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   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

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   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

STOCK MARKET, INFLATION, AND ECONOMIC GROWTH IN NIGERIA (1990-2010)

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ABSTRACT

This paper presents the findings of an empirical study on the effect of stock market, inflation, exchange rate and economy growth in Nigeria. Secondary data were obtained from central bank of Nigeria statistical bulletin covering the period of 1990 to 2010. In concluding the analysis, multiple regressions were employed to analyze all explanatory variables. It was revealed that all explanatory variables are significantly impacted on Nigeria economy during the period under review with the adjusted R^2 of 79.8%. Following the outcome of this study, it is therefore concluded that the inflation erodes real stock returns due to imbalance tax treatment of inventory and depreciation resulting to a fall in real after-tax profit. In addition, the failure of share prices to rise during substantial inflation was because of the nominal capital gains from tax laws particularly, historic depreciation cost. The correlation between inflation and stock market returns is not a causal one; rather, it is a spurious relationship of dual effect. It is recommended that Nigerian stock exchange should provide machinery through stocks and shares for mobilizing private and public saving and making these available for productive investment in other to encouraging the growth and development for the capital market activities.

KEYWORDS

Stock market; Exchange rate; Inflation; economic growth; Development.

BACKGROUND OF THE STUDY

The Nigerian economy has over the years been subjected to series of social, political and economic policies and reforms. In the pre – 1970 era, the economy was basically agrarian and food security was largely achieved with the various regional governments then. The need to encourage private capital in development was realized long enough, with the establishment of the Nigerian Stock Exchange (NSE).

NSE started in 1961 as a result of the a recommendation of Barback committee announcement in 1958 to consider the ways and means of fostering the development of a Nigeria capital market. The Lagos exchange was registered on march 1st, 1958, incorporated on 5th June, 1981.it was transformed to industrial enterprises panel in 1976 and supported by the view of the committee on the Nigerian finance system.

The Nigerian stock market played an indispensable role in Nigeria's economy by providing funds for the investors without inconveniencing the companies. Today, the activities and performance of capital market in Nigeria have much wider implication and this arises partly because of the growing influence of ideas and structure associated with the concept of democracy.

The Stock market institution is critical to the economic growth of any nation. The stock market is a network of specialized financial institutions, series of mechanisms, processes and infrastructure that, in various ways, facilitate the bringing together of suppliers and users of medium to long-term capital for investment in socio-economic developmental projects (Al-Faki, 2006). The capital market is subdivided into the primary and the secondary market. The primary market or the new issues market provides the avenue through which government and corporate bodies raise fresh funds through the issuance of securities which is subscribed to by the public or a selected group of investors. The secondary market provides an avenue for sale and purchase of existing securities. Sule and Momoh (2009) found that the secondary market activities have impacted more on Nigeria per capital income by tending to grow stock market earnings through wealth than the primary market. Aremu et al. (2011) and Donwa and Odia (2011) argued that the capital market has been identified as an institution which contributes to the socio-economic growth and development of emerging and developed economies. This is made possible by the intermediary role played by the capital market in mobilizing funds from surplus units to deficits units to be invested into projects with positive net present value (NPV) which may enhance economic growth of the nation.

Economic development is regarded as the major goal of national policy in any economy, while capital accumulation or formation is also seen as a potent factor in the process of economic development. It is regarded as the core process by which all other aspect of growth is made possible and feasible. However, the rate of economic development is always limited by shortage of productive factor and if any scarce factor associated with development should be singled out (Oke and Adeusi 2012).They brought out that a major engine of economic growth and development of a nation is its capital. It impacts positively on the economy by providing financial resources through its intermediation process for the financing of long term projects. The projects could be promoted by government or private sector institutions. They are usually in such areas as infrastructure, agriculture, solid minerals, manufacturing, banking and other financial services and other real sector areas. Hence without an efficient capital market, the economy may be starved of the required long-term fund for sustainable growth.

