



Press Release

NSE Reviews Rules on Pricing Methodology

Lagos, October 10, 2019. The Nigerian Stock Exchange (The Exchange or NSE) is pleased to announce the amendment to the rules on Pricing Methodology; price movements of equity securities traded on The Exchange. The amendments, which will be effective on Friday, October 11, 2019 are to Rules 15:29.2. C.2 of the Rulebook of the Exchange, 2015 (Dealing Members' Rules). Specifically, the amendments relate to the minimum trade quantity required to change prices for equity securities traded on The Exchange.

With this review, the minimum trade quantity required to change prices for equity securities traded on The Exchange will henceforth be one hundred thousand (100,000) units for all securities groups. This implies that trades of fewer than One Hundred Thousand (100,000) shares in any of the groups are small trades. Small trades in an equity security will not result in a change in the publicly reported price of such security.

The revised pricing methodology is expected to ensure overall market stability, and efficiency and fairness in pricing NSE securities.

On January 29, 2018, The Exchange implemented amendments to its pricing methodology and par value rules that saw the categorisation of quoted companies under three groups with different pricing rules. Group A consists of large-cap equities that are priced at N100 per share or above for at least four of the last six trading months, or new security listings that are priced at N100 or above at the time of listing on the Exchange. The second category, Group B, consists of medium-priced equities that are priced at N5 per share or above but less than N100 per share for at least four of the last six months, or new security listings that are priced at N5 per share or above but less than N100 per share at the time of listing on the Exchange. The third category, Group C, consists of equities that are priced at one kobo per share or above but below N5 per share for at least four of the last six months, or new security listings that are priced at one kobo per share or above but below N5 per share at the time of listing on the Exchange.

Hitherto, the prices of securities would only change if the volume of a trade was at a threshold of 10,000 for securities in Group A, 50,000 for securities in Group B and 100,00 for securities in Group C

Speaking on the amendment, the CEO, Mr. Oscar N. Onyema, OON, noted that, "The Exchange remains committed to maintaining a platform that engenders a fair and efficient market. This change is born out of the need to ensure that all price improving (up/down) transactions are material, making the market more efficient and attractive. We will continue to review our rules and



rule-making processes to boost investor confidence in our market, while ensuring that NSE rules comply with international best practice.”

About THE NSE

The Nigerian Stock Exchange, a company limited by guarantee, services the largest economy in Africa and is championing the development of Africa’s financial markets. The Exchange offers listing and trading services, licensing services, market data solutions, ancillary technology services, and more. The Nigerian Stock Exchange continues to evolve to meet the needs of its valued customers, and to achieve the highest level of competitiveness. It is an open, professional and vibrant exchange, and the Entrepreneurial Growth hub of Africa. The Nigerian Stock Exchange aspires to be Africa’s foremost securities exchange, connecting Nigeria, with the rest of Africa and the world.

October 10, 2019

Olumide Orojimi

Head Corporate Communications
The Nigerian Stock Exchange
2-4 Customs Street | Lagos | Nigeria
Mobile: +234 (0) 8146262127
Email: oorojimi@nse.com.ng

Joseph Kadiri

Media Relations Officer
The Nigerian Stock Exchange
2-4 Customs Street | Lagos | Nigeria
Mobile: +234 (0) 8054081390
Email: jkadiri@nse.com.ng