

Profit maximizing investors.

(Graham et al 1962) E. M. H. argues that, "the expected price of a security one period hence, given today's set of information is equal to today's price compounded at some desired return commensurate with the risk associated with the security". That is today's price which reflected all current information is the best estimate of tomorrow's present valued price.

The Nigerian Capital Market is far from been closed to the above efficient market. Because of the stringent requirements for listing, under valuation of securities, and too much control on price movement, most investors hate to come to the market. It is true that less than 10% of Companies that are qualified actually apply to get listed. According to one market watcher, "the conditions and requirements to get listed in the stock Exchange constitute a scare-crew. That only few companies that are qualified actually applied.

For capital market to be efficient you should allow the forces of demand and supply to operate freely. It is only then, that speculation can come into the market.

"The occasional speculative sphirges end in a crash that eliminates the nascent public investors and the market reverts to its lethargic state". (Tun Wai 1980 pg. 317).

In Nigeria, the pricing mechanism often operates outside the forces of supply and demand. New issues are determined by subjective, and qualitative factors that does not hold water. In the secondary market, prices are determined by the stock Exchange by using the "call-over" system. In most cases, approved prices does not reflect the true possible or actual value of the company's security. For instance, it is difficult to explain how a company like

First Bank Plc, share price can go down from 144k to 95k, simply because it declared loss in 1990 and 1991 after they wrote off some delinquent accounts as bad and doubtful debt in their income statement in accordance with the Central Bank of Nigeria (CBN) prudential guideline. Infact, First Bank should not be selling anything less than 200k in an efficient capital market.

In the light of the foregoing therefore, the Nigerian Capital Market cannot be said to be efficient. Nonetheless, one may not be wrong to say that they are tending towards efficiency considering our level of economic development. Of recent, there has been a great awareness and sophistication of all involve in the operations of the capital market.

I happened to think with time and the establishment of the Corporate Department in the Stock Exchange, more investors will be informed of what is going on in the capital market.

THE UNORGANISED SECURITY MARKET.

Apart from the organized stock market that are licensed by the stock Exchange, there may also be unorganized securities markets called over-th-counter markets (O. T. C.). These are markets for the unquoted securities and in most cases dealers and brokers on behalf of the Company carry out transactions. For instance, a dealer with a buy order for a particular security might call a broker with a sell order through phone, Telex, etc. and negotiate a best effort deal on behalf of their clients until a bargain is struck. Unlike the organized market, prices are often difficult to know especially if the share is not an active one, but the prices of the active one often fluctuates within its competitive price, which is influenced by the forces of supply and demand. According to (Rose 1983) prices of actively traded securities respond almost

instantly to the changing forces of demand and supply so that security prices constantly lower at or near competitive, market – determine level".

CHAPTER 4

DATA ANALYSIS & PRESENTATION

RESEARCH METHODOLOGY:

In chapter 2, relevant literature on the subject of security valuation and share pricing in the capital market was reviewed. This chapter however, will give an insight into the way and manner in which this research is conducted. These include the mode of data collection, the research design, how the data is to be analyzed and the sample design.

RESEARCH DESIGN:

Research design was defined by Churchill (1976) as the framework or plan for a study that guides the collection and analysis of data. The research design of this studying is both descriptive and exploratory. It is descriptive in the sense that we are going to write vividly about the happening in the Nigerian Security and Exchange Commission together with Nigerian Stock Exchange in the valuation and pricing of securities.

Exploratory research is an attempt to find out how the two bodies mentioned above have been able to justify the action and responsibilities particularly in security valuation.

Although, the research may not be exhausted enough to make a concrete statement, it will help in making a statement of generalization which can open

ground for further study.

SAMPLING METHOD:

The non-probability method was used in this research. This method was used because of its advantage of deliberately including the elements of the population or sample that have relevance to the study. It was therefore used to select samples based in their usefulness to the research. For instance, about twenty-four (24) different companies listed in the Nigerian Stock Exchange, were chosen for analysis. The sectors under study are:-

(1) Banking

(2) Breweries

(3) Conglomerates

(4) Food/Beverages and Tobacco

(5) Petroleum (Marketing)

(6) Textile

(7) Construction.

DATA COLLECTION:

This research is dependent essentially on primary data collected from different sources such as the respective companies: Nigerian Stock Exchange and the Nigerian Security and Exchange Commission.

For the secondary data, and other background information used in this study, the following sources were used:-

(1) Business Times

(2) Ahmadu Bellow University Library

(3) Bayero University, Kano

(4) Central Bank of Nigeria Library, Kano

(5) Business Concord.

TECHNIQUES OF DATA ANALYSIS

The data collected for this project will be analyzed using statistical analysis such as: - Chi Square method in order to know how well the theoretical (distribution fit into empirical distribution obtained from the sample hold. If the calculated value at a certain level of significance (1%) is less than the table value we accept the Null Hypothesis (Ho) and reject the alternative hypothesis (HI) and vice-versa.

LIMITATIONS:

Due to the time constraints, the study has been limited only to twenty-four (24) securities out of about 221 securities presently listed in the Nigerian Capital Market. In the process of the research, a lot of time was spent in trying to gather the statistical data from Nigerian Stock Exchange. A lot of trips were made to Kaduna, Ahmadu Bello University and Lagos to collect some relevant information for the research.

One may not be wrong to mention the cost involved in the course of collecting the data. It was really expensive to travel from Kano to Zaria, to Kaduna and Lagos before I could obtain all the necessary date for the final analysis.

4.7 TABLE 1 SAMPLE SECURITIES

SECTOR	SECURITIES	No.of Securities in Sector (Appendix)	Sample as Percentage
1. FINANCE	First Bank		

	Progress Bank Savana Bank U.B.A. Plc Union Bank	11	45%
2. BREWERIES	Golden Guinea Guiness Nig. Plc Nigerian Brew	6	50%
3. CONGLOMERATES	A G Leventis CFAO Nig. Plc John Holt Ltd. SCOA Nig. Ltd UTC Nig. Ltd	7	71%
4.FOOD/BEVERAGES AND TOBACCO	Cadbury Plc Christlieb Plc Northern Nig. Flour Mill Nig. Tobacco Co. Ltd.	15	27%
SECTOR	SECURITIES	No.of Securities in Sector (Appendix)	Sample as Percentage
5. PETROLEUM (MARKETING)	Agip Nigeria Ltd. Mobil Oil Nig. Ltd. Texaco Nig. Ltd.	7	57%

	Total Nig. Ltd.		
6. TEXTILE	Afprint Nig. Ltd. Anpees Ind. Ltd. United Textile.	5	60%
7. CONSTRUCTION	Arbico Limited Cappa & D'Alberto Constain (W.A) Ltd. Dumex Nigeria Ltd. Julius Berger Nig. Ltd Roads Nigeria Ltd.	8	75%

From table 1 above, you can see that a good proportion of each sector under study was taken as sample. It was carried out in a random manner to avoid biasness in the final judgments of performance of each securities in the stock market.

EARNING PER SHARE (EPS) AND PRICE EARNING RATION:

In trying to determine the intrinsic value of each stock prices, the fundamentalist multiple earnings method was used, in this case, the Average P/E and EPS for the past 5 years was used to determine the expected "intrinsic value" of the stock price of each security under study.

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DATA ANALYSIS

APPENDIX

i. **EARNINGS PER SHARE (EPS) AND DIVIDEND** were obtained from the Stock Exchange fact book. See Appendix 1

ii. **PRICE EARNING RATIO (P/E)** was obtained from the Nigerian Stock Exchange daily transaction stock price movement, see Appendix II

TEST OF HYPOTHESIS

Chi-Square Table, See Appendix III

4.8 TABLE II: SUMMARY OF FORECAST STOCK PRICES FOR THE YEAR 1991 USING EARNING PER SHARE AND PRICE EARNING RATION (1986 – 1990)

SECTOR COMPANY	EPS P/E	1986/ 1987 YEAR 1	1987/ 1988 YEAR 2	1988/ 1989 YEAR 3	1989/ 1990 YR. 4	1990/ 1991 YR. 5	AVEAGE EPS & P/E	FORECAST PRICE EPS & P/E

1. BANKING								
FIRST BANK	EPS	104.6	81.5	89.2	64.25	0.0	67.91	196
	P/E	3.1	4.8	6.8	5.6	0.0	4.06	276
PROGRESS BANK	EPS	0	13.92	7.32	15.05	21.25	14.385	76
	P/E	0	0	8.8	3.0	4.2	5.33	
SAVANNAH BANK	EPS	26.5	29.6	30.2	24.7	5.0	23.2	166
	P/E	3.9	4.8	4.7	5.7	16.8	7.18	
U.B.A. PLC	EPS	55.7	55.0	65.0	74.0	10.0	51.94	316
	P/E	6.7	3.6	7.0	2.6	10.5	6.08	
UNION BANK	EPS	18.0	22.0	30.0	31.0	3.0	20.8	57
	P/E	4.1	3.3	4.1	2.2	0.0	2.74	
2. BREWERIES							7	77
GOLDEN GUINEA	EPS	7.0	6.9	8.6	3.4	9.1	11.04	
	P/E	10.4	6.4	11.5	20.3	6.6		
NBL	EPS	12.05	21.27	34.11	54.64	63.55	37.12	228
	P/E	5.3	5.6	7.3	5.4	7.1	6.14	
GUINESS	EPS	11.3	9.3	15.3	29.0	34.2	19.82	173
	P/E	8.2	8.9	6.7	8.8	11.0	8.72	
3.								
CONGLOMERATE	EPS	5.9	2.6	8.2	15.6	23.0	11.06	57
A.G.LEVENTIS	P/E	6.2	4.0	5.2	6.7	3.7	5.16	
CFAO	EPS	11.33	5.35	12.84	18.21	8.07	11.16	61
	P/E	4.8	4.4	3.8	7.8	6.6	5.48	
JOHN HOLT	EPS	13.64	11.50	33.49	14.77	66.42	27.964	246
	P/E	5.9	8.7	13.4	5.4	10.6	8.8	
SCOA	EPS	6.9	4.8	3.5	10.2	0.0	5.08	19
	P/E	4.3	5.0	3.5	6.1	0.0	3.76	
UTC	EPS	5.52	5.26	7.61	8.24	11.55	7.64	45
	P/E	4.2	5.1	8.1	6.1	6.3	5.96	
4. FOOD/BEVER-								

AGES & TOBACO								
CADBURY	EPS	18.6	15.9	25.0	26.6	49.0	27.02	183
	P/E	6.7	6.2	6.1	7.7	7.1	6.76	
CHRISTIL	EPS	21.4	0.0	6.0	20.33	10.3	11.606	88
	P/E	23.7	0.0	9.7	2.4	2.4	7.64	
N.NIG.FLOURMILL	EPS	40.55	30.47	0.0	0.0	11.47	16.498	32
	P/E	2.4	3.6	1.5	0.0	2.3	1.96	
NIG TOBACCO	EPS	17.2	27.7	36.3	61.1	79.3	44.32	225
	P/E	2.9	4.8	6.3	4.4	7.0	5.08	
PETROLEUM	EPS	10.9	18.7	23.7	26.7	29.17	21.83	115
AGIP MARKETING	P/E	5.6	3.9	4.7	4.7	7.4	5.26	
MOBIL	EPS	12.54	22.59	15.54	45.99	79.65	35.26	245
	F/E	6.9	7.6	8.8	5.7	5.8	6.96	
TEXACO	EPS	4.68	27.23	20.56	23.01	29.59	21.10	197
	P/E	13.6	3.9	10.2	9.3	10.0	9.4	
TOTAL	EPS	33.9	44.4	35.8	51.3	57.3	44.54	282
	P/E	5.0	5.7	9.7	4.3	7.0	6.34	
6. TEXTILE								
AFPRINT	EPS	18.0	15.7	32.7	31.7	11.2	21.72	80
	P/E	2.1	2.5	1.6	7.8	4.4	3.68	
ANPEE	EPS	34.0	37.3	40.9	39.0	4.1	31.06	152
	P/e	2.9	3.0	5.9	5.1	7.6	4.9	
7. CONSTRUCTION								
ARBICO	EPS	8.6	9.4	3.6	14.0	18.5	10.82	42
	P/E	5.4	3.6	4.5	4.2	1.6	3.86	
CAPPA & D'AL-	EPS	13.3	13.5	20.4	30.7	49.8	25.54	79
BERTO	P/E	3.8	3.7	2.7	3.0	2.3	3.1	
CONSTAIN	EPS	0	0	0.23	0.14	80.80	16.16	18
(W.A.) LTD.	P/E	0	0	0	0	1.1	1.10	
DUMEZ NIG.LTD	EPS	13.0	13.41	17.13	20.71	23.30	17.51	78
	P/E	4.3	4.8	6.5	2.4	4.2	4.44	

JULIUS BERGER	EPS	11.7	16.41	25.91	44.90	85.99	54.18	220
LIMITED	P/E	4.2	4.0	3.9	3.7	4.5	4.06	
ROADS NIGERIA	EPS	0	0.3	1.2	2.8	11.22.02	3.1	22
LIMITED	P/E	0	0	18.5	12.2	4.5	7.04	

The Earning Per Share (EPS) and the Price Earning Ration showed in table II, were the adjusted EPS and P/E for the 5 years period. The figures were obtained from "Nigerian Stock Exchange Annual Report for each company and weekly business time".

