A CONCEPTUAL AND DESCRIPTIVE APPROACH TO CAPITAL MARKET PROGRESSION IN A DEVELOPING COUNTRY: THE NIGERIAN PERSPECTIVE

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ABSTRACT

This study undertook a conceptual and descriptive approach to capital market progression in Nigeria, beginning from 1985 to 2019 using number of listed securities (a proxy for market accessibility), market capitalization (a proxy for market size), All Share Index (a proxy of market efficiency) and market depth (a proxy of ratio of market capitalization to gross domestic product (GDP) in the reference period. The period analyzed was segmented into a five year period for effective descriptive reporting purposes. Findings from the study showed that the Nigerian capital market has progressed steadily in terms of market size, efficiency and depth but was retrogressive in terms of the number of listed firms in the reference period. From the analysis, the study recommends that capital market operators and regulators should do more in the areas of listing more securities by reducing the obstacle for listing, efficiency and especially the depth of the market (increase trading in the floor) for it to effectively and efficiently provide move fund from surplus sector to deficit sector.

Key words: Capital Market, All share Index, Market Capitalization, Number of Listing

JEL classification: G11, G12

1. INTRODUCTION

Capital market is a segment of the financial market. It is the long arm of the financial market. The capital market is a market for medium and long term financial assets investments. It is the market for buying and selling of equity and debt instruments. Capital market channels savings and investment capital from suppliers of capital such as individual investors, government or corporate investors and users of long term funds which also include the governments, corporate organizations and individuals (Ogbeide & Osamwonyi, 2021). The capital market is a source of generating huge capital for investment, thereby promoting reduction of unemployment and the generation of economic outputs. Hence, it is commonly considered as the bedrock of growth and development of an economy. In the light of this, the importance of a capital market cannot be over emphasized given the nexus between capital accumulation, investment activities and real economic growth.

There are two segments of the capital market, namely, the primary market and the secondary market. In the primary market, stocks and bonds are sold directly to companies, potential and existing individual investors and institutional owners through underwriting (Ogbeide & Osamwonyi, 2021). The primary market is where securities are sold and bought for the first time through intermediaries in the capital market. Similarly, in the primary market, equities are sold for the first time to potential and existing investors by publicly quoted companies. Companies which are not quoted on the floor of the stock exchange cannot sell shares or bonds in the primary market directly to investors for the first time (Ogbeide & Osamwonyi, 2021). Doing so will contravene the Securities and Exchange Commission (SEC) rules and regulations.

The secondary market is the market where existing securities such as shares, and bonds are sold and bought over the counter (OTC). In over – the – counter, buyers and sellers transact with each other not through the floor of a stock exchange, but through negotiations and unanimously agreed prices. The price at which the securities (shares and bonds) are bought over the counter may not be the same as the corresponding transactions on the floor of a recognized stock exchange (Ogbeide & Osamwonyi, 2021). In order words, in the secondary market, the buyers and sellers do agree upon the most competitive price based on constant contact through computers and other online channels with other market participants. The secondary market enables investors to easily sell their securities if they wish to do so. This why the marketability of securities is a very vital aspect of the capital market in that investors are more willing to buy stocks if they know that they could sell them as quick as possible if they wish to do so. Through this, the capital market is said to facilitate liquidity trading of stocks (Onyema, 2012; Akpomudje, 2017).

Investments in the capital market commands certain benefits. For instance, investment in the capital market promotes divisibility**.** This connotes that an investor can choose to sell off part of his investments in the capital market and keep the other parts to trade with continually in the capital market (Isenmila, Eragbhe & Ogiedu, 2010). Investment in capital brings about confidentiality of investment (Isenmila, et al., 2010). Investment in the capital market enables investors to have a certain level of secrecy without anybody necessarily watching and having a full knowledge of the financial strength (Isenmila, et al., 2010). In other words, it is truly possible for an investor in the capital market to be a billionaire without anyone detecting it. In addition, investing in the capital market seeks to guarantees stable income to a large extent, assuming all other factors are held constant (Isenmila, et al., 2010). Investment in the capital market may guarantees stable income especially under favourable economic condition. For example, the market price of shares of a company can easily appreciate under a favourable economic outlook and good management of the company in question. This, therefore, enables an investor to make quick wealth if he/she/it has the objective of buy and hold. Investment in the capital market promotes liquidity: By liquidity, it means an investor can easily convert most capital market securities like shares and debentures to cash without bottlenecks (Osazee, 2011; Olisaemeka, 2009).