STATEMENT OF THE PROBLEM

There is abundant evidence that most Nigerian businesses lack long-term capital. The business sector has depended mainly on short-term financing such as overdrafts to finance even long-term capital. Based on the maturity matching concept, such financing is risky. All such firms need to raise an appropriate mix of short – and long – term capital.

Most recent literatures on the Nigeria capital market have recognized the tremendous performance the market has recorded in recent times. But the performance of the capital Market especially The Nigerian Stock Market was overcast in 2009 by the global financial and economic crisis with the exorbitant lending rate mounting pressure on the stock market as a result of massive borrowed fund in the market. The rush by stock investors to liquidate their investment to repay their loans in order to avoid the excessive lending rate caused the Nigerian Stock Market to crash. However, Sere-Ejembi (2008) argued that it was not the global financial crisis and the speculative subprime mortgage bubbles and bust alone that was responsible for the crash of the stock market, other contributory factors lent support. Some of these included: margin lending by the Deposit Money Banks (DMBs), stock price appreciation that had no correlation with the fundamentals in the quoting companies and local investors' opting to invest in foreign capital markets to take advantage of the low stock prices.

However, the vital role of the capital market in economic growth and development has not been empirically investigated thereby creating a research gap in this area. As a result, it is necessary to evaluate the Nigerian capital market as a tool for Economic Development.

OBJECTIVES OF THE STUDY

The main purpose of this study is to examine the activities and performance of Nigerian capital market. The specific objectives of the study are as follows:

(i) To determine the effect of Inflation on Gross Domestic Product, Share Index, Market Turnover, Transaction, Exchange and Market Capitalization
(ii) To evaluate the effect of Stock Market on an economy
(iii) To investigate the performance of the stock market in relation to the economic growth in Nigeria;
(iv) To examine the operations of the Nigerian stock market;

REVIEW OF LITERATURE

STOCK MARKET IN NIGERIA

Stock Market is a financial market that provides facilities for mobilizing and dealings in medium and long term funds. The players on the capital market are the operators who act as intermediaries between the providers of the funds and the fund users. They include, Securities Exchanges, Brokers/Dealers, Issuing Houses, Registrars and Investment Advisors.

The capital market is a place (not physically limited) where people go and buy Securities such as shares, debentures and bonds. These Securities are interests in the issuing authority or company, which give certain intangible rights to the purchaser in relation to dividend, interest payment and/or management of the company. The purchaser in reaching his purchase decision usually relies on information about the company supplied by the directors of the company and verified by professionals such as auditors, reporting accountants, registrars, the issuing house, stockbroker, trustee and solicitors, both to the company and to the offer. According to Al-Faki (2006), the capital market is a network of specialized financial institutions, series of mechanisms, processes and infrastructure that, in various ways, facilitate the bringing together of suppliers and users of medium to long term capital for investment in socio-economic developmental projects". The capital market is divided into the primary and the secondary market. The primary market or the new issues market provides the avenue through which government and corporate bodies raise fresh funds through the issuance of securities which is subscribed to by the general public or a selected group of investors.

According to Oke and Adeusi (2012), the capital market has been identified as an institution that contributes to the socio-economic growth and development of emerging and developed countries (economies). This is made possible through it vital role in intermediation process in those economies. They reported that Osaze (2000) sees the capital market as the driver of any economy to growth and development because it is essential for the long term growth capital formation. Ewah et al; (2009) appraised the impact of the capital market efficiency on economic growth of Nigeria using time series data from 1963 to 2004. They found that the capital market in Nigeria has the potential of growth inducing but it has not contributed meaningfully to the economic growth of Nigeria because of low market capitalization, low absorptive capitalization, illiquidity, misappropriation of funds among others. Harris (1997) did not find hard evidence that stock market activity affects the level of economic growth. The central task of the capital market is the mobilization of funds in thSe hands of individuals who save pool and channel such funds into productive uses (Alile, 1986).

Donwa and Odia (2011) analyzed the impact of the Nigerian capital market (market capitalization, total new issue, volume of transaction and total listed equities and government stock) on her socio-economic development (proxy by the gross domestic product-GDP) from 1981 to 2008. Using the ordinary least square, it was found that the capital markets indices have not impacted significantly on the GDP.