ANNUAL DIVIDEND OF THE SELECTED 30 COMPANIES 1986/97 – 1990/91

TABLE III

S/No.	NAME OF COMPANIES	'86/87	'87/88	'88/89	'89/90	'90/91
		KOBO	KOBO	KOBO	KOBO	KOBO
1.	First Bank Plc	18.3	27.0	27.0	15.00	2.5
2.	Progress Bank	0	1.0	2.0	4.0	5.0
3.	Savannah Bank	8.0	10.0	10.0	10.0	5.0
4.	U.B.A. Plc	4.0	18	18.7	22.5	10
5.	Union Bank	3.2	4	5	5	2
6.	Golden Guinea	4.2	2.5	4.2	0	5.2
7.	Guinea Nig. Plc	6.66	4.6	10.7	12.0	12.0
8.	Nig. Breweries Ltd	9.20	13.88	21.50	36.0	40.0
9.	A. G. Leventis	4.0	4.0	5.0	8.0	8.0
10.	C.F.A.O. Nig. Plc	5.5	3.33	6.67	10.0	7.50
11.	John Holt Ltd.	8.33	8.33	16.66	8.33	15.00
12.	SCOA Nig. Ltd.	3.5	1.7	0	5.0	3.0
13.	UTC Nig. Ltd	2.71	4.44	5.11	6.67	7.0
14.	Cadbury Plc.	7.5	6.0	12.0	18.5	25.0

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15.	Christlieb Plc	5.0	0	3.0	10.0	0
16.	N. Nig. Fl. Mill	20.0	16.0	0	0	0
17.	Nig. Tobacco Co.	10.0	13.5	27.0	50.0	66
18.	Agip Nig. Ltd	6.5	9.2	9.5	9.5	10
19.	Mobil Oil Nig.	7.52	14.68	11.65	27.59	39.83
20.	Texaco Nig.	2.81	24.30	18.60	15.20	17.00
21.	Total Nig.	20.8	30.0	21.0	30.0	37.0
22.	Afprint Nig.	7.0	5.0	5.0	10.0	0
23.	Anpee Ind. Ltd.	8.0	10.0	12.5	15	18
24.	UNTL	8.8	15.0	20.0	25.0	30.0
25.	Arbico	3.0	0	0	4.0	6.0
26.	Cappa & D'Alberto	3.3	4.0	7.0	15.0	20.0
27.	Constain (W.A) Ltd.	0	0	0	2.7	1.8
28.	Dumex Nig. Ltd.	6.0	8.0	8.5	9.0	11.0
29.	Julius Berger Ltd.	1.72	1.56	1.5	1.8	1.87
30.	Roads Nig. Ltd.	0	0	0	1.5	21.5

TABLE IV

EXPECTED AND OBSERVED PRICES OF STOCK 1991/92

S/No.	Sector Name of Companies	Observed Prices '91	Expected Prices 1991	Remarks Under/Over value
	1. Banking:			
1.	First Bank	95	276	Under value
2.	Progress Bank	98	77	Over value
3.	Savannah Bank	84	166	Under value
4.	U.B.A.	104	316	Under value
5.	UnionBank	44	57	Under value
	2. Breweries:			
6.	Golden Guinea	50	77	Under value

7.	Guiness	250	173	Over value
8.	N B L.	371	228	Over value
	3. Conglomerates:			
9.	A. G. Leventis	70	57	Over value
10.	C.F.A.O.	80	61	Over value
11.	John Hold	132	246	Under value
12.	SCOA	50	19	Over value
13.	UTC	86	45	Over value
	4. Food/Beverages & Tobacco			
14.	Cabury	245	183	Over value
15.	Christlieb	60	88	Under value
16.	Northern Nig. Flour	50	32	Over value
17.	Nigeria Tobacco	275	225	Over value
	5. Petroleum			
18.	Agip.	245	115	Over value
19.	Mobil Oil	256	245	Over value
20.	Texaco	237	197	Over value
21.	Total	253	282	Uncer value
	6. Textile			
22.	Afprint	145	80	Over value
23.	Anpee Ind.	136	90	Over value
24.	UNTL	168	152	Over value
	7. Construction			
25.	Arbico	50	42	Over value
26.	Capp & D'alberto	60	79	Under value
27.	Constain (WA) Ltd.	55	18	Over value
28.	Dumez Nig. Ltd.	50	78	Under value
29.	Julius Berger Ltd.	122	220	Under value
30.	Roads Nigeria Ltd.	50	22	Over value

ANALYSIS OF THE SECTORS SECURITIES PERFORMANCE:

BANKING SECTOR

From the above computation of the intrinsic value of the stock prices of selected Banks, we can see that the sector is grossly undervalued. For instance, First Bank share should not be sold N1.90k in the stock market. Even of recent, there was a technical suspension on the sales of First Bank's shares in the secondary market because there were concrete evidence that the share is presently been undervalued. Even, the Chairman of Technical Committee for Privatization and Commercialization (T.C.P.C.) of recent accused some Directors in the Stock Exchange for benefiting illegally from insider trading of the first two offers of First Bank share to the public in the stock exchange.

This has justified the under valuing of the shares of Companies in the Banking Sector. Now the price of F.B.N. has been fixed for N2.00 in subsequent offers (trading in the stock market).

BREWERIES:

Unlike the banking sector, the Breweries industry is being overvalued. This is moreso with Guiness and N.B.L. as a result of the confidence the investors are having on the company's performance.

As for Golden Guinea, the intrinsic value is less than the observed value. That is to say, the share is been undervalued.

CONGLOMERATES:

In this sector, company like: John Hold has been undervalue. This is because of the conservative position of the company's performance and dividend in the past 5 years. As for A.G. Leventis, S.C.O.A. and C.F.A.O., the

intrinsic value is less than the observed valued; so also is the intrinsic value of UTC which is lower than the observed value. This means the shares has been overvalued, because of their good competitive position in the sector, coupled with good dividend per share for the past 5 years.

FOOD BEVERAGES AND TOBACCO

In fact, most of the stock prices of the Companies in the sector are over valued. This is more prevalent with Cadbury and Nigeria Tobacco Company as a result of the solid Management, Capital base as well as the good performance of the company for the past 5 years. These shares are used as collateral for future transaction, thereby leading to the scarcity of the shares in the Capital Market. This will eventually push up the price beyond the intrinsic value. On the other hand, the share of Christlieb is being under valued in the market.

PETROLEUM:

The petroleum sector is another industry that is witnessing pressure on its stock. A glance at the weekly stock price quotation will always show a plus (+) which means there are more investors willing to invest in the shares than those ready to sell. This invariably pushes up their prices above the intrinsic value in the capital market.

The share of Mobil oil is more under pressure compared to other companies like Agip and Texaco. This is more so because of the confidence the investors are having in the industry.

TEXTILE INDUSTRY:

The Textile Industry is another industry whose share are presently being over valued. Their performance generally has been encouraging. For instance,

U.N.T.L. and ENPEE has recorded an impressive performance for the past 5 years. This performance record coupled with the good management team created a lot of confidence in the investors. As a result, they are ready to pay a premium on the shares of these Companies in order to have their shares.

It is however, not the same with Afprint Nigeria Plc. The past 5 years, the earnings per share (E.P.S.) and dividend for Afprint has been on the decrease. This therefore, contributed to the fall in the observed value of the stock price because a lot of investors are not ready to invest in a business that does not yield any positive return. For instance, no dividend was paid in 1990 to investors.

CONSTRUCTION:

This sector has not been doing two well except for few of them like Julius Berger, Dumez and Cappa & D'Alberto. In view of their impressive performance, their share prices in the market has not actually justified their true intrinsic value.

It is pertinent to state here that other companies like Arbico, Constain and Roads are not performing too well. Hence their share price4s are still hovering around their 50k per value.

TEST OF HYPOTHESIS:

NUL HYPOTHESIS Ho:

Stock on the Nigeria Stock Exchange has

Been undervalued.

ALTERNATIVE HYPOTHESIS: Ha:

Stock on the Nigerian Stock Exchange ar

Not undervalued.

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Ho = Stock under valued

Ha = Stock not under valued.

STATISTICAL TEST:

The Chi-Square test would be used with confidence internal of 99%. The essence of this test of hypothesis is to confirm or reject the hypothesis based on the expected intrinsic value and observed value of the stock prices.

$$X2 = \sum_{1=1}^{F} \frac{(OD - ED)2}{ED.}$$

Where:

OD = Observed outcome

ED = Expected outcome

F = Number of samples subject to Degree of freedom (v)

$$ED = \frac{\text{Total x Column total}}{\text{Grand total}}$$

TABLE V:

SAMPLES	OD	ED	OD-ED	(OD-ED)2	$\sum_{J=I}^{E} \frac{F(OD-ED)2}{ED}$
1. F.B.N	95	276	-181	-32,761	-119
2. Progress Bank	89	77	-12	-144	-1.9
3. Savannah Bank	84	116	-82	-6,724	-40
4. UBA	104	316	-212	-44,944	-142
5. Union Bank	44	57	-13	-169	-6
6. Golden Guinea	50	77	-27	-929	-9.49
7. Guiness	250	173	-77	5929	34.27

8. N.B.N	371	228	143	20,449	89.69
9. A.G. Leventis	70	57	13	169	2.96
10. CFAO	80	61	19	361	5.9
11. John Hold	132	246	-114	12996	-52.8
12. SCOA	50	19	31	961	50.58
13. U.T.C.	86	45	41	1681	37.35
14. CABURY	246	183	63	3969	21.68
15. CHRISTLIEB	60	88	-28	-784	-8.91
16. NORTHERN NIG FL.	50	32	18	324	10.125
17. NIG. TOBACCO	275	225	50	2,500	11.11
18. AGIP	245	115	130	16,900	146.95
19. MOBIL OIL	256	245	11	121	0.49
20. TEXACO	237	197	40	1,600	8.12
21. TOTAL	253	282	-29	-841	-2.98
22. AFPRINT	145	80	65	4,225	52.8
23. ENPEE	136	90	46	2,116	23.51
24. U.N.T.L.	168	152	16	256	1.68
25. ARBICO	50	42	8	64	1.52
26. CAPPA & D'ALBERTO	60	79	-19	-361	-4.57
27. CONSTAIN (WA)LTD	55	18	37	1,369	76.05
28. DUMEZ NIG LTD.	50	78	-28	-784	-10.05
29. JULIUS BERGER	122	220	-98	-9604	-43.65
30. ROAD NIG. LTD.	50	22	28	784	35.64
TOTAL	3,963	3,946	17	F = 62,685	
				J = I	

N = N - I = 30 - 1 = 29

X_2 = 62.68

Reading from x2 table at 1% or 0.01 level of significance for n = 29

$X_{02.01}$ = x0.01 = 49.59

From above table x02 .01 = 62,685. Hence we should reject HO.

In other words, the stock in Nigerian Stock Exchange are not over valued.

With X02.05 at 5% confidence level

X02.05 = 42.56

This is also less than 62.685 so the Null hypothesis is rejected and the Alternative hypothesis is accepted. In synopsis therefore, one may be right to say that the stock in the Nigerian Stock Exchange are not undervalued. This is not to say that some of the securities are not be under valued as in the case of the Banking Sector, but a generalization of the whole performance of securities in the capital market.

FINDINGS:

From this research by using fundamental theory" approach to stock pricing, we were able to deduce the following:

(a) That the Nigerian Stock Exchange trading volume is still very low compared to the New York Stock Market and that of Tokyo. The shares are presently under priced in the banking sector. As at 1986, it showed that the banking sector prices were on the bullish trend, but today, the sector is the least under priced sector in the stock market. The price of securities in the petroleum, food/beverages and tobacco, textile and breweries are in bulish trend.

(b) As for the conglomerates, the prices are still too far away

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from their intrinsic value, but the observed prices are presently higher than the intrinsic value of the sampled securities except for John Holt.

(c) From this study also, I discovered that some of the securities are not always available in the market for potential investors to buy. This therefore create some disequilibrium in the stock market leading to the artificial rise in the security price above the intrinsic price. This is attributable to lack of information to investors on the performance of the Company's security they are holding in the market.

(d) Furthermore, I also gather from this study that the stock exchange do not have enough experts or analyst to carry out stock pricing as it is done in developed countries. A glaring example is the privatization of Federal Government Banks in the stock market where most of the securities are been under priced.

