

NGX Changes Stock Category of Okomu Oil



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The stock category of Okomu Oil Plc has been reclassified by the Nigerian Exchange (NGX) Limited to high-priced group from medium-priced stock group.

This action was taken by the exchange last Wednesday, according to a circular issued to the investing community to update it on the development.



The upgrade of the company's equity group was changed by the stock exchange in line with its pricing methodology framework, the notice explained.

The value of Okomu shares has remained at a certain level in the most recent six-month period, which triggered the reclassification based on the pricing framework.

The equity price of Okomu Oil traded above N100 in at least four of the last six months and due to this, it was moved higher to the high-price stock level from the previous medium-priced stock level.

Business Post reports that shares of companies quoted on the NGX are put into three stock families; low-priced, medium-priced and high-priced and this is purely based on their market value.

In this regard, securities must have traded for at least four out of the most recent six-month period within a stock price threshold's specified price band to be classified into the category.

A review of Okomu Oil stock price and trade activities over the most recent six-month period allowed for the reclassification from the medium-priced stock category to the high-priced stock level.

"This reclassification also necessitates the attendant change in the tick size change from N0.05 kobo to N0.10 kobo in line with Rule 15.29: Pricing Methodology, Rulebook of the Exchange, 2015 (Trading License Holders' Rules).

“Okomu Oil stock price appreciated above the N100 price level on June 8, 2021, and traded above N100 up till closing of business on October 22, 2021. This indicates that Okomu Oil stock price has traded above N100 in at least 4 months out of the last 6 months.

Resultantly, Okomu Oil has been reclassified from the medium-priced stock group to the high-priced stock group with effect from Wednesday, November 3, 2021,” the notice said.