The Nigeria capital market provides the necessary lubricant that keeps turning the wheel of the economy. It is not only providing the funds to projects of best returns to fund owners. This allocation function is critical in determining the overall growth of the economy. The functioning of the capital market affects liquidity, acquisition of information about firms, risk diversification, savings mobilization and corporate control (Anyanwu, 1998). Therefore, by altering the quality of these services, the functioning of stock markets can alter the rate or pace of economic growth. Okereke-Onyuike (2000) posits that the cheap source of funds from the capital remain a critical element in the sustainable development of the economy. She enumerated the advantages of capital market financing to include no short repayment period as funds are held for medium and long term period or in perpetuity, funds to state and local government without pressures and ample time to repay loans.

The capital market has opened the floodgate to relatively inexpensive fund surpassing the possibility of self-financing available to indigenous enterprises. Such funds are usually used for expansion of existing businesses or to cushion the effect of inflation so that businesses may continue as going concerns. It also affords indigenous enterprises and entrepreneurs the opportunity to be introduced into the economy in general through entry into the securities market.

This enables shares that have been privately held to be offered to the general market or international market for inflow of foreign investment. The entering of an indigenous company into the capital market enhance its prestige and reputation, especially its products and credit worthiness in the eyes of the public as conferred upon it by the new status.(Bayero, 1996).

THE EFFECT OF STOCK MARKET ON NIGERIA ECONOMY

The roles of the capital market in the development of the economy according to Aremu et al (2011) include provision of opportunities for companies to borrow funds needed for long-term investment purposes, provision of avenue for the marketing of shares and other securities in order to raise fresh funds for expansion of operations leading to increase in output/production, provision of a means of allocating the nations real and financial resources between various industries and companies.

Through the capital formation and allocation mechanism the capital market ensures an efficient and effective distribution of the scarce resources for the optimal benefit to the economy, reduction in the over reliance of the corporate sector on short term financing for long term projects and also provision of opportunities for government to finance projects aimed at providing essential amenities for local investors. They said further that capital market can aid the government in its privatization programme by offering her shares in the public enterprises to members of the public through the stock exchange. Capital market offers access to a variety of financial instruments that enable economic agents to pool, price and exchange risk. It encourages savings in financial form.

The capital market also encourages the inflow of foreign capital when foreign companies or investors invest in domestic securities, provides needed see money for creative capital development and acts as a reliable medium for broadening the ownership base of family-owned and dominated firms.

In addition, the development of the capital market, and apparently the stock market, provides opportunities for greater funds mobilization, improved efficiency in resource allocation and provision of relevant information for appraisal. (Inanga and Emenuga, 1997).

STOCK MARKET, ECONOMIC GROWTH, EXCHANGE RATE, AND DEVELOPMENT

Development of a country's stock markets is related closely to its overall development. Functional financial systems provide good and easily accessible information which according to the World bank (2010) lower capital market transaction costs improving resource allocation and economic growth. According to Anyanwuocha (2008), economic growth is the process by which national income or output is increased. An economy is said to be growing if there is a sustained increase in the actual output of goods and services per head. The rate of economic growth therefore measures increase in real national income, during a given period of time, usually a year. The higher level of economic growth, domestic stock markets tend to become more active and efficient relative to domestic financial institutions. Increased economic growth would in the long run lead to economic development. Although economic growth does not by itself guarantee economic development, it makes economic development possible. Economic growth enables improvements or positive changes to take place in various areas of economic activity due to the increased production of goods and services.