Given the attendant benefits derivable from capital market investments generally, the growth progression of the capital market in Nigeria appears low compared to the capital markets in other regions (NSE Strategy Department, 2013). For meaningful and sustainable economic growth, effective allocation of capital to enable businesses harness their human and material resources geared towards managing resources for optimal results is inevitable. Conventionally, whenever the capital market is thriving in an effective and efficient manner, there is probability that the economy will grow in a positive direction. Covertly, when funds are not provided to vital economic sectors, especially the real sector where demand is growing and which are capable of increasing production and productivity, the spate of growth and development of the economy tends to be retrogressive. Overtly, where the reverse is the case, the economy progresses. Over the years, the attention of prior researchers around the world, especially in developing countries such as Nigeria has always been on the determinants of capital market growth and development as well as the impact of capital market on economic growth of nations. There is lack of evidence based studies which have examined capital market progression in the Nigeria clime to the best of the knowledge of the researchers.

Moreover, the capital market is indispensable in capital accumulation, source of medium and long term external financing, investments and promotion of the growth and development of an economy. Thus, the understanding of the growth of the capital market on a periodic basis is a necessary factor for a nation's economic acceleration, vibrancy, policy formulation by the government and regulators. In economics and finance literature, there are fewer or no studies which have descriptively analyzed and reported capital market progression, especially in a developing clime such as Nigeria. It is against this backdrop, this study seeks to analyze the progression of the Nigerian capital market using indices like market size, market depth, market efficiency and market accessibility. The specific objectives of the study are to analyze Nigerian capital market progression based on market capitalization index, determine Nigerian capital market efficiency progression using all share index as a measure; analyze Nigerian capital market depth progression using market capitalization to GDP ratio; investigate the Nigerian capital market accessibility progression using number of listed securities (NLS) under the period, 1985 to 2019.

1.1. INDICATORS OF CAPITAL MARKET PROGRESSION

Capital market growth indicators are also referred to as securities market growth measures (Ogbeide & Osamwonyi, 2021). These indicators are variables that influence the size, activity/depth and liquidity of the capital market (Isenmila, 2017). Some of these indicators are market capitalization, all share index, value traded ratio and turnover ratio (Ogbeide & Osamwonyi, 2021). Market capitalization is the commonest important indicator of the size and performance of the capital market. Market capitalization is the aggregate number of shares issued in stock market, multiplied by their share prices. In other words, market capitalization is a function of a firm's aggregate number of issued and fully paid up and its current price. Market capitalization is also the sum of the market price of all securities listed in an exchange. Besides market capitalization, is market capitalization ratio which serves as a further measure of size of the securities market. Market capitalization ratio shows the relationship between total values of shares outstanding in the market to Gross Domestic Product (GDP) (Ogbeide & Osamwonyi, 2021). It is also the relationship between market capitalizations to the gross domestic product (GDP). It is a preferable measure of the size of the market than the market capitalization itself. Market capitalization ratio actually shows the contribution of the securities market to the economy. Another measure of securities market size is the total number of securities listed on the market (Babalola & Adegbite, 2000).

All share index (ASI) reveals the trends and performance of the securities market. It serves as a barometer for determining upswings of prices in the securities market (Ogbeide & Osamwonyi, 2021). That is, the indicator is used to track the daily movement of prices of stocks listed in the securities market (Isenmila, 2017).

The principal aim of All Share Index is to evaluate the mood of the securities market. It is an indicator of investors' confidence in the economy as often shown in their selling and buying activities. Thus, the more the selling and buying activities in the securities market due to huge volumes of shares exchange transaction, the better the progression of the capital market and performance of an economy.

Value Traded Ratio (VTR) reflects the total worth of shares traded on a stock exchange at a particular period of time, often expressed in money terms (Ogbeide & Osamwonyi, 2021). Value traded ratio shows securities market liquidity. Securities market liquidity is the ease with which securities (shares) can be converted into cash. Similarly, it implies the ability of firms and individuals to easily sell or buy securities in a security market. Value traded ratio expresses the relationship between total values traded to gross domestic product (GDP). In other words, value traded ratio is computed by dividing the total value of shares by GDP.

Turnover Ratio (TR) is another effective measure of liquidity in the securities market. It shows the value of securities transaction relative to the market size (Ogbeide & Osamwonyi, 2021); (Isenmila, 2017). Hence, it is calculated by dividing the value of shares traded by market capitalization. The higher the turnover ratio, the better it is for a security market. This is because a high turnover ratio is commonly assumed to be an effective pointer of very low transaction cost. A security market that is very active and yet has a large market capitalization often produce a very little turnover ratio.

