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The analysis of Nigerian exchange group mechanisms on economic growth

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Abstract
The NEG operates a platform for the purchase and sale of securities, which includes stocks, common stock, debentures, and government bonds. The NSE, like other stock exchanges across the world, is expected to influence the country's economic growth. Therefore, this paper aims to statistically study the impact of stock exchange mechanisms on Nigeria's economic growth. To accomplish this goal, time-series data from the DMO, CBN, and NEG statistical bulletins were obtained for the years 1980 to 2020. The study adopted an econometric technique of analysis using the unit root test, co-integration, and regression model. The statistics reveal that government bonds, with a coef value of 0.070194 and a p-value of 0.0003, positively and significantly influence Nigeria's economic growth, proxied by GDP at 1%. Market cap shows a coef. Value of 0.134597 and a p-value of 0.0000, indicating a positive, significant influence on Nigeria's GDP at 1%. Similarly, the statistics show that listed securities have a coef. Value of -0.444153 and a p-value of 0.0257, indicating a negative significant influence on Nigeria's economic growth (GDP). The study concluded that Nigerian group exchange mechanisms (govt bonds, market cap. and listed securities) significantly propel the country's GDP. The paper, therefore, recommends that the government put in place enough informational and infrastructural facilities that would enhance ease of access and participation in the NEG activities through effective sensitization and stock market advancements.

Keywords: Government bonds (GB), listed securities (LS), Nigerian exchange group (NEG), gross domestic Product (GDP)

1. Introduction
The capital market (CM) is a structured market that enables state and private entities to obtain long-term loans to fund government expenditures as well as industry growth and modernization. It also exists to provide a platform for capital suppliers to swiftly and conveniently recover their liquidity (Adetiloye, Babajide, & Ugwu, 2015) [1]. The capital market's function is to mobilize capital and apportion the country's financial capital between contending alternative uses. Afees and Kazeem (2010) [2] document that these critical roles for fast growth prospects, as well as capital market performance, are congruent with the NSE's founding aims and objectives in March 1960.

Ananwude and Osakwe (2017) [3] report that the NEG operates a platform for the purchase and sale of securities, which include stocks, common stock, debentures, and government bonds. The NSE, like other stock exchanges across the world, has two markets: the first market and the second market (Primary and Secondary). When the first round of financing is raised, the primary market comes into play. It's also known as the "New Issue" marketplace. The government and industry were able to fund development projects, industrial growth and modernisation via primary market operations. The Nigerian economy is heavily influenced by the NEG trading channel. It meant that Nigerian businessmen and embryonic industries would have had no established market to raise long-term loans for investment purposes otherwise (Araoye, Ajayi, & Aruwaji, 2018) [4]. Hence, without the NSE, mobilizing long-term money for constructive uses in the economy may have been impossible.

The NSE secondary market is where securities are acquired and sold after their initial public offering. Thus, the NSE offers a mechanism for investors to regain liquidity and diversify their risks via this market channel, while borrowers such as the government and manufacturers retain control of their assets (Edame & Okoro, 2013) [6]. Trade's actions via these conduits enable it to mobilize savings from the economy by allocating surplus spending units (SSU) to the deficit spending unit (DSU). Where a greater percentage of these assets are allocated toward investments that provide the highest rates of return once risk is factored in. The NSE's allocative role is critical in determining the economy's overall development and efficiency.

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The pace of economic development will undoubtedly be compromised if capital resources are not assigned to those economic units where demand is increasing and which are capable of increasing capacity at the appropriate period (Ezema, Okoye, & Obinabo, 2019) [7].

Nevertheless, the NSE has become synonymous with the NCM. Moreover, the phrases "NSE" and "CM" are commonly interchanged. The transition from the LSE to the NSE occurred in the middle of 1970 as a result of public unhappiness with the CM financial structure, among other factors (Engle & Granger, 1987). The focus of this research will be on the impact of the NSE's performance on the country's economic growth, as well as the impact of government bonds and market capitalization on economic growth, and finally, the impact of listed securities on Nigeria's economic growth (Esosa, 2011) [9].