(e) Again, I also observed that the Nigerian Stock Market too, frequently intervene in the determination of securities prices in the market. This is against the ethics of an efficient market.

(f) Finally, the Chi-Square test showed that the table value at 1% confidence level (X0.01) = 41.64, where the x2 value = 430.19. Since the x2 is greater than the table value at the confidence level, we therefore reject the

hypothesis.

CHAPTER 5

RECOMMENDATION, CONCLUSION AND REFRENCES:

Going through the research work and the likely findings, there is the need to recommend to the Nigerian Stock Exchange and the Director that expert and analyst to be employed must be knowledgeable in stock valuation before being given the opportunity to work in the stock exchange. This will help to prevent a situation where some securities are being under priced in the market.

INTERFERENCE BY THE STOCK EXCHANGE PRICES

The Stock Exchange should desist from the unwarranted interference of stock prices in the market. In as much as they should not allow the market to turn into a "free lunch" situation (gamble), they should allow the forces of supply and demand to determine the price of securities in the market.

AVAILABILITY OF INFORMATION

This Stock Exchange should keep investors abreast with the latest information of every company that are listed in the market. It is only when we have adequate and well distributed information that would make a rationale investor to decide whether to or not to invest in particular security.

A situation whereby only Directors of Companies and Stock Exchange Officials are aware of some vital information relating to security price performance should not be allowed.

In fact, those investors that benefited from the first two officers, of "First Bank of Nigeria's shares" at 95k as a result of hinder trading should be brought to book.

LOW TRADE VOLUME

It has also been observed that investors in Nigeria do not dispose off their shares in the Stock Exchange too often until developed stock market. This invariably lead to the low trade volume of securities in the stock market. However, with the introduction of the privatization of the government owned Companies (TCPC), the stock exchange is now witnessing an upsurge in its activities. To be able to keep up the trend, I would like to suggest that the Nigerian Stock Exchange carries out a National wide Campaign through the electronic media – Radio, Television and the Print media such as the Newspapers to educate the masses of the benefits of investing in stock.

They should also communicate to the nation populace through the radio, television and the newspapers about the daily stock price movement in the stock market as it is done in Voice of America (VOA) and the British Broadcasting Corporation (BBC). This will help to create awareness among the populace and the investors to invest more in the securities.

5.1 CONCLUSION

The deduce general consensus of opinion in this research with regards to security valuation and price movement in the Stock Exchange market showed that most securities have been in the upward trend in line with the growth in economic activity except in the banking sector.

This upward price movement, generally, is as a result of the confidence the investors have for the company, industry operating creditably, considering the economy as a whole.

As for the banking sector, the downward price trend is as a result of the Central Bank's prudential guidelines, which has drastically; reduce their profit for the past two years. It is my own opinion that most of the banks will bounce back to their price leadership position in the stock market by the end of this decade.

In summation therefore, it will be beneficial to both the government, investors and the stock exchange itself if the recommendations given above are properly looked into and implemented to the letter with little or no fine tuning, so as to make the stock market more efficient like its counterpart in developed countries.

FUTURE PERFORMANCE

This research work has helped to some reasonable extent to justify the future performance of the Nigerian Stock Exchange and equally the Stock performance in terms of prices and yield.

From this research we can rightly say the Nigerian Stock Exchange is tending towards efficiency in its performance considering the constraints under which it has being operating.

A regular study of security valuation in the stock market should be carried out to examine daily or weekly price changes and movements.

It is also advisable to use more securities in subsequent study to have a clear and better representation of all registered securities in the stock market.

KASHIM IBRAHIM L

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Appendix I

Five - Year Financial Summary

	1990	1989	1988	1987	1986
	₦0'000	₦0'000	₦0'000	₦0'000	₦0'000
FUNDS EMPLOYED					
Share capital	12,000	12,000	12,000	12,000	12,000
Bonus issue reserve	12,000	----	----	----	---
General reserve	20,286	22,688	17,913	15,775	14,351
Long term loan	200,000	200,000	-----	-----	----
	244,286	234,688	29,913	27,775	26,351
ASSETS EMPLOYED					
Fixed assets	499,986	338,401	170,739	99,314	43,373
Net current liabilities	(241,141)	(86,823)	(145,923)	(72,039)	(17,016)
Provision for liabilities and charges	(14,559)	(16,890)	5,097	-----	----
	244,286	234,688	29,913	27,775	26,357
TURNOVER AND PROFITS					
Turnover	1,318,077	818,622	508,111	255,796	141,265
Profit before taxation	45,946	31,404	18,288	9,791	4,814
Profit after taxation	20,638	10,775	6,218	3,938	2,810
Dividends	11,040	6,000	4,080	2,520	1,632
Earnings per 50k share	85.99k	44.90k	25.91k	16.41k	11.71k
Dividends per 50k share	46.00k	25.00k	17.00k	10.50k	6.80k
Dividend per share on the enlarged issue capital at date of allotment (8th Feb. 1991) (adjusted)	23.00k	12.50k	8.50k	5.25k	3.40k
Dividend cover (times)	1.87	1.80	1.52	1.56	1.72

NOTE: Earnings and dividends per share are based on the issued share capital at 31st Dece 1990.

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Appendix I

ROADS NIGERIA PLC
Five - Year Financial Summary

	1990 N0'000	1989 N0'000	1988 N0'000	1987 N0'000	1986 N0'000
TURNOVER AND PROFITS					
Turnover	70,904	42,181	37,134	31,912	26,899
Profit/(loss) before taxation	3,763	826	395	292	(1,748)
Taxation	(1,531)	(270)	(151)	(229)	(172)
Profit/(loss) after taxation	2,232	556	244	63	(1,920)
Dividends	500	300	----	----	----
Profit retained/(loss)	1,732	256	244	63	(1,920)
Earnings per share (Note 1)	11.2k	2.8k	1.2k	0.3k	----
Dividend per share	21.5	1.5k	----	----	----
ARRESTS EMPLOYED					
Fixed assets	12,069	19,345	12,032	11,175	12,532
Investment	----	----	----	20	20
Debenture redemption sinking fund	5,000	4,000	3,000	2,000	-----
Nnet current assets	7,780	5,624	13,484	15,759	17,263
	24,849	28,969	28,516	28,954	29,815
FINANCED BY:					
Share capital	10,000	10,000	10,000	10,000	10,000
Debenture stock redemption reserve	---	---	---	---	1,000
Reserves	6,840	5,408	4,853	3,763	2,700
Shareholders' funds	16,840	15,408	14,853	13,763	13,700
Contract advances	---	---	---	1,092	1,991
Loans	---	5,552,	5,654	6,090	6,115
Redeemable debenture stock	8,009	8,009	8,009	8,009	8,009
	24,849	28,969	28,516	28,954	28,815

NOTES:

Earnings per share are based on the profit afte taxation and is calculated on the basis of 20,000,000 ordinary shares of 50 kobo each in issue at March 31, 1990.

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Appendix 1

UNITED NIGERIAN TEXTILES
FIVE YEAR FINANCIAL SUMMARY

	1990 N'000	1989 N'000	1988 N'000	1987 N'000	1986 N'000
CAPITAL EMPLOYED:					
Share capital	51,000	51,000	25,500	25,500	25,500
Capital reserve	297,685	297,687	1,505	1,505	
Revenue reserve	48,596	32,309	42,440	28,301	19,499
Shareholders' interest	397,281	380,994	69,445	55,306	46,504
Loans	103,926	85,908	49,452	15,165	9,708
Minority interest	20,281	17,758	132,778	82,042	66,240
REPRESENTED BY:					
Fixed assets	409,465	414,758	68,378	58,305	57,946
Investments	12,557	10,789	1,350	1,350	1,350
Net current liabilities	151,568	97,728	89,177	47,603	29,319
	573,590	523,275	158,905	107,258	88,615
Deferred liabilities	(52,102)	(38,617)	(26,127)	(25,216)	(22,375)
	521,488	484,658	132,778	82,042	66,240
TURNOVER, PROFIT, TAXATION AND DIVIDENDS:					
Turnover	939,625	785,335	497,169	312,116	211,317
Profit before taxation	84,292	71,939	45,028	35,434	30,297
Taxation	37,730	25,521	13,499	14,109	11,018
Profit after taxation to UNTL PLC	41,787	40,868	26,859	17,676	17,356
Dividend	20,500	25,500	12,750	10,200	7,650
Dividend per share	25.00K	25.00K	25.00k	20.00K	15.00K
Earnings per share	40.97K	40.07K	52.72K	37.25K	34.03K
Net assets per share	389.49K	373.52K	136.16K	108.44K	91.18K

Note:
The comparative figures per share have been prepared on the basis of the shares (102,000,000) at 31st December, 1990 and (1989 - 102,000,000).

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Appendix 7

AFPRINT NIGERIA PLC
FIVE YEAR FINANCIAL SUMMARY

	1991	1990	1989	1988	1987
TURNOVER AND PROFIT	N'000	N'000	N'000	N'000	N'000
Turnover	454,902	323,163	253,874	147,841	90,466
Profit before taxation	12,919	31,154	30,654	17,723	15,197
Taxation	2,560	7,844	7,288	6,559	3,703
Profit after taxation	10,359	23,310	23,366	11,164	11,494
Pref. shares redemption reserve	2,000	2,000	2,000	2,000	-
Dividends preference shares	3,200	3,101	2,966	1,125	-
Odinary shares	-	6,383	3,402	3,402	4,536
Retained profit	5,159	11,826	14,998	4,637	6,958
Earnings per share adjusted	11.2K	31.7K	32.0K	15.7K	18.0K
Dividends per share (adjusted)	-	10.0K	5.0K	5.0K	7.0K
Dividend cover	-	3.2	6.0	3.0	5.2
Ordinary shareholders' funds per share (adjusted)	258.3K	266.1K	192.6K	166.0K	133.4K
BALANCE SHEET					
Funds employed:					
Share capital	51,915	51,915	31,340	31,340	11,340
Share premium	17,759	17,759	-	-	-
Capital reserve	72,308	62,308	62,308	62,308	62,308
Pref. share redemption reserve	8,000	6,000	4,000	2,000	-
Foreign Exchange Reserve	-	12,153	14,179	14,179	-
Gneral reserve	34,896	39,737	31,111	16,113	11,476
Shareholders' funds	184,878	189,872	142,938	125,940	85,124
Convertible debenture Stock 1996/2000	100,000	-	-	-	-
Loan from foreign shareholders	31,470	-	-	-	-
Deposit for shares/deb.	-	60,000	13,345	-	-
Long Term Loans (secured)	185,706	106,241	93,503	55,258	54,637
	502,054	356,113	249,786	181,198	139,761
EMPLOYED OF FUNDS:					
Net fixed assets	343,165	258,613	166,851	141,513	121,243
Net current assets	158,889	97,500	82,935	39,685	18,518
	502,054	356,113	249,786	181,198	139,761

Appendix 7

TOTAL (NIGERIA) LIMITED

FIVE YEAR FINANCIAL SUMMARY
FOR THE YEAR ENDED 31ST DECEMBER.

	1990 N'000	1989 N'000	1988 N'000	1987 N'000	1986 N'000
FUNDS EMPLOYED:					
Share capital	40,500	40,500	40,500	33,750	33,750
Capital reserve	32,103	-	-	-	-
General reserve	87,045	70,849	53,557	48,310	36,616
Minority interest in subsidiaries	(2,963)	(402)	(1,641)	(1,827)	(1,493)
Long and medium term loans	14,700	9,606	5,374	6,607	12,431
	171,385	120,553	97,790	86,840	81,304
ASSETS EMPLOYED:					
Fixed assets	184,380	114,300	95,735	85,940	73,106
Preproduction expenditure	-	1,081	1,240	1,387	1,534
Deferred charges	-	122	-	-	-
Investment	295	295	295	10	10
Net current assets	20,075	44,919	26,746	22,770	23,790
	171,385	120,553	97,790	86,840	81,304
TURNOVER AND PROFITS:					
Turnover	1,348,424	1,046,785	734,610	634,853	575,962
Profit before taxation	76,346	77,912	55,399	58,915	44,373
Profit after taxation	43,822	42,830	29,194	35,615	27,237
Minority interest	2,560	(1,238)	(187)	379	199
Profit attributed to shareholders	46,382	41,592	29,007	35,994	27,436
Dividends	29,970	24,300	17,010	24,300	16,875
Profit retained for the year	16,412	17,292	11,997	11,694	10,561
Earnings per 50K share (adjusted)	57.3K	51.3K	35.8K	44.4K	33.9K
Dividends per 50K share (adjusted)	37K	30K	21k	30K	20.8K
Dividend cover (times)	1.55	1.71	1.70	1.48	1.63

Note:
Earnings and dividends per share are based on the issued share capital at 31st December, 1990
Earnings per share are calculated on the group profit after adjusting for results attributable t
minority interests.