1.2. FACTORS INFLUENCING CAPITAL MARKET GROWTH

Several factors are responsible for the growth and deepening of the capital market, whether in developed or developing countries. Some of these factors according to Ogbeide and Osamwonyi (2021); Isenmila (2017) include:

- **Government Policies:** Over the years, the policies of successive regime of governments have been a major influencing factor of the securities (stock) market. In Nigeria for example, some policies developed to stimulate the growth of the securities market include the indigenization policy, privatization and commercialization programme policy as well as banks and insurance company recapitalization policy. These policies in one way or the other have contributed to the growth and stability of the securities market in Nigeria.
- **Foreign Cash Inflow:** In attempt to boost the securities market through encouragement of foreign investment in Nigeria, the Federal government had to abolish the legislation which earlier prevented foreign capital inflow. The reason for this is because of the adduced positive impact of foreign capital inflow on stock market.

- **Return on Investment:** Increasing return on investment do attracts investors to invest in a stock market. As the volume of investment transaction gets high, the stock market grows.

1.3 CONDITIONS NECESSARY FOR CAPITAL MARKET PROGRESSION

Ogbeide and Osamwonyi (2021); Isenmila (2017) suggested some of the following factors as the conditions necessary for the progression of capital market generally:

- **Political Environment:** The stability in the political system of a country is a major prerequisite for the steady growth of a country's securities market. A country with a stable political environment always influences the confidence of both local and foreign investors to invest in such a country's securities market. A stable political environment helps to assure investors of safety of their investments both in the short- run and long run.
- **Good Corporate Governance:** Good corporate governance is fundamental to securities market growth and development. The quality of corporate governance in securities market is a necessary condition to attracting investors from local and international climes to invest in stocks of firms in different sectors of a country's economy. Weak corporate governance practices discourage investments in the securities market. No rational investor will be interested in parting away hard earned resources to invest in a stock market where legal framework, governance code of best practices, trading processes, rules and regulations are significantly undermined.
- **Effective Fiscal and Monetary Policies:** Effective fiscal and monetary policies are an unavoidable condition in the promotion of savings and investment towards ensuring economic wellbeing of a nation. For example, individual and corporate investors are easily motivated to invest in securities market where there are less risky assets and high liquidity. Fiscal policies are put in place by the government to ensure cost of taxation and rate of inflation is low, capital project investments are encouraged. Effective monetary policies seek to influence low interest rate and promote financial intermediation and investment climate in a country. Similarly, investors are likely to float bond security in the capital market where inflation rate is low. Equity investors will invest in stocks of firms if the inflation rate is low, withholding tax is low and capital gain is high. These in turn enhance the development of small and large companies, which may translate to listing of these firms either in the second tier security market or first-tier securities market. The more firms are listed in the securities market, occasioned by the influence of an effective monetary and fiscal policy, the higher the growth and deepening of the securities market.

- **Institutional Environment:** Equity and bond markets function well when there is an effective system which enhances intermediaries such as brokers, dealers and under writers. Effective institutional framework is a prerequisite to ensuring good infrastructure for efficient communication, pricing of stocks of firms, marketing of securities, delivery and settlements. In the same vein, a robust communication structure eases flow of information between buyers and sellers towards promoting confidence among members of the general public about such securities market.
- **Legal and Regulatory Environments:** The main aim of regulation of investment environment is to protect investors and enhance their confidence in the securities market. Securities market regulators are constantly amending and coming up with new laws to protect and control market participants, state the necessary procedures for allowing firms' listing and stock price quotation in the securities market. Regulators also regulate the security market towards promoting its growth. They commonly do this by providing sufficient rules and regulations for brokers, underwriters and other operators of the equity and bond markets. In a nutshell, legal and regulatory environments are carried out by securities market, principally for the purpose of minimizing market frictions.
- **Liquidity:** A security market where investors buy securities and sell them quickly with very little or no risk or market friction tends to easily experiences growth and development. Local and foreign investors often invest in securities market where they know that they can easily hold baskets of portfolio with optimal diversification.
- **Relative Macroeconomic Stability:** Macroeconomic factors such as inflation rate, interest rate, exchange rate, political instability, worsening corruption, amongst others are very unhealthy to the growth and deepening of securities market. For example, when there is persistent fluctuation and unpredictability of inflation, the growth and development of securities market is unlikely. Most often, local and foreign investors are attracted to invest in securities market of a country where inflation rate is very low, interest rates are little and exchange rate is relatively stable.

1.4 CHALLENGES OF THE NIGERIAN CAPITAL MARKET

According to Olisaemeka (2009), Osazee (2011); Oluwatosin, Adekanye and Yusuf (2013), some of the challenges of Nigerian capital market are global phenomenon, pull-out of various foreign investors; lack of infrastructure and high production costs; avalanche of private placement offers and *regulatory inconsistencies and pronouncements*. The present seeming collapse of the world economy occasioned by COVID-19 pandemic has not excused Nigeria as a nation. Many stock markets of countries, from USA to Britain, from China to Japan, Russia, France and others are in serious trouble since the pandemic. The world is indeed a global village and the interrelatedness of world economies is very evident that any development in any part of the world affects other parts as well. Consequently, the Nigerian capital market is not insulated from this global malignant cancer.