This research is being carried out to discover a solution to the challenges that the stock market regularly encounters in terms of ensuring its efficacy in reaching its objectives and contributing to economic growth. Apart from general hazards and governance, Adetiloye, *et al*. (2015), Afees and Kazeem (2010), Ananwude and Osakwe (2017), Araoye, *et al*. (2018) [1, 2, 3, 4] opined that the prevalence of stock market manipulation and government debt is a major concern, prohibiting stock markets from fulfilling this crucial function in supporting economic progress. Since the dawn of time, it has long been feared that market speculation poses a serious threat to market efficiency and limits its potential to successfully operate as a growth engine.

Despite the fact that there is no empirical evidence to support this claim in emerging economies, Furthermore, there is a scarcity of empirical research concentrating on underdeveloped nations. It's worth noting that the majority of the empirical research by Nurudeen, *et al*. (2011), Nwaolisa and Chijindu (2016) [19, 20] focused solely on how market capitalization affects the economy's quality or efficiency. Similar empirical research in Nigeria (Alajekwu & Achugbu, 2012; Onakoya, 2013; Brown & Nyeche, 2016) has presented the stock market inefficiencies. Meanwhile, in the instance of Nigeria, the aforementioned research failed to develop a model that considers the relationship between government bonds, market capitalization, listed securities, and economic growth. The purpose of this research is to address these inconsistencies among scholars. The main goal of the study was to find out how the Nigerian exchange group mechanisms affected the country's economic growth.

2. Conceptual Review
In a literature study, authoritative and secondary sources such as journals, books, and dissertations are used in the literature. This chapter includes a review of works of literature that are relevant to the study's goal, which is grouped by specific goals to make sure they are relevant to the research study.

2.1. The Nigeria Stock Exchange
The NSE enables governments and industrialists to get long-term funding for development projects as well as to grow and upgrade their enterprises. This implies that the NSE acts as a platform for many sorts of long-term securities. The NSE offers the essential facilities, rules, and procedures to ensure healthy market competition and growth. The NSE acts as a middleman between fund providers and long-term fund investors (NSE, 2020) [5]. The NSE's allocation role is crucial in influencing the economy's overall growth. If capital resources were not allocated to those economic regions, particularly those with expanding demand and the

ability to increase productivity, the economy's rate of development would suffer (Nowbutsing & Odit, 2009) [18]. As a result, the stock market plays a very important and important role in the Nigerian capital market, so it has been called "the hallmark of the Nigerian capital market."

2.2. Nigerian Government Bonds
The Debt Management Office issues FGN Bonds as debt instruments (liabilities) on behalf of the FGN. Due to a contractual agreement, the Federal Government Bonds must make payments to bondholders on time. A long-term loan to the FGN is what you're doing when you buy FGN Bonds. Due to the Federal Government's "full confidence and credit" guarantee, FGN Bonds are considered a risk-free debt product in the domestic debt market (Ohiomu & Enabulu, 2011) [21]. They have no risk of default, which means you may be assured that your interest and principal will be paid on time. The securities' interest earnings are tax-free.

2.3. Nigerian Market Capitalization
The market capitalization of a company (market worth) is the stock price times the issued shares. Listed domestic businesses refer to domestic companies that are traded on stock markets at the end of the year. The list of listed businesses excludes investment firms, mutual funds, and other types of collective investment vehicles. Nigeria's market capitalization was 56,569 million USD in 2020. Nigeria's market capitalisation has fluctuated greatly in recent years but has generally increased between 1998 and 2020, reaching 56,569 million USD in 2020.