Appendix I

MOBIL OIL NIGERIA PLC
FIVE YEAR FINANCIAL SUMMARY

	1990 N'000	1989 N'000	1988 N'000	1987 N'000	1986 N'000
CAPITAL EMPLOYED:					
Fully paid share capital	65,563	65,563	58,000	58,000	58,000
Share premium	14,380	14,246	-	-	-
Retained profit	141,100	88,879	64,757	58,963	47,418
	221,043	168,868	122,757	116,963	105,418
ASSETS AND LIABILITIES:					
Fixed assets	274,267	232,770	182,310	131,113	106,988
Working capital	18,515	(5,002)	(6,616)	32,130	5,099
	292,782	227,768	175,694	163,243	112,087
Deferred credits	(71,739)	(58,900)	(52,937)	(46,280)	(6,669)
Net tangible assets	221,043	168,868	122,757	116,963	105,418
Turnover	931,415	800,456	642,976	505,474	434,799
Profit before exceptional item and taxation	33,535	52,317	15,060	34,436	26,768
Exceptional item	87,355	34,182	15,699	7,495	-
Taxation	16,448	26,194	10,385	12,314	10,326
Profit after taxation	104,442	60,305	20,374	29,617	16,442
Dividend	52,221	36,183	15,289	19,256	9,865
Profit retained	52,221	24,122	5,085	10,361	6,577
Earnings per 50K share	79.65K	45.99K	15.54K	22.59K	12.54K
Dividend per 50K share	39.83K	27.59K	11.65K	14.68K	7.52K
Return on capital employed	47%	36%	17%	25%	16%

Note:
Earnings and dividends per share for each of the five years are calculated on 131,125,550 ordinary shares of 50K each which took account of the rights issue of shares in 1989.

Return on capital employed (ROCE) represents profits after taxation divided by the total capital employed (shareholders equity).

Appendix I

NORTHERN NIGERIA FLOUR MILLS PLC

FIVE YEAR FINANCIAL SUMMARY

	1991 N'000	1990 N'000	1989 N'000	1988 N'000	1987 N'000
FUNDS EMPLOYED:					
Called up capital	11,000	11,000	11,000	11,000	11,000
Revenue reserve	11,064	9,932	15,895	18,640	15,456
Deferred taxation	10,436	8,860	8,860	7,376	5,425
	32,500	29,792	35,755	37,016	31,881
EMPLOYMENT OF FUNDS:					
Fixed assets	45,552	48,159	49,058	48,964	47,988
Current assets	15,610	23,540	36,202	27,185	28,452
Intangible assets	-	-	178	297	179
Total assets	61,162	71,699	85,438	76,446	76,619
Creditors and other liabilities	(28,662)	(41,907)	(49,683)	(39,430)	(44,738)
	32,500	29,792	35,755	37,016	31,881
TURNOVER, PROFITS, TAXATION AND DIVIDEND:					
Turnover	40,083	27,481	18,418	48,485	59,361
Profit/(loss) before taxation	2,751	(5,779)	(2,189)	11,485	15,106
Provision for deferred taxation	1,576	-	-	-	-
Taxation	228	184	556	4,781	6,184
Profit/(loss) after taxation	947	(5,963)	(2,745)	6,704	8,922
Dividend	-	-	-	3,520	4,400
Retained profit/(loss)	947	(5,963)	(2,745)	3,184	4,522
Earnings per share	11.47K	-	-	30.47K	40.55K
Dividend per share	-	-	-	16.00K	20.00K

Note:

1. Earnings per share are based on 22,000,000 Ordinary Shares of 50K each.
2. Earnings per share are based on Profit after Taxation but before Extraordinary items and Deferred Taxation.

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Appendix I

CADBURY NIGERIA PLC
FIVE YEAR FINANCIAL SUMMARY

	1990 N'000	1989 N'000	1988 N'000	1987 N'000	1986 N'000
CAPITAL EMPLOYED:					
Share capital	28,175	21,131	16,905	16,905	14,088
Capital reserve	25,609	12,761	12,836	12,836	12,836
Revenue reserve	22,261	18,267	19,962	20,395	17,044
Debenture redemption reserve	5,000	2,500	-	-	-
Reserve for Bonus Issue	7,044	-	4,226	-	2,818
Debenture Stock	10,000	10,000	10,000	10,000	10,000
Term loans	7,167	40,326	9,559	2,627	1,011
Deferred taxation	17,450	13,819	7,499	4,968	5,179
Leases	31,417	-	-	-	-
	154,123	118,804	80,987	67,731	62,976
EMPLOYMENT OF CAPITAL:					
Fixed assets	123,907	103,666	51,789	49,555	50,544
Deferred capital expenditure		-	28,548	-	-
Investment	300	300	300	300	300
Net current assets	29,916	14,838	350	17,876	12,132
	154,123	118,804	80,987	67,731	62,976
TURNOVER PROFIT AND APPROPRIATIONS:					
Turnover	458,381	337,012	213,268	125,631	122,249
Profit before taxation	37,221	19,179	16,205	11,135	12,773
Taxation	(9,596)	(7,949)	(5,650)	(4,403)	(4,921)
Profit after taxation	27,625	11,230	10,555	6,732	7,852
Dividend	14,088	10,425	6,762	3,381	4,226
National economic recovery fund		-	-	-	3,57
Profit retained for the year	13,537	805	3,793	3,351	3,169
*** Earnings per share:-**					
(based on profit after taxa)	49.0K	26.6K	25.0K	15.9K	18.6K
Dividend per share	25.0K	18.5K	12.0K	6.0K	7.5K
Dividend cover (times)	2.0K	1.1	1.6	2.0	1.9
Net asset per 50K share (adjusted)	N1.56	N0.97	N0.96	N0.89	N0.78

Note:
Based on issued share capital at 31st December, 1990.

SCOA NIGERIA PLC

FINANCIAL SUMMARY Profit and account	1990	1989	1988	1987	1986
Turnover	1,047	1,132	803	598	473
(loss)/profit on ordinary activities before taxation	(66)	38	10	18	26
Taxation	-	(15)	(2)	(7)	(10)
(loss)/profit on ordinary activities after taxation	(66)	23	8	11	16
Extraordinary item	80	-	-	-	-
Dividend	(7)	(11)	-	(4)	(8)
Debenture redemption	-	-	(2)	(2)	-
Profit for the financial year	7	12	6	5	8
BALANCE SHEET:					
Fixed assets	332	196	159	154	107
Net assets less current	(143)	(20)	(15)	(13)	34
Total assets less current liabilities	367	149	144	141	141
Long term liabilities	(143)	(20)	(27)	(30)	(36)
Net assets	224	129	117	111	105
Share capital	115	45	45	32	32
Share premium account	6	-	-	-	-
Reserves	103	84	72	79	73
Capital and reserves	224	129	117	11	105
Earnings per share	-	10.2K	3.5K	4.8K	6.9K
Dividend per share (Gross)	3.0K	5.0K	-	1.7K	3.5K
Net assets per share	97.5K	56.1K	50.9K	48.3K	45.7K

The financial information presented above is based on the audited consolidated accounts of SCOA Nigeria Limited. The earnings, dividend and net assets per share for the 1989 period and before have adjusted to reflect the dilative effect of the share issue in 1990.

KASHIM IBRAHIM LIBRAR

Appendix I

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FIVE YEAR FINANCIAL SUMMARY

	1991	1990	1989	1988	1987
PROFIT AND LOSS ACCOUNT	N'000	N'000	N'000	N'000	N'000
TURNOVER	194,690	165,626	129,082	86,091	91,088
Profit before taxation and extraordinary items	15,871	10,495	6,350	1,914	3,976
Taxation	(5,628)	3,552)	(2,699)	(742)	(1,333)
Profit after taxation but before extraordinary item	10,243	6,943	3,651	1,172	2,643
Extraordinary item	-	-	5,614	2,302	-
Write back/(contribution) to National Economic Recovery Fund	11	-	-	82	(82)
DIVIDENDS	10,254	6,943	9,265	3,556	2,561
Retained profit	(4,451)	(3,561)	(1,484)	(1,187)	(1,187)
	5,803	3,382	7,781	2,369	1,374
Earning per share (adjusted) (note 1)	23.0K	15.6K	8.2K	2.6K	5.9K
Dividends per share (adjusted) (Note 1)	8.0K	8.0K	3.3K	2.7K	2.7K
Dividends per share (actual)	8.0K	8.0K	5.0K	4.0K	4.0K
BALANCE SHEETS					
Assets employed fixed assets	73,003	70,624	69,102	70,052	34,773
Investment and promissory note	45,503	443,535	43,323	25,770	18,679
Net current assets/ (liabilities)	19,029	(7,336)	(8,053)	(5,233)	(1,628)
	137,535	106,873	104,372	90,589	51,824
FINANCED BY:					
Share capital	22,254	22,254	14,836	14,836	14,8336
Reserves	59,569	53,766	57,802	50,021	21,589
Capital reserves on consolidation	9,077	9,077	9,077	9,077	9,077
Deferred	7,115	6,761	6,688	3,896	-
Interest	30,625	6,120	7,074	3,864	3,381
Loans	8,985	8,895	8,895	8,895	2,941
	137,535	106,873	104,372	90,589	51,824

Note: Earnings and dividends per share are based on the profit after taxation but before extraordinary item. Earnings per share has been calculated on the basis of 44,507,812 shares in issue at March 31, 1991. Dividend per share for 1991 has been calculated on the basis of the expanded share capital after right issue of 55,634,765 shares.

Appendix I

UNION BANK
Five-Year Financial Summary
for the year ended 30th September

USE OF FUNDS	1991 N'000	1990 N'000	1989 N'000	1988 N'000	1987 N'000
Cash and short term funds	7,588,546	4,525,742	4,172,126	2,061,089	1,191,873
Bills discounted	1,570,523	1,310,778	1,0111,824	1,391,880	1,191,873
Quoted investments	35,111	12,414	2,619	2,619	2,619
Uniquoted investments	4,704	5,395	5,770	3,600	3,850
Loans and Advances	1,736,617	2,650,211	2,380,226	2,228,879	1,872,215
Other assets	1,656,808	297,864	243,059	523,074	456,880
Lease assets	10,400	-	-		-
Fixed assets	563,728	439,165	170,444	124,626	100,916
Total assets	13,166,437	9,241,569	7,986,068	6,335,767	5,747,581
Finance by:					
11.75% Loan stock 1988/92	8,000	16,000	24,000	32,000	40,000
Customers' deposits	9,739,954	6,379,730	5,782,832	4,876,544	4,349,859
Other liabilities	2,750,107	2,193,061	1,645,324	1,014,454	1,009,131
	12,498,061	8,588,791	7,452,156	5,923,990	5,398,990
Capital and reserves					
Share Capital	79,380	63,504	53,504	63,504	63,504
Reserve	588,996	589,274	470,408	349,255	285,087
Shareholders' funds	668,376	652,778	533,912	412,759	348,591
	13,166,437	9,241,569	7,986,068	6,335,767	5,747,581
Acceptances etc	1,562,237	1,221,564	1,110,760	926,625	511,946
Gross earnings	1,824,117	1,420,778	1,059,418	773,728	611,276
Profit before taxation	14,434	127,249	152,409	112,333	83,513
Profit after taxation	7,938	97,699	94,866	70,359	56,158
Dividends	6,747	15,876	15,876	12,701	10,160
Earnings per 25K share (adjusted)	3K	31K	30K	22K	18K
Dividends per 25K share (adjusted)	2K	5K	5K	4K	3.2K

KASHIM IBRAHIM LIBRARY

SAVANNAH BANK

FINANCIAL SUMMARY

	1991 N'000	1990 N'000	1989 N'000	1988 N'000	1987 N'000
Cash and short term funds	990,959	631,869	761,859	492,896	350,023
Statutory deposit with CBN	95,718	41,746	39,820	33,568	166,486
Investment	495,684	1118,930	168,565	72,291	76,437
Loan and advances	638,521	899,073	804,352	738,713	659,921
Other assets	679,443	215,022	180,847	264,112	133,913
Fixed assets	159,246	142,340	126,969	47,449	45,362
Other liabilities	(224,690)	(123,681)	20,776)	(31,734)	(20,326)
NET ASSETS	2,834,881	1,925,299	2,061,636	1,617,295	1,4111,816
FINANCED BY:					
Share capital	34,921	34,921	34,921	34,921	34,921
Share premium	2,583	2,583	2,583	2,583	2,583
Statutory reserves	37,867	37,867	33,551	28,263	23,093
Retained profit	48,178	48,178	37,434	28,553	20,028
Shareholders funds	123,549	123,549	108,489	94,320	80,625
Deposit and other accounts	2,671,332	1,761,750	1,913,147	1,522,975	1,331,191
Debenture stock	40,000	40,000	40,000	-	-
	2,834,881	1,925,299	2,061,636	1,617,295	1,411,816
Accept, guarantees	442,224	179,079	180,034	95,513	101,049
Gross earnings	567,916	345,166	299,322	210,465	177,606
Profit before taxation	5,240	19,185	28,219	29,322	26,185
Profit after taxation	3,492	17,265	21,153	20,679	18,523
Dividend	3,492	6,984	6,984	6,984	5,588
Earnings per share	5.0K	24.7K	30.2K	29.6K	26.5K
Dividend per share	5.0K	10.0K	10.0K	10.0K	8.0K
Dividend cover (times)	1.0	2.5	3.0	3.0	3.3

