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**Topic**: Nigerian Stock Price Prediction (MTN vs. GLO) Descriptive Analysis

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CHAPTER 1

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#### 1.1 Introduction

Stock markets are crucial to the operation and expansion of modern economies, as they facilitate the process of capital accumulation, offer liquidity to investors, and provide mechanisms for managing financial risks. In this context, telecommunications stocks—especially those from major players like MTN and Glo—play a significant role in influencing investment strategies and shaping the economic forecasts of nations, particularly in emerging markets such as Nigeria. Given the volatile and often unpredictable landscape of stock markets, it becomes essential for stakeholders to conduct a comprehensive analysis and interpretation of historical price data. This is vital for those aiming to adeptly navigate the fluctuations of the market. A descriptive analysis that focuses on comparing the price movements of MTN and Glo stocks yields important insights into their respective performances in the market, thereby empowering investors to make more informed and strategic investment choices.

#### 1.2 Background and Motivation

MTN and Glo are among the largest and most influential telecommunications companies in Africa, with a particular emphasis on their significant roles in Nigeria's telecom industry. MTN operates as a multinational telecommunications group, expanding its footprint across several countries in Africa. It boasts a strong presence characterized by extensive operational infrastructure and a large customer base. In contrast, Globacom (Glo) is an indigenous telecommunications powerhouse in Nigeria, which has made a notable impact on the market through its aggressive pricing strategies and substantial investments aimed at enhancing infrastructure. The rivalry between these two giants has generated considerable interest from investors, as their financial performance often serves as an indicator of broader economic trends. The rationale behind this descriptive analysis lies in the pressing need to delve into the historical performance, trends, and fluctuations associated with their stock prices. Despite the significance of this competition, thorough comparative assessments of MTN's and Glo's stock performance are relatively limited, resulting in a lack of information for investors and stakeholders seeking more profound insights into these major players in the telecommunications sector. This study seeks to address this information deficit, providing clarity on how the stock values of these companies have historically responded to varying market conditions. Through this analysis, we hope to enrich the understanding of their financial behaviors and contribute to more informed investment decisions.

#### 1.3 Problem Statement

Forecasting stock market trends is fraught with challenges, particularly due to the inherent volatility that is influenced by various economic, political, and sector-specific dynamics. For investors focusing on telecommunications stocks, especially those contemplating investments in MTN or Glo, the lack of in-depth descriptive analysis complicates the decision-making process and may increase potential risks. Furthermore, there is a scarcity of comparative evaluations between MTN and Glo, which leads to ambiguity regarding the performance of these telecom giants in relation to each other over extended time frames. This lack of clarity can obstruct effective decision-making processes and undermine strategies for risk assessment. To address this issue, the project aims to fill this gap by providing comprehensive insights through a thorough descriptive analysis, thereby equipping stakeholders with the knowledge necessary to navigate and comprehend the telecommunications segment of the stock market more effectively.

#### 1.4 Aim and Objectives

**Aim:** This analysis aims to provide a statistical and descriptive understanding of stock price prediction in Nigeria pertaining to the two telecommunication firms, MTN and GLO.

**Objectives:**

* To systematically collect historical stock price data for MTN and Glo.
* To identify and analyze trends, patterns, and fluctuations in stock prices using appropriate statistical techniques.
* To develop visual representations clearly illustrating the comparative performance of MTN and Glo, highlighting significant insights and observations.
* To investigate and document periods of considerable volatility, stability, growth, and decline, providing essential context to the analysis.
* To present a clear and coherent summary of findings, making results easily understandable for investors and stakeholders

#### 1.5 Scope of the Project

The parameters of this project specifically entail performing a descriptive statistical analysis of historical stock price data pertaining to MTN and Glo, with an emphasis on the five-year period from 2020 to 2025. The primary activities outlined within this project consist of acquiring the relevant data, followed by processes of cleaning and exploring the dataset. This exploration will involve executing various descriptive statistical computations aimed at determining key metrics, such as measures of central tendency, including the mean and median, as well as measures of dispersion, like variance and standard deviation. Furthermore, this project will integrate various graphical visualization methods, including line graphs, boxplots, and histograms, which will serve to clearly illustrate trends in stock performance over the specified timeframe. It is important to underline that this scope distinctly excludes any form of predictive modeling, inferential statistics, or forecasting techniques; the analysis will be confined solely to descriptive statistics.

#### 1.6 Project Risk

Several risks may impact the successful completion and accuracy of this project:

* Difficulty in obtaining comprehensive historical stock price data, especially if financial records are incomplete or inaccessible.
* Potential data inaccuracies or inconsistencies arising from secondary data sources.
* Limitations inherent to descriptive analysis, which cannot offer predictive insights into future stock movements or market shifts.

To mitigate these risks, the project will prioritize sourcing data from highly reputable financial databases and exchanges, cross-verifying information from multiple credible sources. The use of robust analytical tools will further minimize inaccuracies and inconsistencies.

#### 1.7 SWOT Analysis

**Strengths:**

* Clearly defined project scope and methodological clarity, enhancing the reliability of outcomes.
* Focus on reputable and influential telecommunications companies (MTN and Glo), ensuring the relevance and reliability of the analysis.
* High interest among stakeholders and potential users, ensuring practical value and broad impact.

**Weaknesses:**

* Reliance on historical secondary data, potentially limited by data quality and availability.
* Limitation to descriptive analysis methods, which restricts deeper predictive insights and inferential analysis capabilities.

**Opportunities:**

* Provision of foundational insights and groundwork for future predictive analytical projects.
* Improvement in stakeholders' understanding of market dynamics, potentially influencing strategic investment and business decisions.
* Contribution to literature and research specifically focusing on telecommunications market dynamics in Nigeria.

**Threats:**

* Potential challenges in obtaining accurate and comprehensive data, especially if telecom companies or financial databases restrict access.
* Economic, political, or regulatory shifts that might substantially influence the telecom sector's financial performance during the analysis period.

#### 1.8 Significance of the Project

This detailed analysis of the stock prices for MTN and Glo holds considerable importance as it provides stakeholders with in-depth and practical insights into historical market trends. This information can greatly enhance the quality of investment decisions. By offering comparative descriptive insights, the analysis can uncover essential financial trends and performance indicators, which can be extremely advantageous for investors, financial analysts, and corporate strategists alike. Additionally, this project makes a valuable contribution to the wider discussion surrounding telecommunications investments in emerging markets, especially in Nigeria. It serves to assist policymakers and financial institutions in developing well-informed strategies aimed at promoting economic growth and ensuring market stability.

#### 1.9 Organization of the Project

The subsequent chapters of this project will be organized as follows:

* **Chapter 2**: Literature review, providing theoretical frameworks, related research, and key findings from previous studies.
* **Chapter 3**: Methodology, detailing data collection processes, statistical analysis methods, and visualization techniques.
* **Chapter 4**: Results and discussions, presenting the descriptive analysis findings, supported by visualizations and interpretation.
* **Chapter 5**: Summary of findings, practical recommendations, conclusions, and identification of areas for future research.