2.4. Listed Securities
Shares, debentures, and other securities that are traded on a stock exchange such as the BSE, NSE, and others are referred to as "Listed Securities." When a private company decides to go public and issue stock, it must first choose which stock market it will list on to do so. This means that it must be able to comply with the exchange's listing criteria and pay the exchange's entry and yearly listing fees to be eligible for listing on the exchange. Other requirements range from one exchange to the next, including the minimum amount of stockholder ownership, the minimum share price, and the minimum number of stockholders. Exchanges maintain listing standards to ensure that only high-quality securities are traded on their exchanges and to safeguard the exchange's image among investors and other market participants (Onaolapo & Adebayo, 2010) [22].

Rule 414 of the SEC Rules and Regulations 2013 allows the Nigerian Capital Market to sell or offer for subscription foreign securities to Nigerians. Rule 415 states that "any foreign issuer of securities shall submit to the Commission an application for registration of its securities, accompanied by a draft prospectus, and subject to such requirements as the Commission may designate."

2.5. Theoretical Framework
This section reviews relevant and related theories that well explain the relationship between the stock exchange and the country's economic growth.

2.5.1. Loss-Aversion Theory
According to the Loss-Aversion Theory, people's perceptions of gain and loss are warped. People are more afraid of losing money than they are of gaining it; in other

words, they will choose the option that they believe has a lower risk of ending in a loss rather than the option that offers the greatest rewards. If they are presented with two options, they will choose one. If a person is given the option of choosing between two investments that have returned 5 percent each year and one that has returned 12 percent, lost 5 percent, and returned 6 percent in the same years, the person will choose the 5 percent investment because he places an unreasonable premium on the single loss while disregarding the greater gains in the other investments. In three years, as in the example above, both systems provide the same net total return on investment.

The loss-aversion hypothesis for finance experts and investors demonstrates that few people absorb what they learn in school, despite the fact that the risk/reward trade-off exposes how often risk an investor must endure achieving the desired returns. Instead of focusing on a client's reward preferences, financial advisors must focus on matching a client's risk profile to their portfolio allocation. The investor has to fight through prospect theory's pessimistic predictions and find the courage to get the rewards he or she wants.

2.6. Empirical review

Researchers have sought to examine the impact of the stock market on economic development in a range of countries and historical periods, using a variety of approaches. Over the period 1979 to 2008, Olowe, Oluwatoyin, and Fasina (2011) conducted research on the link between Nigeria's stock market and economic advancement. According to the findings of the research, the market capitalization, the All-Share Index, and the Gross Domestic Product all showed a positive relationship with one another. Ohiomu and Enabulu (2011) [21] investigated the influence of the stock market on Nigerian economic growth using ordinary least square regression (OLS). They conducted their research using data from 1989 to 2008, and their results revealed that all stock market transaction parameters had a positive influence on economic growth. Edame and Okoro (2013) [6] examined the stock market's impact on economic growth in Nigeria using annualized time series data and stock market factors. They found that between 1970 and 2010, the stock market had a considerable favourable effect on Nigeria's economic development.

Nurudeen, Wafure, and Auta (2019) [19] investigated whether the rise of Nigeria's stock market contributes to economic growth. The research revealed that stock market development adds to economic growth when the error-correction technique is used. An examination of the relationship between the Nigerian stock market and the country's economic development from 1970 to 2004 by Afees and Kazeem (2020) [2] found that a more active stock market stimulates economic growth. A study by Mishra and colleagues (2020) examined time-series data on market capitalization, total trading volume, and the stock price index for India from the first quarter of 1991 to the first quarter of 2010, to determine the influence of capital market efficiency on India's economic development. They discovered a correlation between the efficiency of the Indian capital market and the growth of the Indian economy. Capital markets, according to Ezema, Okoye, and Obinabo (2020) [7], haven't reached the stage of development where they can provide their principal economic function, given the large difference in capital market investments amongst European nations.