NOTE: Dividend and Earnings per share are based on 69,843,750 ordinary shares of 50K each being the number of shares in issue at March 31, 1991

APPENDIX I

FIRST BANK

Five-Year Financial Summary
Year Ended December, 31

	1990 N'000	1989 N'000	1988 N'000	1987 N'000	1986 N'000
Assets					
Cash, bank balances and bills discounted	4,549,535	3,954,975	3,286,885	3,248,201	2,645,195
Investments	86,302	83,775	88,8815	130,562	119,438
Loans and advances	1,651,481	2,402,943	2,253,388	2,047,113	1,869,452
Other assets	1,817,996	1,756,761	1,238,204	1,183,770	1,219,899
Fixed assets	376,265	293,866	204,515	167,228	141,778
Total assets	8,481,579	8,492,320	7,071,807	6,776,874	5,995,762
FINANCED BY:					
Deposits	6,585,178	5,785,210	5,646,396	5,010,455	4,412,745
Taxation	44,453	66,043	79,339	39,646	60,103
Dividend	4,035	20,175	17,754	13,719	11,432
Other liabilities	1,547,576	2,086,662	893,700	1,339,591	1,200,234
	8,181,242	7,958,090	6,637,189	6,403,411	5,684,514
Shareholders' funds	300,337	534,230	434,618	3743,463	311,248
	8,481,579	8,492,320	7,071,807	6,776,874	5,995,762
Gross earnings	1,433,440	1,151,494	860,274	692,723	571,484
(Loss)Profit before taxation	(205,428)	163,044	124,375	106,013	145,848
(Loss) Profit after taxation	(205,428)	105,946	74,224	68,013	86,625
DIVIDENDS:					
Ordinary shares	4,035	24,210	21,789	21,789	14,789
Preference shares	2,250	2,250	2,250	2,250	2,250
Return shareholder's funds	-	20%	17%	18%	28%
Earnings per ordinary share (adjusted) Note 1	-	64.25K	89.2K	81.5K	104.6K
Dividends per ordinary share (adjusted) Note 2	2.50K	15.00K	27.0K	27.0K	18.3K
Dividends per ordinary share (actual)	2.50K	15.00K	27.0K	27.0K	22.0K
Equity dividend cover (times)	-	4.3	3.3	3.0	5.7

Note:

1. Earnings per share are based on profit after tax and after deducting preference dividend and are calcuated on the number of issued ordinary shares of 50 kobo each at 31st December 1990.
2. Dividends per share (adjusted) are calculated on the number of issued ordinary shares at 31st December, 1990

SECURITY SHARE	PAR VALUE (K)	QUOTATION (K)	BUSINESS DONE PRICE/DATE	BUSINESS DONE QUANTITY	THIS YEARS POS.(K) HIGH	THIS YEARS POS.(K) LOW	WHEN LAST EX DIV	DIVIDENDS PAYMENT DATE	DIVIDENDS INTERIM(K	DIVIDENDS TOTAL (K)	PAGE 3 EARNINGS PER SHARE (K)	PR EA RA
PETROLEUM(MARKETING)												
TOTAL NIGERIA PLC.	50	363+	363 (19/12/91)	425	363	253	24/05/91	18/07/91	0.0	37.0	52.2	
PHARMACEUTICALS & ANIMAL FEEDS												
BCH PLC.	50	165+	165 (24/12/91)	300	165	92	18/06/90	25/06/90	0.0	8.5	17.9	
GLAXO NIG LTD	50	133-	133 (20/12/91)	1500	151	133	17/09/91	08/11/91	0.0	0.0	11.1	12
LIVESTOCK FEEDS PLC.	50	32+	32 (18/12/91)	3242	60	30	10/05/88	29/07/88	0.0	20.0	0.0	
PFIZER PRODUCTS LTD	50	143+	143 (18/12/91)	2000	143	115	29/04/91	06/06/91	0.0	14.0	34.4	4
PHARMA-DEKO PLC.	50	143+	142 (18/12/91)	200	143	63	24/04/91	30/05/91	0.0	12.5	39.2	3
SMITHKLINE BEECHAM NIG. PLC.	50	263+	263 (18/12/91)	3000	263	212	24/05/91	31/07/91	0.0	18.5	26.9	
STERLING PRODUCTS NIG. PLC.	50	287+	287 (24/12/91)	250	287	180	20/06/91	01/08/91	0.0	22.0	31.0	
PUBLISHING												
DAILY TIMES LTD	50	62-	62 (11/12/91)	264	90	53	04/10/91	15/11/91	0.0	10.0	37.2	1
UNIVERSITY PRESS PLC.	50	95	95 (02/12/91)	7975	127	60	26/09/91	00/00/00	0.0	15.0	49.0	1
TEXTILES												
AFPRINT NIGERIA PLC	50	145+	145 (19/12/91)	1000	206	145	03/09/91	13/09/91	0.0	10.0	32.6	4
ENPEE IND LTD	50	160+	178 (12/11/91)	100	178	136	03/12/91	17/12/91	0.0	18.0	40.0	3
NIG TEXTILES MILLS	50	136+	136 (13/12/91)	416	136	136	11/04/90	05/04/90	0.0	5.0	26.3	5
UNITED NIG TEXTILES	50	346+	345 (17/12/91)	200	381	168	22/08/91	26/09/91	0.0	25.0	45.5	7
WESTEX LTD	50	280+	280 (17/12/91)	650	280	255	07/01/91	15/02/91	0.0	20.0	35.2	8
			SECOND-TIER SECURITIES MARKET (SSM)									
ABPLAST PRODUCTS PLC.	50	50+	50 (18/12/91)	1200	55	50	00/00/00	00/00/00	0.0	0.0	2.7	18
ADSWITCH PLC.	20	37+	37 (01/11/91)	1000	37	27	00/00/00	00/00/00	0.0	0.0	2.9	12
AFROIL PLC	20	44-	44 (17/12/91)	1000	44	22	19/06/91	15/07/91	0.0	2.0	2.9	15
ALUMINIUM EXTRUSION IND.LTD	50	50+	50 (23/12/91)	500	57	50	28/08/91	11/10/91	0.0	7.0	36.5	1
ANINO INTERNATIONAL PLC.	25	39-	39 (09/12/91)	10000	39	22	12/08/91	00/00/00	0.0	1.0	8.5	4
CAPITAL OIL PLC	25	65-	65 (18/12/91)	400	65	28	00/00/00	00/00/00	0.0	0.0	2.8	23
CUTIX PLC.	50	115+	115 (17/12/91)	600	127	107	25/09/91	25/10/91	0.0	12.0	0.0	0
HIGHLAND BANK (NIG) PLC	100	100+	100 (12/12/91)	240	119	99	28/06/91	00/00/00	0.0	0.0	8.5	11
JULI PLC.	50	50+	50 (20/12/91)	900	50	26	29/01/88	14/03/88	0.0	2.0	0.0	0
KRABO NIGERIA PLC.	20	30-	30 (22/10/91)	500	30	30	00/00/00	00/00/00	0.0	0.0	0.0	0
LIZ-OLOFIN AND COMPANY PLC.	50	126+	126 (13/12/91)	400	126	65	03/10/91	00/00/00	0.0	5.0	14.0	9
NEWPAK LIMITED	50	47-	47 (06/09/91)	2500	52	47	00/00/00	00/00/00	0.0	0.0	0.0	0
RAK UNITY PLT COMP.LTD	20	56	56 (20/12/91)	1800	58	45	00/00/00	12/02/91	0.0	2.0	12.0	4
ROKANA INDUSTRIES PLC.	50	95+	95 (27/12/91)	4000	95	60	00/00/00	00/00/00	0.0	0.0	0.0	0
TRIPPLE GEE AND COMPANY PLC.	50	135+	135 (20/12/91)	10800	135	55	00/00/00	00/00/00	10.0	0.0	0.0	0
TROPICAL PET. PRODUCTS LTD	50	58+	58 (13/12/91)	200	60	50	17/09/91	00/00/00	0.0	0.0	3.0	19
UNITED LIFE INSURANCE	50	103+	102 (09/10/91)	500	113	86	06/09/91	25/10/91	0.0	12.0	19.0	5
W.A. ALUM. PRODUCTS LTD	50	30-	30 (22/10/91)	400	38	30	00/00/00	00/00/00	0.0	0.0	0.0	0

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RY SHARE	PAR VALUE (K)	QUOTATION (K)	BUSINESS DONE PRICE/DATE	BUSINESS DONE QUANTITY	THIS YEARS HIGH	THIS YEARS LOW	WHEN LAST EX-DIV	DIVIDENDS PAYMENT DATE	DIVIDENDS INTERIM(K	DIVIDENDS TOTAL (K)	EARNINGS PER SHARE (K)	PRI EAI RAT
LEUM(MARKETING)												
TOTAL NIGERIA PLC.	50	363+	363 (19/12/91)	425	363	253	24/05/91	18/07/91	0.0	37.0	52.2	7
HARMACEUTICALS & ANIMAL FEEDS												
BOH PLC.	50	165+	165 (24/12/91)	300	165	92	18/06/90	25/06/90	0.0	8.5	17.9	9
GLAXO NIG LTD	50	133-	133 (20/12/91)	1500	151	133	17/09/91	08/11/91	0.0	0.0	11.1	12
LIVESTOCK FEEDS PLC.	50	32+	32 (18/12/91)	3242	60	30	10/05/88	29/07/88	0.0	20.0	0.0	0
PFIZER PRODUCTS LTD	50	143+	143 (18/12/91)	2000	143	115	29/04/91	06/06/91	0.0	14.0	34.4	4
PHARMA-DEKO PLC.	50	143+	142 (18/12/91)	200	143	63	24/04/91	30/05/91	0.0	12.5	39.2	3
SMITHKLINE BEECHAM NIG. PLC.	50	263+	263 (18/12/91)	3000	263	212	24/05/91	31/07/91	0.0	18.5	26.9	9
STERLING PRODUCTS NIG. PLC.	50	287+	287 (24/12/91)	250	287	180	20/06/91	01/08/91	0.0	22.0	31.0	9
UBLISHING												
DAILY TIMES LTD	50	62-	62 (11/12/91)	264	90	53	04/10/91	15/11/91	0.0	10.0	37.2	1
UNIVERSITY PRESS PLC.	50	95	95 (02/12/91)	7975	127	60	26/09/91	00/00/00	0.0	15.0	49.0	1
EXTILES												
AFPRINT NIGERIA PLC	50	145+	145 (19/12/91)	1000	206	145	03/09/91	13/09/91	0.0	10.0	32.6	4
ENPEE IND LTD	50	160+	178 (12/11/91)	100	178	136	03/12/91	17/12/91	0.0	18.0	40.0	3
IG TEXTILES MILLS	50	136+	136 (13/12/91)	416	136	136	11/04/90	05/04/90	0.0	5.0	26.3	5
UNITED NIG TEXTILES	50	346+	345 (17/12/91)	200	381	168	22/08/91	26/09/91	0.0	25.0	45.5	7
WESTEX LTD	50	280+	280 (17/12/91)	650	280	255	07/01/91	15/02/91	0.0	20.0	35.2	8.
			SECOND-TIER SECURITIES MARKET (SSM)									
ABPLAST PRODUCTS PLC.	50	50+	50 (18/12/91)	1200	55	50	00/00/00	00/00/00	0.0	0.0	2.7	18
ADSWITCH PLC.	20	37+	37 (01/11/91)	1000	37	27	00/00/00	00/00/00	0.0	0.0	2.9	12
AFROIL PLC	20	44-	44 (17/12/91)	1000	44	22	19/06/91	15/07/91	0.0	2.0	2.9	15.
ALUMINIUM EXTRUSION IND.LTD	50	50+	50 (23/12/91)	500	57	50	28/08/91	11/10/91	0.0	7.0	36.5	1.
AMINO INTERNATIONAL PLC.	25	39-	39 (09/12/91)	10000	39	22	12/08/91	00/00/00	0.0	1.0	8.5	4.
CAPITAL OIL PLC	25	65-	65 (18/12/91)	400	65	28	00/00/00	00/00/00	0.0	0.0	2.8	23.
CUTIX PLC.	50	115+	115 (17/12/91)	600	127	107	25/09/91	25/10/91	0.0	12.0	0.0	0.
HIGHLAND BANK (NIG) PLC	100	100+	100 (12/12/91)	240	119	99	28/06/91	00/00/00	0.0	0.0	8.5	11.
JULI PLC.	50	50+	50 (20/12/91)	900	50	26	29/01/88	14/03/88	0.0	2.0	0.0	0.
KRABO NIGERIA PLC.	20	30-	30 (22/10/91)	500	30	30	00/00/00	00/00/00	0.0	0.0	0.0	0.
LIZ-OLOFIN AND COMPANY PLC.	50	126+	126 (13/12/91)	400	126	65	03/10/91	00/00/00	0.0	5.0	14.0	9
NEWPAK LIMITED	50	47-	47 (06/09/91)	2500	52	47	00/00/00	00/00/00	0.0	0.0	0.0	0.
RAK UNITY PET. COMP.LTD	20	56	56 (20/12/91)	1880	58	45	00/00/00	12/02/91	0.0	2.0	12.0	4.
ROKANA INDUSTRIES PLC.	50	95+	94 (27/12/91)	4000	95	60	00/00/00	00/00/00	0.0	0.0	0.0	0.
TRIPPLE GEE AND COMPANY PLC.	50	135+	135 (20/12/91)	10800	135	55	00/00/00	00/00/00	10.0	0.0	0.0	0.
TROPICAL PET. PRODUCTS LTD	50	58+	58 (13/12/91)	200	60	50	17/09/91	00/00/00	0.0	0.0	3.0	19.
UNITED LIFE INSURANCE	50	103+	102 (09/10/91)	500	113	86	06/09/91	25/10/91	0.0	12.0	19.0	5.
W.A. ALUM. PRODUCTS LTD	50	30-	30 (22/10/91)	400	38	30	00/00/00	00/00/00	0.0	0.0	0.0	0.