Growth in financial market is attributed to openness of the economy with the implementation of some macroeconomic policies, good legal system and shareholders protection. Integration of modern technology into capital market activities has resulted in cross-border capital flows and the migration of stock exchange activities to international exchanges. Evidences in capital market literature (Osaze, 2007; Ako, 1999; and Oludoyi, 1999, Nwidobie 2011) reveal that many firms in emerging markets now cross-list on international exchanges to provide them with lower cost of capital and more liquidity in traded shares. The ease with which capital is raised in a capital market measured partly by its liquidity improves the allocation of capital and enhance prospect of long term economic growth. Capital market offers access to a variety of financial instruments that enable economic agents to pool, price and exchange risk. It encourages savings in financial form. This is very essential for government and other institutions in need of longterm funds and for suppliers of long-term funds (Nwankwo, 1991). Based on the relevance of market in accelerating economic growth and development, government of most nations tends to have keen interest in the performance of its capital market. According to Anyanwuocha (2008), Economic growth enables improvements or positive changes to take place in various areas of economic activity due to the increased production of goods and services. Economic growth will inevitably lead to economic development provided the following conditions are fulfilled.

- Increased production of goods and services is not frustrated by rapid increase in population size.

- There is an equitable distribution of the goods and services among individuals and areas.
- The increasing level of production does not lead to mass unemployment as a result of using just a few labour-saving devices.

RESEARCH METHODOLOGY

RESEARCH DESIGN

This study was designed to examine the role of stock market in the economic growth and development of Nigeria. The research designs adopted in this study are historical and ex-post facto research design. While the former was used to study and appraise the chronological level of liquidity on the capital market, that is the Nigerian Stock Exchange, the latter was used to establish a cause and effect relationship among the variables that correlates. Multiple regression analysis method was used to analyze the data that was collected from Central Bank of Nigeria Statistical Bulletin for the relevant years covering 1990 to 2010.

METHOD OF DATA COLLECTION

Secondary data was used in this study. The relevant data used were sourced from the publications of the Nigerian Stock Exchange and Central Bank of Nigeria. Some of the publications include; the Nigerian Stock Exchange Fact book, CBN's Statistical Reports, CBN's Annual Reports and Statement of Accounts for the years under review. The variables for which data were sourced include: market capitalisation, All-Share index, market volume and market turnover, and Gross Domestic Product for the period 1990 to 2010.

SAMPLE SIZE

The duration of my research was basically from 1990-2010 which is in the range of 21yrs. This duration was used because it is detailed enough to give a good result and analysis.

DATA ANALYSIS TECHNIQUES

The analysis was carried out in two forms and they are regression analysis and correlation. Regression analysis includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables.

Regression models in the following variables:

The unknown parameters denoted as α: this may be a scalar or a vector.

The independent variable M

The dependent variable P

In various fields of application, different terminologies are used in place of dependent and independent variables

A regression model relates P to a function of M and α

$P = U(M_1, M_2, M_3, M_4 \ldots M_n, \alpha)$

Where M_1 - M_N are the independent variables.

MODEL SPECIFICATION

MODEL A

The effect of the performance of the capital market in relation to the economic growth in Nigeria

GDP= a0 +a1 MCAP +a2 SHI +a3 MVOL +a4MCAP +a5 MT(URN + μ_1 (1)

LOGGDP= $a_o + a_1 LOGM_{CAP} + a_2 LOGSHI + a_3 LOGM_{VOL} + a_4 LOGM_{TURN} + a_5 LOGINFL + \mu_3$ (2)

Where LOGGDP	-	log of Gross Domestic Product
$LOGM_{CAP}$	-	log of Market Capitalization
logSHI	-	log of Share Index
$LOGM_{VOL}$	-	log of Market Volume
$LOGM_{TURN}$	-	log of Market Turnover
LOGINFL	-	log of Inflation
a_0, a_1, a_2, a_3, a_4 and a_5	-	Constants
$\mu(1\text{-}3)$	-	Stochastic variables

The Effect of Inflation on Gross Domestic Product, Share Index, Market Turnover, Transaction, Exchange and Market Capitalization

MODEL B

FL = a0 +a1GDP + a2SHI + a3MTURN +a4TRANS +a5EX +a6MCAP + μ_2 (3)

FL	-	**Inflation**
GDP	-	Gross Domestic Product
SHI	-	Share Index
MTURN	-	Market Turnover
TRANS	-	**Transaction**
EX	-	**Exchange**
MCAP	-	Market Capitalization

PRESENTATION AND ANALYSIS OF DATA

This chapter will be used in analyzing and presentation of data collected from different reliable source like CBN Statistics Bulletin 1999, 2005. Nigeria Bureau of Statistics. This was done so as to determine the effect of capital market on Nigeria economy from the period of 1990 to 2010.