According to Mckinnon (1973) [12], financial deregulation and stock market development would enhance economic growth by raising the rate of savings, investment, and, eventually, economic growth. According to McKinnon (1973) [12], a low or negative real rate of interest discourages savers, lowering the supply of loanable money, restricting investment and so impeding economic progress. Savings may be encouraged by a rise in the real interest rate, which in turn can lead to increased investment and economic development. Furthermore, the financial liberalization process's success is predicated on the following notions: the successful development of the financial sector, Saver and real interest rate are linked to a healthy economy. There is also a perfect match between the demand for money and investment.

While past empirical research has been conducted (Cournède & Denk 2015; Madsen & Ang 2016; Asteriou & Spanos 2019) using different techniques and measurements to highlight the stock market–growth nexus, there appears to be an agreement in two areas. For starters, illegal market operations increase financial risks in the stock market by increasing market volatility, capitalization falls, and equity volatility (Zhang et al., 2016). Second, the ability to tolerate risk in the stock market helps the expansion of the economy (Zhang et al., 2016). The predominance of unfair commercial practices makes people less willing to take risks, especially if detection and prosecution procedures are not effective (Wei, 2014).

Financial risks gradually turn into economic threats and vice versa. According to the International Monetary Fund, manipulation is both a financial and economic risk, and it has a strong potential to have a negative influence on economic performance both during and after the manipulation period. In essence, the ability to tolerate risk has an impact on the ability of stock markets to stimulate economic growth. It should come as no surprise that well-developed markets (which can handle a lot of risks) recover from economic crises in very short amounts of time.

3. Research Methodology

The ex-post facto research design was used on a time series of data collected over forty years (2080-2020). These types of research designs are used when the phenomenon under investigation has already taken place. The study made use of secondary data which was obtained from the CBN statistical bulletin and NSE fact book for the periods under scrutiny. The robust and sophisticated econometric technique of analysis using the unit root tests of the variables, cointegration, and ordinary least square (OLS) were considered, and the criteria for evaluating our models include the F statistics, coefficient of determination R^2, and adjusted R^2. To test the formulated hypothesis, STATA version 15 was considered.

3.1. Variables' Measurement

Table 1 presents the variables used in determining the strength of the link between the variables that investigate the impact of NEG performance on the country's economic growth. The NEG is proxied by a log of GDP and servers as a dependent variable. Government bonds, market cap, and listed securities were used as independent variables.

Table 1: Variable Definition and Measurements

Variables	Definition/Measurements
Dependent Variable	
NEG	Log of GDP.
Independent Variables	
GOVT. BOND	Log of GOVT. BONDS
MKT CAP	Log of market capitalization
LS	Log of listed securities

***Source*:** Author's Computation, (2022).

3.2. Model Specification

The general` multiple regression models which the study adopted are provided below:

$$LGDP = f(gvtbond, mktcap, ls) \qquad (1)$$

$$LGDP = \alpha_0 + \alpha_1 \, gvtbond + a_2 \, mktcap + \alpha_3 ls + \mu \qquad (2)$$

Where;
LGDP = year end GDP (log of GDP)
Gvtbond = log of total government bonds for the year
Mktcap = log of total market capitalization
ls = log of total listed securties
α = regression constant
μ = error term

4. Data Presentation and Analysis

This section attempts to provide a discussion on the results obtained and compares the findings with previous and related studies.

4.1. Descriptive Statistics

Table 2 shows the measurements of GDP, government bonds, market capitalization, and listed securities in terms of mean, median, standard deviation, variance, skewness, and kurtosis, as well as the maximum and lowest values for each. In light of the descriptive values in Table 2, it is obvious that the distribution may be characterized as normal and that the data set meets the criteria for normal distribution. The fact that the sample was taken from a population with a normal distribution is important. Because the values of the Kurtosis are greater than 0.30, this is the case. The fact that the dependent variable "GDP" has mean and median values of 4.470646 and 4.374534 is another factor to consider. The standard deviation is 0.250071 standard deviations from the mean. Because there isn't a big difference between the mean and the standard deviation, this means that the variables are spread out evenly.