ORDINARY SHARES	PAR VALUE (K)	QUOTATION (K)	BUSINESS DONE PRICE/DATE	BUSINESS DONE QUANTITY	THIS YEARS POS.(K) HIGH	THIS YEARS POS.(K) LOW	WHEN LAST EX-DIV	DIVIDENDS PAYMENT DATE	DIVIDENDS INTERIM(K)	DIVIDENDS TOTAL (K)	EARNINGS PER SHARE (K)
& TOILETRIES											
LEVER BROS NIG PLC	50	539+	537 (27/12/91)	350	539	399	29/04/91	10/06/91	0.0	40.0	63.5
P Z INDUSTRIES LTD	50	464+	464 (24/12/91)	385	546	318	21/10/91	06/12/91	0.0	22.0	76.5
FOOD/BEVERAGES & TOBACCO											
7-UP BOTTLING COMP	50	187+	187 (24/12/91)	1200	191	126	25/10/91	00/00/00	0.0	17.0	37.6
CADBURY NIGERIA PLC.	50	537+	537 (27/12/91)	200	537	246	24/04/91	12/06/91	0.0	25.0	75.6
CHRISTLIEB PLC	50	65	65 (05/12/91)	199	65	60	24/07/90	20/08/90	0.0	10.0	26.6
FLOUR MILLS NIG LTD	50	54+	54 (27/12/91)	300	60	47	27/09/88	21/11/88	0.0	4.0	6.3
FOREMOST DAIRIES LTD	50	47	47 (19/11/91)	1625	50	47	30/04/86	03/06/86	0.0	20.0	8.2
N NIG.FLOUR MILLS	50	83+	83 (19/12/91)	266	83	50	29/09/88	14/11/88	10.0	16.0	36.6
NESTLE FOODS NIGERIA PLC.	50	525+	383 (23/12/91)	10692	525	273	03/06/91	28/06/91	0.0	35.0	60.3
NIG BOTTLING CO	50	387+	385 (27/12/91)	2304	387	250	03/10/91	00/00/00	0.0	18.0	46.6
NIG TOBACCO COMP LTD	50	443+	443 (23/12/91)	2499	443	275	19/11/90	18/02/91	0.0	66.0	63.3
NIG.YEAST & ALCOHOL MAN. PLC	50	210+	37/207(17/12/91)	25400	210	120	30/08/91	16/10/91	0.0	20.0	16.8
OKITIPUPA OIL PALM PLC.	50	137+	137 (19/12/91)	2000	137	113	12/04/91	05/06/91	0.0	6.0	16.8
OKOMU OIL PALM PLC.	50	92-	92 (10/12/91)	42950	130	90	00/00/00	00/00/00	0.0	0.0	5.0
OVALTINE (WA) LTD	50	50-	50 (21/10/91)	300	50	48	06/06/86	30/06/86	0.0	8.0	12.4
P S MANDRIDES & CO	50	62+	62 (03/12/91)	6881	62	45	19/10/88	30/11/88	0.0	12.5	12.0
TATE INDUSTRIES PLC.	50	50+	50 (17/12/91)	2403	50	50	30/01/90	20/02/90	0.0	5.0	16.8
FOOTWEAR											
BATA NIGERIA LTD	50	72+	72 (20/12/91)	8036	81	22	26/03/91	16/05/91	0.0	10.0	16.8
LENNARDS (NIG) PLC.	20	21-	21 (16/12/91)	500	57	20	21/02/89	31/03/89	0.0	2.0	4.9
INDUSTRIAL/DOMESTIC PRODUCTS											
ALUMINIUM MAN. OF NIG. PLC.	50	166-	166 (19/12/91)	116	172	68	09/07/91	15/08/91	0.0	7.0	13.1
BEREC NIG LTD	50	31+	31 (12/11/91)	199	31	22	26/09/86	31/10/86	0.0	10.0	18.4
GROMMAC INDS. LIMITED	50	352+	352 (24/12/91)	900	352	252	25/07/91	00/00/00	0.0	20.0	56.8
INDUSTRIAL GASES PLC.	50	370+	369 (23/12/91)	200	370	200	04/06/91	12/07/91	0.0	20.0	58.3
LEVENTIS TECHNICAL PLC	50	50+	50 (27/12/91)	2000	50	50	13/09/91	00/00/00	0.0	6.0	8.9
NIG ENAMELWARE COMP	50	52-	52 (08/11/91)	1000	65	50	02/05/91	20/06/91	0.0	7.0	8.9
OLUWA GLASS COMPANY PLC.	50	52-	52 (20/12/91)	2700	67	51	23/07/91	13/09/91	0.0	2.0	13.6
VITAFOAM NIG LTD	50	246+	246 (27/12/91)	666	246	80	18/03/91	18/04/91	0.0	25.0	23.4
VONO PRODUCTS PLC.	50	130-	118 (13/12/91)	499	138	98	16/09/91	08/11/91	0.0	12.0	35.8
INSURANCE											
AMERICAN INT'L.INS.CO(NIG) PLC	50	288+	288 (23/12/91)	500	296	160	03/10/91	25/10/91	0.0	37.5	71.0
AMICABLE ASSURANCE PLC.	50	64-	64 (03/12/91)	125	64	52	26/07/91	30/09/91	0.0	4.0	25.8
BRI-AMERICAN INS.CO. PLC.	50	194+	193 (13/12/91)	300	194	126	28/08/91	01/10/91	0.0	20.0	36.0
CRUSADER INSURANCE PLC.	50	177+	177 (23/12/91)	476	177	138	26/07/91	15/08/91	0.0	15.0	24.9
GUINEA INSURANCE PLC.	50	157	157 (03/12/91)	12000	160	92	15/07/91	22/08/91	0.0	20.0	20.8
LASACO ASSURANCE PLC.	50	168+	167 (18/12/91)	4000	168	60	08/08/91	06/09/91	0.0	10.0	22.4
LAW UNION AND ROCK INS. PLC.	50	145+	140 (14/11/91)	200	145	96	18/06/91	02/07/91	0.0	13.5	37.5
M. & N INSURANCE CO (NIG) PLC	50	102+	100 (17/12/91)	200	147	54	04/11/91	00/00/00	0.0	0.0	31.2
NIGERIA ASSURANCE CO. PLC.	50	185+	185 (17/12/91)	2000	185	126	25/07/91	06/09/91	0.0	10.0	47.4
ROYAL EXCHANGE ASSURANCE PLC	50	153+	153 (13/12/91)	100	207	151	12/06/91	26/06/91	0.0	0.0	47.4
SUN INSURANCE NIGERIA PLC.	50	154+	150 (04/12/91)	1200	165	103	14/08/91	00/00/00	10.0	0.0	86.5
THE NIGER INSURANCE CO. PLC.	50	216+	191 (13/11/91)	150	216	139	07/09/91	10/10/91	0.0	12.0	30.4
UNIC PLC.	50	240+	240 (20/12/91)	200	275	148	06/09/91	15/10/91	0.0	20.0	60.6
WEST AFRICAN PROV.INS.COY. PLC	50	124+	140 (03/09/91)	500	150	100	14/08/91	00/00/00	0.0	20.0	71.0
INVESTMENT COMPANIES											
BENTWORTH FINANCE	50	25	25 (06/12/90)	450	25	25	21/04/90	17/05/90	0.0	5.0	13.0
MACHINERY(MARKETING)											
BLACKWOOD HODGE (NIG). PLC.	50	82-	82 (13/12/91)	100	85	50	22/05/91	19/07/91	0.0	6.0	21.2
NIG SEW MACH MAN CO	50	17+	17 (12/12/91)	3000	17	17	24/06/83	05/08/83	0.0	6.0	0.0
STOKVIS NIG LTD	50	42-	42 (17/10/91)	200	42	40	16/07/81	29/07/81	0.0	0.0	0.0
PACKAGING											
CMB PACKAGING PLC	50	219-	219 (27/12/91)	166	282	196	27/06/91	26/08/91	0.0	11.0	26.3
DELTA GLASS CO LTD	50	284+	284 (27/12/91)	2000	284	94	28/10/91	00/00/00	0.0	15.0	28.3
POLY PRODUCTS (NIG) LTD	50	51-	51 (12/12/91)	320	60	51	04/12/91	00/00/00	0.0	8.8	15.7
STUDIO PRESS (NIG) LTD	50	50-	50 (18/12/91)	240	72	50	00/00/00	14/09/90	0.0	9.0	6.7
VAN LEER CONTAINERS(NIG)PLC	50	322+	318 (18/12/91)	250	322	206	05/06/91	04/07/91	0.0	30.0	47.9
W A GLASS IND. PLC.	50	10-	10 (18/12/91)	200	10	10	00/00/00	00/00/00	0.0	0.0	0.0
PETROLEUM(MARKETING)											
AFRICAN PETROLEUM	50	350-	350 (27/12/91)	946	350	267	31/07/91	00/00/00	0.0	15.0	27.3
AGIP (NIGERIA) LIMITED	50	292+	292 (24/12/91)	953	336	245	18/06/91	19/08/91	0.0	10.0	39.6
MOBIL OIL NIG LTD	50	534+	533 (23/12/91)	200	534	256	05/06/91	01/08/91	0.0	40.0	92.5
NATIONAL OIL CO LTD.	50	467+	465 (27/12/91)	300	467	222	17/05/91	18/07/91	0.0	50.0	85.1
TEXACO (NIG) LTD	50	274+	273 (27/12/91)	620	274	237	21/05/91	28/06/91	0.0	17.0	27.3