According to the research question, to what extent does the performance of the capital market in relation to the economic growth in Nigeria and after getting the results or answers to these questions.

The following tables below are actually gotten from different sources but they are answers to these research questions.

RESULT PRESENTATION AND DISCUSSION

The estimated model used observations for the periods 1990 - 2010 (21 years).

TABLE 1

GDP	Coefficient	Std. Err.	t-statistics	P>|t|	[95%Conf. interval]	R^2= 0.9952
MCAP	.0258243	.005847	4.42	0.142	-.0484694 .1001181	AdjR^2 = 0.9762
SHI	-4.524102	1.743343	-2.60	0.234	-26.67538 17.62717	Prob > F = 0.1033
MVOL	.4487256	.5619801	0.80	0.571	-6.691908 7.58936	Root MSE = 12183
MTURN	-.0045933	.002817	-1.63	0.350	-.0403873 .0312006	F(4,1= 52.27
_CONS	590979.2	46672.15	12.66	0.050	-2046.692 1184005	

The above table is represented by regression plots below:

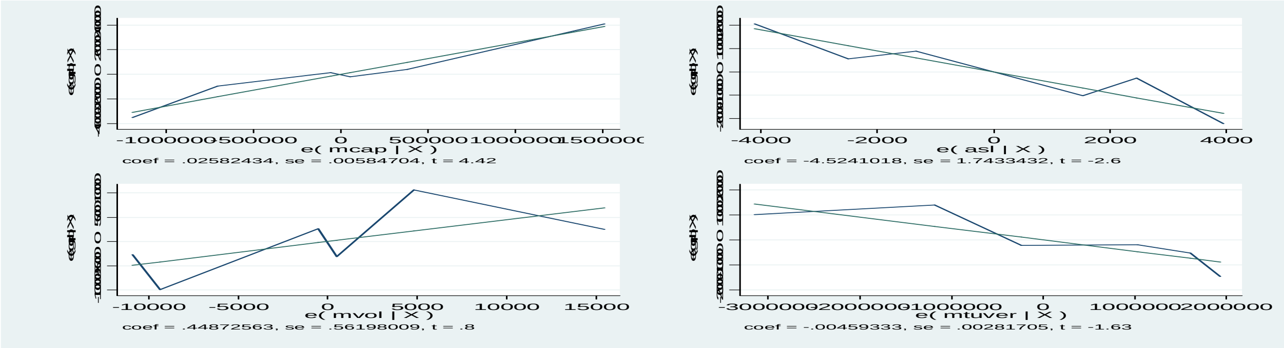

Table 1 shows the effect of the performance of the capital market in relation to the economic growth in Nigeria. A 1% increase in the level of gross domestic products (GDP) increases MCAP by 2.5 percent. This suggests a positive relationship between the GDP and MCAP. The result is also significant. The relationship between GDP and shall index (SHI) is negative suggesting that if GDP increases, shall index reduces. The relationship between GDP and market turnover (MTURN) is also negative, this means that as GDP increases, MTURN reduces. But 1% increases in GDP brings out 1.7% increases in market volume (MVOL.

The coefficient of determination gives 0.9952 or 99.5% meaning that the regression model is approximately 92% significant i.e the variations in the dependent variable i.e Gross Domestic Product (GDP) is 92% attributable to the changes in the independent variable i.e market capitalization, Share Index, market volume and market turnover. This result is also supported by the high value of the adjusted R^2, which is to the tune of 97.62%. The F and probability statistics also confirmed the significance of this model

This signifies that the overall regression or relationship between the Gross Domestic Product, market capitalization, Share Index, market volume and market turnover is significant. So, the changes in the Gross Domestic Product can be attributed to changes in the explanatory variables. i.e market capitalization, All-Share Index, market volume and market turnover.