Table 2: Descriptive Statistics of the Variables

	GDP	BOND	MCAP	LS
Mean	4.470646	0.904360	2.734607	2.400925
Median	4.374534	0.542825	2.821186	2.408240
Maximum	4.839000	3.146263	4.405824	2.491362
Minimum	4.139226	-0.698970	0.698970	2.230449
Std. Dev.	0.250071	1.109827	1.370002	0.055534
Skewness	0.274118	0.666916	-0.218249	-1.303526
Kurtosis	1.519194	2.259543	1.505031	4.841824
Jarque-Bera	4.259472	3.975951	4.143500	17.40626
Probability	0.118869	0.136972	0.125965	0.000166
Sum	183.2965	37.07877	112.1189	98.43794
Sum Sq. Dev.	2.501410	49.26866	75.07617	0.123362
Observations	41	41	41	41

Source: Author's Computation from STATA Version 15 Output, (2022).

The mean, max., min., and stand. dev. for the variables are shown in Table 2. Government Bonds have the lowest mean value of 0.904360, while Gross Domestic Product (GDP) has the greatest mean value of 4.470646. Listed Securities (LS) has the lowest standard deviation of 0.056856, while market capitalization (MCAP) has the greatest standard deviation of 1.370002.

4.2. Unit Root Test

An extended Dickey-fuller unit root test is used to determine if a time series sample is stationary. The improved dickey-fuller statistic has a negative value in this test. The more strongly the hypothesis of a unit root is rejected at whatever level of confidence, the more negative it is.
H_0: There is a unit root in the series.
H_1: There is no unit root in the series.

4.2.1. Decision rule

Reject the null hypothesis if the p- value of fall below the level of significance

Table 3: Unit Root Test for GDP

Null Hypothesis: D(GDP,2) has a unit root			
Exogenous: Constant			
Lag Length: 0 (Automatic - based on SIC, max lag=9)			
		t-Statistic	Prob.*
ADF test statistic		-9.241829	0.0000
Test critical values:	1% level	-3.615588	
	5% level	-2.941145	
	10% level	-2.609066	

Source: Author's Computation from STATA Version 15 Output, (2022). *MacKinnon (1996) one-sided p-values.

Table 3 reports the results of the unit root test. As shown in the Table, based on the probability value of the t-statistics, the null hypothesis of unit root can be rejected. The GDP is stationary at this level. Thus, the t-statistics of -9.242, with a corresponding probability value of 0.000, leads to the rejection of the null hypothesis of unit root at the 1% level. The association between test statistics and test critical values is another technique to make a judgment. The test statistic is less than the crucial values for the test. As a result, the null hypothesis is rejected in favour of the alternative hypothesis.

Table 4: Unit Root Test for Govt. Bonds

Null Hypothesis: D(BOND,2) has a unit root			
Exogenous: Constant			
Lag Length: 2 (Automatic - based on SIC, max lag =9)			
		t-Statistic	Prob.*
ADF test statistic		-7.427620	0.0000
Test critical values:	1% level	-3.626784	
	5% level	-2.945842	
	10% level	-2.611531	

Source: Author's Computation from STATA Version 15 Output, (2022). *MacKinnon (1996) one-sided p-values.

The series Gov. Bond is stationery at a level as shown in Table 4. Thus, the t-statistics of -7.428, with a corresponding probability value of 0.000, leads to the rejection of the null hypothesis of unit root at the 1% level. The association between test statistics and test critical values is another technique to make a judgment. The test statistic is less than the test critical values in terms of value.

As a result, the null hypothesis is rejected in favour of the alternative hypothesis.

Table 5: Unit Root Test for Market Cap.

Null Hypothesis: D(MCAP,2) has a unit root			
Exogenous: Constant			
Lag Length: 1 (Automatic - based on SIC, maxlag=9)			
		t-Statistic	Prob.*
ADF test statistic		-7.258215	0.0000
Test critical values:	1% level	-3.621023	
	5% level	-2.943427	
	10% level	-2.610263	

Source: Author's Computation from STATA Version 15 Output, (2022). *MacKinnon (1996) one-sided p-values.