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EQUITIES - ORDINARY SHARES

ORDINARY SHARE	PAR VALUE (K)	QUOTATION (K)	BUSINESS DONE PRICE/DATE	BUSINESS DONE QUANTITY	THIS YEARS POS.(K) HIGH	THIS YEARS POS.(K) LOW	WHEN LAST EX-DIV	DIVIDENDS PAYMENT DATE	DIVIDENDS INTERIM(K)	DIVIDENDS TOTAL (K)	EARNINGS PER SHARE (K)	PRICE EARNINGS RATIO
FOOD/BEVERAGES & TOBACCO												
7 UP BOTTLING COMP	50	115+	115 (20/09/90)	500	133	110	27/02/90	05/11/90	0.0	13.0	29.1	4.0
CADBURY NIGERIA LTD	50	200+	200 (21/09/90)	1531	200	173	15/05/90	19/06/90	0.0	18.5	25.9	7.7
CHRISTIEB PLC	50	65+	65 (14/09/90)	5330	72	38	24/07/90	20/08/90	0.0	10.0	26.6	2.4
FLOUR MILLS NIG LTD	50	80	80 (06/09/90)	125	80	80	27/09/88	21/11/88	0.0	4.0	11.7	6.8
FOOD SPECIALITIES	50	280	280 (19/09/90)	715	315	197	05/06/90	29/06/90	0.0	35.0	75.5	3.7
FONEMOSI DAIRIES LTD	50	15+	15 (19/09/90)	300	20	15	30/04/86	03/06/86	0.0	20.0	8.3	1.8
N NIG.FLOUR MILLS	50	20+	20 (14/08/90)	200	30	20	29/09/88	14/11/88	10.0	16.0	0.0	0.0
NIG BOTTLING CO	50	281 ISCP	281 (20/09/90)	6964	337	244	22/09/89	27/11/89	0.0	18.0	43.3	6.5
NIG TOBACCO COMP LTD	50	347+	347 (21/09/90)	1330	347	237	22/11/89	16/02/90	0.0	50.0	79.6	4.4
OKITIPUPA OIL PALM LTD	50	122-	122 (21/09/90)	1500	126	110	07/08/90	24/09/90	0.0	3.3	10.6	11.5
OVALTINE (WA) LTD	50	50-	50 (20/09/90)	600	52	50	06/06/86	30/06/86	0.0	8.0	0.0	0.0
P S MANDRIDES & CO	50	50-	50 (02/08/90)	100	50	49	19/10/88	30/11/88	0.0	17.5	12.0	4.2
TATE INDUSTRIES PLC.	50	75	75 (19/09/90)	158	114	75	30/01/90	20/02/90	0.0	5.0	18.2	4.1
FOOTWEAR												
BATA NIGERIA LTD	50	110-	110 (20/09/90)	333	132	28	14/03/89	11/05/89	0.0	12.0	7.7	14.3
LENNARDS (NIG) LTD	20	22-	22 (20/09/90)	3500	33	22	21/02/89	31/03/89	0.0	2.0	4.9	4.5
HOTELS												
CAPITAL HOTELS LTD	50	10+	10 (11/09/90)	100	10	10	00/00/00	00/00/00	0.0	0.0	0.0	0.0
INDUSTRIAL/DOMESTIC PRODUCTS												
ALUMACO LTD	50	138	138 (14/09/90)	3665	138	112	08/05/90	06/06/90	0.0	11.0	29.7	4.6
BERGER NIG LTD	50	20+	20 (24/08/90)	678	20	20	26/09/86	31/10/86	0.0	10.0	0.0	0.0
BROMAC INDS. LIMITED	50	237+	236 (21/09/90)	1382	244	99	30/07/90	17/09/90	0.0	17.0	50.8	4.7
INDUSTRIAL GASES LTD	50	172+	169 (12/09/90)	100	172	127	02/06/90	10/07/90	0.0	17.0	37.6	4.5
LEVENTIS TECHNICAL PLC	50	65	65 (20/09/90)	2096	71	65	29/08/90	00/00/00	0.0	4.0	21.0	3.1
NIG ENAMELWARE COMP	50	65+	65 (19/09/90)	500	65	62	03/05/90	15/06/90	0.0	3.0	13.6	4.8
OLUWA GLASS COMPANY LTD	50	60+	60 (19/09/90)	1000	60	21	00/00/00	00/00/00	0.0	0.0	9.9	6.1
VITAFOAM NIG LTD	50	180+	180 (20/09/90)	633	180	120	28/12/89	27/12/89	20.0	0.0	41.1	4.4
VONO PRODUCTS PLC.	50	85+	85 (21/09/90)	1580	125	85	17/09/90	08/11/90	0.0	12.0	33.3	2.6
INSURANCE												
AFRI-AMERICAN INS.CO. LTD.	50	120+	120 (17/09/90)	500	120	110	00/00/00	00/00/00	0.0	0.0	31.3	3.8
CRUSADER INSURANCE PLC.	50	135+	135 (17/09/90)	500	135	135	00/00/00	00/00/00	0.0	0.0	21.0	6.4
GUINEA INSURANCE CO. LIMITED	50	85+	85 (00/00/00)	0	85	80	00/00/00	00/00/00	0.0	0.0	0.0	0.0
LAW UNION AND ROCK INSURANCE	50	95+	95 (17/09/90)	500	95	95	00/00/00	00/00/00	0.0	0.0	18.0	5.3
N.E.M INSURANCE CO (NIG) LTD	50	117+	117 (00/00/00)	0	117	117	00/00/00	00/00/00	0.0	23.0	47.0	2.5
TIC NIGER INSURANCE	50	122-XD	0 (00/00/00)	0	134	122	00/00/00	00/00/00	0.0	0.0	19.8	6.8
UNIC	50	123+	123 (17/09/90)	100	123	119	03/08/90	26/09/90	0.0	12.8	32.0	3.8
WAPIC	50	115+	0 (00/00/00)	0	115	115	00/00/00	00/00/00	0.0	0.0	0.0	0.0
INVESTMENT COMPANIES												
BENTWORTH FINANCE	50	55-	56 (06/09/90)	500	77	55	21/04/90	17/05/90	0.0	5.0	13.0	4.3
MACHINERY(MARKETING)												
BLACKWOOD HODGE (NIG) LTD	50	75-	75 (21/09/90)	200	80	70	21/05/90	26/07/90	0.0	3.0	13.0	5.8
NIG SEW MACH MAN CO	50	17+	17 (06/09/90)	300	17	14	24/06/83	05/08/83	0.0	6.0	6.7	7.5
STOAVIS NIG LTD	50	50-	50 (21/09/90)	9000	50	50	16/07/81	29/01/81	0.0	0.0	5.9	8.5
PACKAGING												
CMS PACKAGING PLC	50	182+	181/182(21/09/90)	1892	182	66	29/06/90	28/08/90	0.0	12.0	83.0	2.2
PCLT PRODUCTS (NIG) LTD	50	68+	68 (14/09/90)	320	72	60	09/01/90	25/01/90	0.0	10.0	9.2	7.4
STUDIO PRESS (NIG) LTD	50	72	72 (21/09/90)	600	72	71	00/00/00	14/09/90	0.0	9.0	9.2	7.8
VAK LEER CONTAINERS	50	186+	185 (20/09/90)	2731	186	122	06/06/90	01/08/90	0.0	120.0	47.2	3.9
W A GLASS IND LTD	50	10+	10 (12/09/90)	200	40	10	00/00/00	00/00/00	0.0	0.0	0.0	0.0
PETROLEUM(MARKETING)												
AFRICAN PETROLEUM	50	235+	233/234(21/09/90)	1839	294	161	29/05/90	13/07/90	0.0	25.0	41.2	5.7
AGIP (NIGERIA) LIMITED	50	222+	220 (20/09/90)	1533	291	191	27/06/90	20/08/90	0.0	19.0	46.9	4.7
MOBIL OIL NIG LTD	50	263+	261/263(21/09/90)	1636	288	153	04/05/90	28/06/90	0.0	27.6	45.9	5.7
NATIONAL OIL CO LTD.	50	261+	261 (21/09/90)	250	261	193	08/05/90	12/07/90	0.0	12.0	52.5	5.0
TEXACO (NIG) LTD	50	215+	215 (21/09/90)	710	270	205	22/05/90	30/06/90	0.0	19.0	23.0	9.3
TOTAL (NIG) LTD	50	228+	227 (21/09/90)	240	235	205	11/06/90	24/07/90	0.0	30.0	52.9	4.3
PHARMACEUTICALS & ANIMAL FEEDS												
BEECHAM LTD	50	200+	200 (21/09/90)	5000	203	185	21/05/90	31/07/90	0.0	13.0	5.2	38.5
BOOTS CO (NIG) LTD	50	83+	81 (19/09/90)	300	83	61	18/06/90	25/08/90	0.0	8.5	17.9	4.6
GLAXO NIG LTD	50	155-	155 (21/09/90)	102600	157	140	12/09/89	09/11/89	0.0	6.6	44.1	3.5
LIVESTOCK FEEDS LTD	50	84-	84 (21/09/90)	2750	131	84	10/05/88	29/07/88	0.0	20.0	5.1	16.2
PFIZER PRODUCTS LTD	50	97+	97 (21/09/90)	240	108	96	04/07/90	01/08/90	0.0	12.0	28.5	3.4
PHARMA-DEKO LTD	50	54+	54 (11/09/90)	2100	63	15	07/08/90	13/09/90	0.0	10.0	13.5	4.0
STERLING PRODUCTS	50	180	180 (17/09/90)	300	192	172	30/05/90	01/05/90	0.0	20.0	44.1	4.1

EQUITIES - ORDINARY SHARES

ORDINARY SHARE	PAR VALUE (K)	QUOTATION (K)	BUSINESS DONE PRICE/DATE	BUSINESS DONE QUANTITY	THIS YEARS POS.(K) HIGH	THIS YEARS POS.(K) LOW	WHEN LAST EX-DIV	DIVIDENDS PAYMENT DATE	DIVIDENDS INTERIM(K)	DIVIDENDS TOTAL (K)	EARNINGS PER SHARE (K)	PRICE EARNINGS RATIO
PUBLISHING												
DAILY TIMES LTD	50	50-	50 (19/09/90)	125	51	46	01/11/88	16/12/88	0.0	5.0	16.8	3.0
UNIVERSITY PRESS LTD	50	57+	57 (19/09/90)	300	57	49	30/09/89	17/11/89	0.0	12.5	26.2	2.2
TEXTILES												
AFPRINT NIGERIA LTD	50	207-	207 (21/09/90)	1000	217	142	01/08/90	07/09/90	0.0	10.0	26.5	7.8
ENPEE IND LTD	50	152+	147 (17/08/90)	130	152	113	17/10/89	24/11/89	0.0	12.5	39.4	3.8
NIG TEXTILES MILLS	50	136	136 (20/08/90)	100	180	131	11/04/90	05/04/90	0.0	5.0	26.5	5.1
UNITED NIG TEXTILES	50	302+	302 (20/09/90)	850	321	236	07/08/90	27/09/90	0.0	25.0	58.7	5.1
WESTEX LTD	50	263+	263 (21/09/90)	3050	263	185	30/10/89	15/12/89	0.0	20.0	58.9	4.5
SECOND-TIER SECURITIES MARKET (SSM)												
ABPLAST PRODUCT PLC.	50	56+	56 (04/09/90)	300000	56	56	00/00/00	00/00/00	0.0	0.0	1.8	31.1
AFSOIL PLC	20	25-	25 (19/09/90)	2200	25	23	00/00/00	00/00/00	0.0	0.0	1.3	19.2
ALUMINIUM EXTRUSION IND.LTD	50	61-	61 (15/08/90)	500	65	59	00/00/00	00/00/00	0.0	0.0	0.0	0.0
AMICABLE ASSURANCE CO LTD	50	55-	55 (16/08/90)	2200	63	55	27/07/90	20/09/90	0.0	4.0	16.9	3.3
CAPITAL OIL PLC	25	32+	30 (19/09/90)	500	32	28	00/00/00	00/00/00	0.0	0.0	0.0	0.0
CUTIX LIMITED	50	101+XD	100 (19/07/90)	200	111	81	19/09/90	00/00/00	0.0	10.0	21.5	4.7
DELTA GLASS CO LTD	50	94	94 (18/09/90)	1500	104	94	06/09/90	00/00/00	0.0	4.0	51.3	1.8
HIGHLAND BANK (NIG) PLC	100	105-	105 (06/09/90)	2000	105	105	00/00/00	00/00/00	0.0	0.0	5.0	21.0
JULI PHARMACY LTD	50	48-	47 (01/08/90)	845	55	45	29/01/88	14/03/88	0.0	2.0	0.0	0.0
NEWPAK LIMITED	50	63-	64 (17/08/90)	300	65	63	00/00/00	00/00/00	0.0	0.0	0.0	0.0
RAK UNITY PET. COMP.LTD	20	36-	36 (11/09/90)	400	70	36	00/00/00	00/00/00	0.0	0.0	8.9	4.0
TROPICAL PET. PRODUCTS LTD	50	56-	54 (20/03/90)	1200	56	50	00/00/00	00/00/00	0.0	0.0	0.0	0.0
UNILIFE INSURANCE	50	90+	0 (00/00/00)	0	90	90	00/00/00	00/00/00	0.0	0.0	0.0	0.0
W.A. ALUM. PRODUCTS LTD. *	50	52-	52 (21/09/90)	400	52	52	00/00/00	00/00/00	0.0	0.0	0.0	0.0

