УДК 336.761(669)

Gundu Daniel Nanen, student of the international faculty, Kursk State Medical University, Kursk Russia

email: tenasagundu@gmail.com

NIGERIAN STOCK EXCHANGE

Abstract: this article describes the performance of the stock exchange of Nigeria, its impact on the country's economy, and the methods of regulating the stock exchange.

Keywords: Nigeria, stock exchange

Гунду Даниел Нанен, студент международного факультета Курского государственного медицинского университета, Курск, Россия

email: tenasagundu@gmail.com

НИГЕРИЙСКАЯ ФОНДОВАЯ БИРЖА

Аннотация: в этой статье описываются показатели деятельности фондовой биржи Нигерии, ее влияние на экономику страны, а также методы регулирования фондовой биржи.

Ключевые слова: Нигерия, фондовая биржа

The Nigerian Stock Exchange (NSE) - the sustainable stock exchange championing Africa’s growth was established in 1961 as the Lagos Stock Exchange. In 1977, its name was changed from the Lagos Stock Exchange to the Nigerian Stock Exchange [1].

The Nigerian Stock Exchange is a multi asset Exchange with 166 equities, 154 bonds, 9 Exchange Traded Funds (EFTs), and 53 memorandum listings with a total market capitalization of over 28 million naira as at January 9, 2019.

The Nigerian Stock Exchange powers the growth of Africa. Data on listed securities' performances are published daily, weekly, monthly, quarterly and annually and are available on the Nigerian Stock Exchange website.

The Nigerian Stock Exchange has been operating an Automated Trading System (ATS) since April 27, 1999, with dealers trading through a network of computers connected to a server [2]. In 2013, the NSE launched its X-Gen, the next generation trading platform and catalyst for boosting trading in Africa. The X-Gen has brought about the advent of mobile trading technologies to the retail and institutional segments of the Nigerian capital market. Trading on The Exchange starts at 9.30 a.m. and closes at 2.30 p.m every Monday - Friday.

In order to encourage foreign investment into Nigeria, the government has abolished legislation preventing the flow of foreign capital into the country. This has allowed foreign brokers to enlist as dealers on the Nigerian Stock Exchange, and investors of any nationality are free to invest [3]. Nigerian companies are also allowed multiple and cross border listings on foreign markets.

In a bid to promote transparency and trust in the capital market, the NSE reconstituted the Investors' Protection Fund in 2012. The Fund is mandated to compensate investors who suffer pecuniary loss arising from the revocation or cancellation of the registration of a dealing member; insolvency, bankruptcy or negligence of a dealing member; or defalcation committed by a dealing member or any of its directors, officers, employees or representatives [4].

The NSE is regulated by the Securities and Exchange Commission, which has the mandate of Surveillance over the exchange to forestall breaches of market rules and to deter and detect unfair manipulations and trading practices [5]. The exchange has an automated trading System. Data on listed companies' performances are published daily, weekly, monthly, quarterly and annually.

Transactions on the Exchange are regulated by the Nigerian Stock Exchange, as a self-regulatory organization (SRO), and the Securities & Exchange Commission (SEC) –apex regulator, which administers the Investments & Securities Act of 2007. The NSE Weekly Market Report presents a summary of all activities relating to securities trading on the NSE's market [6]. It includes detailed summary of securities traded in the week under review, company-specific financials, corporate actions and other announcements.

A total turnover of 912.175 million shares worth N12.126 billion in 17,083 deals were traded in February 2019 by investors on the floor of the Exchange, in contrast to a total of 1.478 billion shares valued at N20.295 billion that exchanged hands in January 2019 in 23,263 deals. The Financial Services industry (measured by volume) led the activity chart with 624.219 million shares valued at N7.129 billion traded in 9,640 deals; thus contributing 68.43% and 58.79% to the total equity turnover volume and value respectively. The Conglomerates followed with 93.204 million shares worth N452.093 million in 861 deals. The third place was Oil and Gas industry, with a turnover of 59.267 million shares worth N124.638 million in 1,254 deals. Trading in the Top Three Equities namely, Zenith Bank Plc, Guaranty Trust Bank Plc and United Bank for Africa Plc. (measured by volume) accounted for 304.089 million shares worth N5.788 billion in 4,290 deals, contributing 33.34% and 47.73% to the total equity turnover volume and value respectively [2].