Table 5 reveals that the series market cap is stationary at a level with a probability value of 0.0000. The association between test statistics and test critical values is another technique to make a judgment. In terms of value, the test statistic is smaller than the test critical values. As a result, the null hypothesis is rejected in favour of the alternative hypothesis.

Table 6: Unit Root Test for Listed Securities

Null Hypothesis: D(LS,2) has a unit root			
Exogenous: Constant			
Lag Length: 1 (Automatic - based on SIC, max lag=9)			
		t-Statistic	Prob.*
ADF test statistic		-7.820902	0.0000
Test critical values:	1% level	-3.621023	
	5% level	-2.943427	
	10% level	-2.610263	

Source: Author's Computation from STATA Version 15 Output, (2022). *MacKinnon (1996) one-sided p-values.

The series listed securities are stationary at a level with a significant p-value of 0.005 as reflected in Table 6. The association between test statistics and test critical values is another technique to make a judgment. In terms of value, the test statistic is smaller than the test critical values. As a result, the null hypothesis is rejected in favour of the alternative hypothesis.

4.3. Correlation Matrix
Using the correlation matrix, Table 7 shows the results of the experiment. It is clear from Table 6 that the variables are positively correlated.

Table 7: Pearson's Correlation Matrix of the Variables

	GDP	BOND	MCAP	LS
GDP	1.000000			
BOND	0.938794	1.000000		
MCAP	0.961130	0.882489	1.000000	
LS	0.358021	0.237888	0.518791	1.000000

Source: Author's Computation from STATA Version 15 Output, (2022).

The correlation matrix depicts the kind and intensity of the linear link or relationship that exists between all of the input variables. The GDP exerts a positive correlation with gov. bonds at 0.939, Mkt cap at 0/961 and listed securities at 0.358, respectively.

Table 8: Regression Result on the Impact of NEG Performance on Economic Growth

DV: GDP			
Method: Least Squares			
Sample: 1980 2020			
Included observations: 41			
Variable	Coef.	Std. Error	t-Statistic	Prob.
C	5.105473	0.438455	11.64425	0.0000
BOND	0.070194	0.017382	4.038324	0.0003
MCAP	0.134597	0.015998	8.413320	0.0000
LS	-0.444153	0.191110	-2.324069	0.0257
R-squared	0.965866	Mean dependent var		4.470646
Adj. R-squared	0.963098	S.D. dependent var		0.250071
S.E. of regression	0.048038	Akaike info criterion		-3.141178
Sum squared resid.	0.085383	Schwarz criterion		-2.974000
Log-likelihood	68.39415	Hannan-Quinn Criter.		-3.080301
F-statistic	348.9872	Durbin-Watson stat		0.557423
Prob(F-statistic)	0.000000			

Source: Author's Computation from STATA Version 15 Output, (2022).

Table 8 shows that at a 5% level of significance, the NEG is statistically significant. The coefficient of the constant 5.105473 indicates that the gross domestic product will increase by 5.1% if the government bonds, market capitalization, and listed securities are held unchanged. Government bonds and market capitalization have a positive relationship with GDP, but listed securities have a negative one.

Test of Hypothesis One
H_0: Government bond has no beneficial influence on Nigeria's economic growth.
H_1: Government bond has a favourable influence on Nigeria's economic growth.

Table 8 shows the association between government bonds and GDP. The coefficient value stood at 0.070194 with a p-value of 0.0003. Suggesting a statistically significant beneficial impact on Nigeria's economic growth at a 1% level of significance. The null hypothesis (H_0) has been rejected, whereas the alternative hypothesis (H_1) has been accepted. A percentage increase in the sales of government bonds will result in a 0.070 increase in the country's GDP, all other things held constant. This means that revenues raised from the public through the sale and issue of government bonds are used to support investments by the Nigerian government, which helps to improve the country's economic performance. This finding is consistent with the findings of Onaolapo and Adebayo (2010), who discovered a strong correlation between the bond market and economic growth. Furthermore, it has been discovered that the size of the bond market and the liquidity of the government stock market (value of government stock traded) are important predictors of economic growth in Nigeria.