ORDINARY SHARE	PAR VALUE (K)	QUOTATION (K)	BUSINESS DONE PRICE/DATE	BUSINESS DONE QUANTITY	THIS YEARS POS. (K) HIGH	THIS YEARS POS. (K) LOW	WHEN LAST EX-DIV	DIVIDENDS PAYMENT DATE	DIVIDENDS INTER: RIMS: (K)	DIVIDENDS TOTAL (K)	EARNINGS PER SHARE (K)	PRICE EARNI RATIO
FOOD/BEVERAGES & TOBACCO												
7-UP BOTTLING COMP	50	115+	115 (20/09/90)	500	133	110	27/07/90	05/11/90	0.0	15.0	29.1	4.0
CADBURY NIGERIA LTD	50	200+	200 (21/09/90)	1531	200	173	15/05/90	19/06/90	0.0	18.5	25.9	7.7
CHRISTIES PLC	50	65+	65 (14/09/90)	5330	72	58	24/07/90	20/08/90	0.0	10.0	26.6	2.4
FLOUR MILLS NIG LTD	50	80	80 (06/09/90)	125	80	80	27/09/88	21/11/88	0.0	4.0	12.7	6.3
FOOD SPECIALITIES	50	280	280 (19/09/90)	715	315	197	05/06/90	29/06/90	0.0	35.0	75.5	3.7
FOREMOST DAIRIES LTD	50	15+	15 (19/09/90)	500	20	15	30/04/86	03/06/86	0.0	20.0	8.2	1.8
N NIG.FLOUR MILLS	50	20+	20 (14/08/70)	200	30	20	29/09/88	14/11/88	10.0	16.0	0.0	0.0
NIG BOTTLING CO	50	261 ESCP	261 (20/09/90)	6764	337	244	22/09/89	27/11/89	0.0	18.0	43.3	6.0
NIG TOBACCO COMP LTD	50	347+	347 (21/09/90)	1330	347	237	22/11/89	16/02/90	0.0	50.0	79.6	4.4
OKITIPUPA OIL PALM LTD	50	122-	122 (21/09/90)	1500	126	110	07/08/90	24/09/90	0.0	3.5	10.6	11.5
OVALTINE (NIG) LTD	50	30-	30 (20/09/90)	600	52	50	06/06/86	30/06/86	0.0	8.0	0.0	0.0
P S MANDRIDES & CO	50	30-	30 (02/08/90)	100	30	49	19/10/88	30/11/88	0.0	17.5	12.0	4.7
TATE INDUSTRIES PLC.	50	75	75 (19/09/90)	150	114	75	30/01/90	20/02/90	0.0	5.0	18.2	4.1
FOOTWEAR												
BATA NIGERIA LTD	50	110-	110 (20/09/90)	333	132	28	14/03/89	11/05/89	0.0	12.0	7.7	14.3
LEKNARDS (NIG) LTD	20	22-	22 (20/09/90)	3500	33	22	21/02/89	31/03/89	0.0	2.0	4.9	4.5
HOTELS												
CAPITAL HOTELS LTD	50	10+	10 (11/09/90)	100	10	10	00/00/00	00/00/00	0.0	0.0	0.0	0.0
INDUSTRIAL/DOMESTIC PRODUCTS												
ALUMACO LTD	50	138	138 (14/09/90)	3865	138	112	08/05/90	06/06/90	0.0	11.0	29.7	4.6
BEREC NIG LTD	50	20+	20 (24/08/90)	678	20	20	26/09/86	31/10/86	0.0	10.0	0.0	0.0
GROMMAC INDS. LIMITED	50	237+	236 (21/09/90)	1382	244	99	30/07/90	17/09/90	0.0	17.0	50.8	4.7
INDUSTRIAL GASES LTD	50	172+	169 (12/09/90)	100	172	127	02/08/90	10/07/90	0.0	17.0	37.6	4.5
LEVENTIS TECHNICAL PLC	50	65	65 (20/09/90)	2096	71	65	29/08/90	00/00/00	0.0	4.0	21.0	3.1
NIG ENAMELWARE COMP	50	65+	65 (19/09/90)	500	65	62	03/05/90	15/06/90	0.0	3.0	13.6	4.8
OKUMA GLASS COMPANY LTD	50	60+	60 (19/09/90)	1000	60	21	00/00/00	00/00/00	0.0	0.0	9.9	6.1
VITAFOAM NIG LTD	50	180+	180 (20/09/90)	633	180	120	28/12/89	27/12/89	20.0	0.0	41.1	4.4
VONO PRODUCTS PLC.	50	85+	85 (21/09/90)	1380	125	85	17/09/90	08/11/90	0.0	12.0	33.3	2.6
INSURANCE												
BRI-AMERICAN INS.CO. LTD.	50	120+	120 (17/09/90)	500	120	110	00/00/00	00/00/00	0.0	0.0	31.3	3.8
CRUSADER INSURANCE PLC.	50	135+	135 (17/09/90)	500	135	135	00/00/00	00/00/00	0.0	0.0	21.0	6.4
GUINEA INSURANCE CO. LIMITED	50	85+	85 (00/00/00)	0	85	80	00/00/00	00/00/00	0.0	0.0	0.0	0.0
LAW UNION AND ROCK INSURANCE	50	95+	95 (17/09/90)	500	95	95	00/00/00	00/00/00	0.0	0.0	18.0	5.3
N.E.M INSURANCE CO (NIG) LTD	50	117+	117 (00/00/00)	0	117	117	00/00/00	00/00/00	0.0	23.0	47.0	2.5
THE NIGER INSURANCE	50	122-XD	0 (00/00/00)	0	134	122	00/00/00	00/00/00	0.0	0.0	19.8	6.8
UNIC	50	123+	123 (17/09/90)	100	123	119	03/08/90	26/09/90	0.0	12.8	32.0	3.8
WAPIC	50	115+	0 (00/00/00)	0	115	115	00/00/00	00/00/00	0.0	0.0	0.0	0.0
INVESTMENT COMPANIES												
BENWORTH FINANCE	50	55-	56 (06/09/90)	500	77	55	21/04/90	17/05/90	0.0	5.0	13.0	4.3
MACHINERY(MARKETING)												
BLACKWOOD HODGE (NIG) LTD	50	75-	75 (21/09/90)	200	80	70	21/05/90	26/07/90	0.0	3.0	13.0	5.8
NIG SEW MACH MAN CO	50	17+	17 (06/09/90)	300	17	14	24/06/83	05/08/83	0.0	6.0	6.7	2.5
STOKVIS NIG LTD	50	50-	50 (21/09/90)	9000	50	50	16/07/81	27/07/81	0.0	0.0	5.9	8.5
PACKAGING												
CMB PACKAGING PLC	50	182+	181/182 (21/09/90)	1892	182	66	29/06/90	28/08/90	0.0	12.0	83.0	2.2
POLY PRODUCTS (NIG) LTD	50	68+	68 (14/09/90)	320	72	60	09/01/90	25/01/90	0.0	10.0	9.2	7.4
STUDIO PRESS (NIG) LTD	50	72	72 (21/09/90)	600	72	71	00/00/00	14/09/90	0.0	9.0	9.2	7.8
VAN LEER CONTAINERS	50	186+	185 (20/09/90)	2731	186	122	06/06/90	01/08/90	0.0	20.0	47.2	3.9
W A GLASS IND LTD	50	10+	10 (12/09/90)	200	40	10	00/00/00	00/00/00	0.0	0.0	0.0	0.0
PETROLEUM(MARKETING)												
AFRICAN PETROLEUM	50	235+	233/234 (21/09/90)	1839	294	161	29/05/90	13/07/90	0.0	25.0	41.2	5.7
AGIP (NIGERIA) LIMITED	50	222+	220 (21/09/90)	1531	291	191	27/06/90	20/08/90	0.0	19.0	46.9	4.7
MOBIL OIL NIG LTD	50	263+	261/263 (21/09/90)	1636	288	155	04/05/90	28/06/90	0.0	27.6	45.9	5.7
NATIONAL OIL CO LTD.	50	261+	261 (21/09/90)	250	261	193	08/05/90	12/07/90	0.0	22.0	52.5	5.0
TEXACO (NIG) LTD	50	215+	215 (21/09/90)	710	270	205	22/05/90	30/06/90	0.0	19.0	23.0	9.3
TOTAL (NIG) LTD	50	228+	227 (21/09/90)	240	235	205	11/06/90	24/07/90	0.0	30.0	52.9	4.3
PHARMACEUTICALS & ANIMAL FEEDS												
BEECHAM LTD	50	200+	200 (21/09/90)	5000	203	185	21/05/90	31/07/90	0.0	13.0	5.2	38.5
BOOTS CO (NIG) LTD	50	83+	83 (19/09/90)	300	83	61	18/06/90	25/06/90	0.0	8.5	17.9	4.6
GLAXO NIG LTD	50	155-	155 (21/09/90)	102600	157	140	12/09/89	09/11/89	0.0	6.6	44.1	3.5
LIVESTOCK FEEDS LTD	50	84-	84 (21/09/90)	2750	131	84	30/05/88	29/07/88	0.0	20.0	5.2	16.2
PFIZER PRODUCTS LTD	50	97+	97 (21/09/90)	240	108	96	04/07/90	01/08/90	0.0	12.0	28.5	3.4
PHARMA-DEKO LTD	50	54+	54 (11/09/90)	2100	63	15	07/08/90	13/09/90	0.0	10.0	13.5	4.0
STERLING PRODUCTS	50	180	180 (17/09/90)	300	192	172	30/03/90	01/05/90	0.0	20.0	44.1	4.1

ORDINARY SHARE	PAR VALUE (K)	QUOTATION (K)	BUSINESS DONE PRICE/DATE	BUSINESS DONE QUANTITY	THIS YEARS POS. (K) HIGH	THIS YEARS POS. (K) LOW	WHEN LAST EX-DIV	DIVIDENDS PAYMENT DATE	DIVIDENDS INTER: RIMS: (K)	DIVIDENDS TOTAL (K)	EARNINGS PER SHARE (K)	PRICE EARNI RATIO
PUBLISHING												
DAILY TIMES LTD	50	50-	50 (19/09/90)	125	51	46	01/11/88	16/12/88	0.0	5.0	16.8	3.0
UNIVERSITY PRESS LTD	50	57+	57 (19/09/90)	300	57	49	30/09/89	17/11/89	0.0	12.5	26.2	2.2
TEXTILES												
AFPRINT NIGERIA LTD	50	207-	207 (21/09/90)	1000	217	142	01/08/90	07/09/90	0.0	10.0	26.5	7.8
EMPEE IND LTD	50	152+	147 (17/08/90)	130	152	113	17/10/89	24/11/89	0.0	12.5	39.4	3.8
NIG TEXTILES MILLS	50	136	136 (20/08/90)	100	180	131	31/04/90	05/04/90	0.0	5.0	26.5	5.1
UNITED NIG TEXTILES	50	302+	302 (20/09/90)	850	321	1236	07/08/90	27/09/90	0.0	25.0	58.9	5.1
WESTEX LTD	50	263+	263 (21/09/90)	3050	263	185	30/10/89	15/12/89	0.0	20.0	58.9	4.5
			SECOND-TIER SECURITIES MARKET (SSM)									
ABILAST PRODUCT PLC.	50	56+	56 (04/09/90)	300000	56	56	00/00/00	00/00/00	0.0	0.0	1.8	31.1
AFROIL PLC	20	25-	25 (19/09/90)	2200	25	23	00/00/00	00/00/00	0.0	0.0	1.3	19.2
ALUMINIUM EXTRUSION IND.LTD	30	61-	61 (15/08/90)	500	65	59	00/00/00	00/00/00	0.0	0.0	0.0	0.0
AMICABLE ASSURANCE CO LTD	50	55-	55 (16/08/90)	2200	63	55	27/07/90	20/09/90	0.0	4.0	16.9	3.3
CAPITAL OIL PLC	25	32+	30 (19/09/90)	500	32	28	00/00/00	00/00/00	0.0	0.0	0.0	0.0
CUTIX LIMITED	50	101+10	100 (19/07/90)	200	111	81	19/09/90	00/00/00	0.0	10.0	21.5	4.7
DELTA GLASS CO LTD	50	94	94 (18/09/90)	1500	104	94	06/09/90	00/00/00	0.0	4.0	51.3	1.8
HIGHLAND BANK (NIG) PLC	100	105-	105 (06/09/90)	2000	105	105	00/00/00	00/00/00	0.0	0.0	5.0	21.0
JULI PHARMACY LTD	50	40-	47 (01/08/90)	845	55	45	29/01/88	14/03/88	0.0	2.0	0.0	0.0
NEWPAK LIMITED	50	63-	64 (17/08/90)	300	65	63	00/00/00	00/00/00	0.0	0.0	0.0	0.0
RAK UNITY PET. COMP.LTD	20	36-	34 (11/09/90)	400	70	36	00/00/00	00/00/00	0.0	0.0	8.9	4.0
TROPICAL PET. PRODUCTS LTD	50	56-	56 (20/09/90)	1200	56	50	00/00/00	00/00/00	0.0	0.0	0.0	0.0
UNILIFE INSURANCE	50	90+	0 (00/00/00)	0	90	90	00/00/00	00/00/00	0.0	0.0	0.0	0.0
W.A. ALUM. PRODUCTS LTD. +	50	52-	52 (21/09/90)	400	52	52	00/00/00	00/00/00	0.0	0.0	0.0	0.0