Table - Equity Turnover in February, 2020

Date	Deals	turnover volume	Turnover value(n)	traded stock	advanced stocks	declined stocks	unchanged stocks
10-feb-2020	3,487	200,155,486	1,922,514,359	102	17	17	68
11-feb-2020	3,690	276,268,300	3,706,717,854	103	13	17	73
12-feb-2020	3,519	152,401,584	2,435,549,212	100	13	18	69
13-feb-2020	3,918	150,725,160	2,781,539,014	101	13	15	73
14-feb-2020	3,189	132,624,301	1,279,704,605	97	9	19	69

Cited from nse.com [2]

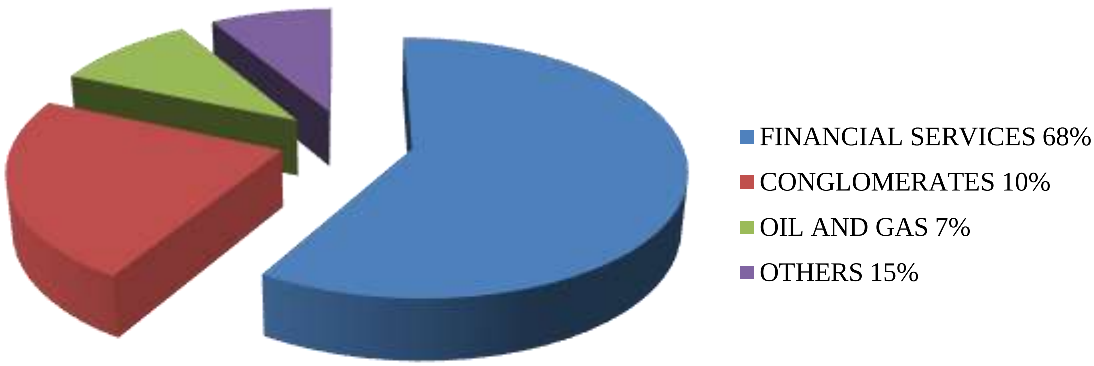

Figure - Distribution of quantity traded

The Nigerian Capital Market was deregulated in 1993. Consequently, prices of new issues are determined by issuing houses and stockbrokers based on the valuation carried out, while secondary market prices are determined by the forces of demand and supply. The market/quote prices, along with the All-Share Index plus NSE 30 and Sector Indices, are published daily in The Stock Exchange Daily Official List, The Nigerian Stock Exchange CAPNET (an intranet facility), newspapers, and on the stock market page of the Reuters Electronic Contributor System [6].

The Nigerian Exchange is a member of the World Federation of Exchanges (FIBV). It is also an observer at meetings of International Organization of Securities Commissions (IOSCO), and a foundation member of the African Stock Exchanges Association (ASEA). On 31 October 2013, it joined the Sustainable Stock Exchanges Initiative (SSE) [7]. The Nigerian Stock Exchange (NSE) in 2019 announced the appointment of multi-award winning artiste, Innocent Ujah Idibia popularly known as ‘2face Idibia’ as it’s good Cause Ambassador [8].

References

1. Wikipedia.com //stock exchange//
2. The Nigerian Stock Exchange. “NSE.Com”

3. "The Nigerian Stock Exchange". "The Stock Exchange". The Nigerian Stock Exchange. “NSE.Com”

4. “Opening of Lagos Stock Exchange”. The Financial Times (London, England), Thursday, June 15, 1961; pg. 5. “Ft.com”

5. “Good Start on Lagos” S. E. The Financial Times (London, England), Tuesday, October 24, 1961; pg. 5. “Ft.com”

6. "What We Do". SEC Nigeria. "All-Share Index". NSE. “Sec.gov.ng”

7. "Nigerian Stock Exchange joins United Nations Sustainable Stock Exchanges Initiative". **“**untad.org”

8. Nairametrics.com