Test of Hypothesis Two
H_0: Market capitalization has no significant impact on Nigeria's economic growth.

H₁: Market capitalization has a significant impact on Nigeria's economic growth.

Table 8 shows the link between market cap. and GDP. The statistics show a coef. Value of 0.134597 and a p-value of 0.0000, indicating a positive significant influence on Nigeria's economic growth at a 1% level of significance. The null hypothesis (H₀) is rejected in favour of the alternate hypothesis. The result, therefore, indicated a percentage increase in market capitalization would result in a 0.135 increase in Nigeria's GDP, all other things held constant. This implies that the performance of stock markets has a considerable impact on the country's economic growth. This is in line and conformity with the findings of Oluitan and Anne (2013), Koirala (2011), and Nowbutsing and Odit (2009) [23, 18], who found that the market cap of Nigeria, the United Kingdom, and Mauritius exerts a significant positive influence on GDP.

Test of Hypothesis Three
H₀: Listed securities do not have a significant impact on Nigeria's economic growth.
H₁: Listed securities have a significant impact on Nigeria's economic growth.

Table 8 shows the link between listed securities and the Nigerian GDP. The Table reveals a coefficient value of -0.444153, and at a 5 percent level of significance, the p-value was 0.0257, showing a negative and statistically significant effect on Nigeria's economic development. As a consequence, the null hypothesis is rejected, and the alternative hypothesis is accepted instead. This suggests that investors are losing faith in the stock market. This finding conforms to the study of Yadirichukwu and Chigbu (2014).

5. Conclusion
To offer responses to the research hypotheses, regression models with the following properties were introduced: unit root test, descriptive statistics, and correlation analysis test. Therefore, Table 8 indicates a t-statistics of 4.038324 and a p-value of 0.0003 exerts that the relationship between government bonds and GDP demonstrated a favourable impact on Nigeria's economic growth. The statistics lead to the rejection of the null hypothesis in favour of the alternate hypothesis. Showing that Nigeria's economic development has been significantly boosted. This means that revenues raised from the public through the sale and issue of government bonds are used to support investments by the Nigerian government, which helps to improve the country's economic performance.
The conclusions of this study are similarly consistent with those of Onaolapo & Adebayo (2010) [22], who discovered a strong correlation between the bond market and economic growth. It was also discovered that the size of the bond market (govt. stock) and the liquidity of the government stock market (value of government stock traded) are important predictors of economic growth in Nigeria. Furthermore, Table 4.7 shows that the link between market cap and GDP has a t-statistics of 8.413320 and a p-value of 0.0000, suggesting a statistically significant beneficial impact on Nigeria's economic growth. This suggests that the stock market performance of emerging countries has had a significant influence on Nigeria's economic progress.
Investing in emerging stock markets improves the likelihood

of economic growth. This backs up the findings of Oluitan and Anne (2013), Koirala (2011), Nowbutsing and Odit (2009) [18, 23,], who found that in countries such as Nigeria, the United Kingdom, and Mauritius, market capitalization ratio had a significant influence on GDP. Similarly, Table 4.7 shows that the link between listed securities and GDP has a t-statistics of -2.324069 and a p-value of 0.0257, indicating a negative significant influence on Nigeria's economic growth.

6. Recommendation
On the basis of the study's results, the following recommendations have been put up.
i. The government should put in place enough informational and infrastructural facilities to enable easy access and participation in the exchange's activities through effective sensitization and stock market advancements within the Nigerian economy.
ii. The Securities and Exchange Commission (SEC) should amend the listing requirements to enable domestic companies to participate on the exchange's floor regardless of their size, years in business or asset size.

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