

**Stock Market Development and Agricultural Performance in Nigeria**

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## Certification

This is to certify that this thesis titled “Stock Market Development and Agricultural Performance in Nigeria” was carried out by Adewale Kazeem OSHONIYI with Matriculation number of LCU/PG/002626 in the Department of Economics, Faculty of Management and Social Sciences, Lead City University, Ibadan, under my supervision and that this work has not been previously submitted.

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## **Dedication**

This research is dedicated to almighty ALLAH, who in his infinite mercy spared my life up to this present moment and for his grace, care, love and opportunity given to me to be able to achieve my aim during the writing of this thesis.

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Abstract

Despite the growing body of research exploring the relationship between stock market development and agricultural performance, a noticeable gap persists in the literature regarding the distinction of specific stock market measures on various dimensions of agriculture, such as outputs, employment, and exports. This study investigates the effects of stock market measures (stock market capitalization, total stock transaction value, and all share index) on agricultural performance in Nigeria over the period 1985-2022. Using the ARDL bound testing approach, stock market capitalization and all share index positively influence short-run agricultural output growth. However, total stock transaction value has a negative and significant impact on agricultural output growth in the short run. The long run impact of stock market development on agricultural output growth is not significant at 5% level. In addition, total stock transaction negatively and significantly impacted on employment in agricultural sector at 5%. In the long run, the study discovered that all share index adversely and significantly impact agricultural employment at the conventional level. It implies that stock market development negatively impact agricultural employment both in the short and long run. Furthermore, it discovered that stock market development have no significant impact on agricultural export in the short run. However, the stock market development mainly through total stock transaction value positively and significantly impact agricultural exports in the long run. There is a need to consider measures to strike a harmonious balance between financial market development and the support of key economic drivers, fostering a comprehensive and sustainable economic landscape. Government should carefully consider the trade-offs between promoting financial market development and sustaining employment in vital sectors like agriculture, ensuring a balanced economic approach.

Keywords: Money market, bank sector, stock market,

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