TABLE 2

LOGGDP	**Coefficient**	Std. Err.	**t-statistics**	P>|t|	[95% Conf. Interval]	R^2 = 0.9994
LOGMCAP	.3718511	.0313928	11.85	0.054	-.0270324 .7707345	AdjR^2= 0.9969
LOGSHI	-.3667158	.0400198	-9.16	0.069	-.8752157 .1417842	Prob > F = 0.0372
LOGMVOL	-.110267	.0352789	-3.13	0.197	-.5585273 .3379933	Root MSE = .0066
LOGMTURN	.013455	.0102729	1.31	0.415	-.1170747 .1439848	F(4, 1) = 406.91
CONSTANT	12.35863	.2280694	54.19	0.012	9.460731 15.25652	

The above table is represented by regression plots below:

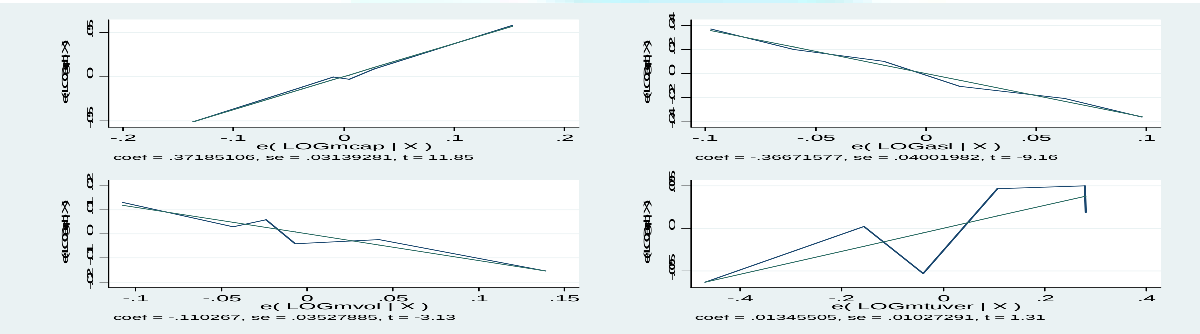

Table 2 shows the performance of the capital market in relation to the economy growth in the long run by finding the log of GDP compared with logarithms of on the independent variables. A 1% increases in the log of GDP increases the market capital by 0.37 percent. This suggests a positive relationship between the market capitalisation and economy growth in Nigeria in the long run. The result is also significant. The relationship between log of GDP and log of shall index is also negative suggesting that if GDP increases in the long run, shall index reduces. The relationship between log of GDP and log of market volume is also negative.

Given the adjusted R^2 significant 99%, it connotes the independence variables incorporated into this model have been able to determine variation of gross domestic product (GDP) to 99%.The F and probability statistics also confirmed the significance of this model.

The Effect Of Inflation On Gross Domestic Product, Share Index, Market Turnover, **Transaction, Exchange And** Market Capitalization.

TABLE 3

INFL	**Coefficient**	Std. Err.	**t-statistics**	P>|t|	[95%Conf.Interval]	R^2 = 0.8342
GDP	-5.40e-07	6.48e-07	-0.83	0.419	-1.93e-06 8.50e-07	AdjR^2= 0.7989
SHI	-.0000296	.0000855	-0.35	0.734	-.0002131 .0001538	Prob>F= 0.0375
MCAP	.0017211	.0027455	0.63	0.541	-.0041674 .0076095	Root MSE = 19.065
TRASC	3.46e-06	.0000224	0.15	0.880	-.0000447 .0000516	F(6,14)= 1.17
MTURN	-2.822213	2.644081	-1.07	0.304	-8.493202 2.848776	
EXCHANGE	.0534938	.2128051	0.25	0.805	-.4029279 .5099154	
_CONS	37.1222	7.786076	4.77	0.000	20.42273 53.82167	

The above table is represented by regression plots below:

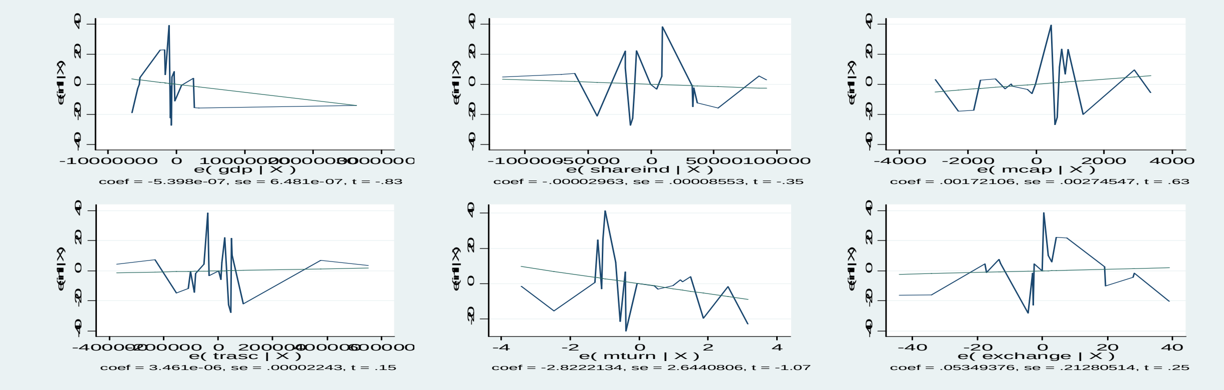

Table 3 shows the effect of inflation on gross domestic product, share index, market turnover, transaction, exchange and market capitalization. A 1% increase in INFL reduces the level of gross domestic products (GDP) by 5.40 percent. This suggests a negative relationship between the Inflation and economy growth in Nigeria. The result is also significant. The relationship between INFL and shall index (SHAREIND) is also negative suggesting that if inflation increases, the shall index reduces. The relationship between INFL and market turnover (MTURN) is also negative, this means that as INFL increases, MTURN reduces. But 1% incresea in INFL brings out 1.7% increases in market capitalization (MCAP).the relationship between INFL and Transaction (TRASC) is positive. This connotes that as INFL increases by one percent, the TRANS also increases by 3.46%. in addition, the relationship between INFL and Exchange is also positive.

Given the adjusted R^2 significant 79.8%, it connotes the independence variables incorporated into this model have been able to determine variation of Inflation (INFL) to 4.89%.The F and probability statistics also confirmed the significance of this model.

SUMMARY AND CONCLUSIONS

This study has reviewed the Effects of capital market on Nigeria economy. The links between capital market and economy growth has assessed. Capital market has a positive impact on growth after a considerable lag. All the variables are statistically significant.

The outcome showed that new shares, market capitalization, Share Index and the market turnover increased steadily throughout the period considered expect in few cases where a fall was witnessed. New securities issued on the Exchange increased remarkably throughout the years reviewed. The tremendous increase in new securities issue witnesses in 2005 was attributed to banking sector reform which necessitated the massive public offer by Nigerian banks during the year.

The study also reviewed that there is a negative relationship between inflation and capital market returns as against economic theory suggestion that equities are a good hedge against inflation. The findings of this study brought out that capital market returns may provide an effective hedge against inflation in Nigeria. This is explained by the significant and positive relationship between inflation and stock prices.

The Nigerian stock market has tremendous influence on the growth rate of the economy and the performance in terms of capital mobilization accessibility to savers and users of funds with the aim of mobilization and allocation of productive resources to aid national economic development.

POLICY RECOMMENDATIONS

Based on the findings made in the course of this study, the following recommendations are hereby suggested

(i) Nigerian stock exchange should provide machinery through stocks and shares for mobilizing private and public saving and making these available for productive investment in other to encouraging the growth and development for the capital market activities.

(ii) Therefore to complement the role of the capital market in capital formation, the government should supervise the capital market to ensure orderly, fair and equitable dealings in shares and stocks, and to forestall illegal deals by privilege insiders at the expense of innocent and often uninformed investors.

(iii) The government should provide avenue for Nigerian capital market to undergoing considerable transformation to make the market more investor friendly and technology driven, especially in the area of delivery of, settlement and custodian services.

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