Pull-out of various foreign investors is a major factor which has contributed to the continuous fall of the Nigerian stock market (Olisaemeka, 2009). Many foreign investors that already have troubles in their home economies have pulled out of the Nigerian stock market leading to dumping of shares beyond the ability of domestic investors to contain. Supply of equities has, in consequence of this, overwhelmed demand, leading to price fall. The cost of doing business is high in Nigeria. For example, basic infrastructures like good roads, power supply are lacking, leading to high cost of doing businesses. Many quoted companies such as Dunlop Nigeria Plc and Michelin Nigeria limited have closed down shops due to the increasing cost of doing business in the Nigeria clime. Most of the textile industries have also stopped production, leading to the crash of their share prices. The shares of Dunlop Nigeria Plc that sold above N6 per share a few months ago now trade below N0.6 per share. Evidently, high production costs reduce profitability or increase loses which also impact negatively on the share prices.

Avalanche of private placement offers is a critical challenge to the growth of the Nigerian capital market. A number of private companies did private placement of their shares at lower prices in a bid to seek quotation of their shares at higher values on the Nigerian Stock Exchange, thus making such private placements very attractive(Olisaemeka, 2009); (Ewah, Esang & Bassey, 2009). This development lured investors to dispose or dump their shares in the secondary market, purchase the private placements and dispose of same immediately after their listing on the Stock Exchange at higher prices (Osazee 2011). The Nigerian capital market thus became a battleground as private companies were falling on each other through avalanche of offers. The regulating bodies were impotent as the Investment and Securities Act, 2007, does not place private companies under their control. There has been regulating inconsistencies and pronouncements by regulatory bodies of the Nigerian capital market over time (Oluwatosin, et al. 2013). The apex regulator of the Nigerian stock market such as the Securities and Exchange Commission, prior to the crash of the market had alleged publicly that stock market prices were being manipulated and it announced that it was probing some quoted companies. This contributed to the crash of the market. Unfortunately, till date, not much has been heard of the outcome of the SEC investigation that transmitted shockwaves down the spines of investors.

1.5 EMPIRICAL REVIEW

There are several studies which have examined capital market progression, growth and development in various climes with divergent findings. For example, Adesanya, Adediji and Okenna (2020) investigated stock exchange market activities and economic progression in Nigeria. The study employs multiple regressions as a technique to measure the effect of stock exchange market progression on the Nigerian economy. The Secondary data used were market capitalization (CAP), all share index (ALLSHARE) and total volume of transaction (TNOV) sourced from the Central Bank of Nigeria (CBN) statistical bulletin, 2019. The technique of data analysis used was the ordinary least square (OLS) multivariate regression method of estimation. Findings reveals that the market capitalization (CAP) had a positive relationship with GDP, with the relationship being statistically insignificant. ALLSHARE has a positive and significant relationship with GDP. TNOV has a positive and significant relationship with GDP. Therefore, it was recommended that Government should help to restore confidence to the market through regulatory authorities which will portray transparency, fair trading transactions and dealing in the stock exchange and consequently improve economic development. The authors recommended that SEC and NSE should put a very good advocacy programme in place to encourage and awaken Nigerians' interest in the capital market as this will boost local participation in the market and as well enable local investors to absorb shares offloaded by foreign investors any time there was perceived economic instability.

Ubesie, Nwanekpe and Ejilibe (2020) studied the impact of capital market on economic growth in Nigeria. The study employed the ordinary least square method (OLS) to analyze the time series data. The result of the findings show that all the variables of interest were significant in explaining the behavior of capital market on the growth of Nigeria Economy except Labour force. Onuora (2019) examined the effect of capital market on economic growth of Nigeria as case study covering a period of 2001 – 2017. The study used time series data in order to capture capital market revenue covering the period under review. The study employed ordinary least squares regression method to analyze the data obtained from the CBN statistical bulletin and World Bank. The study found that there was no significant positive relationship among some indices of economic growth and capital market in Nigeria. Relationship between transportation and capital market revenue; growth rate in GDP and capital market revenue were not significant; however adequate security and capital market revenue indicate positive significant relationship. Ilo, Elumah, Yinusa (2018) investigated the impact of financial intermediaries on capital market development in Nigeria employing co-integration. To capture the activities of financial intermediaries, five proxies were used to explain financial intermediaries which include credit to the private sector to GDP, broad money supply and total bank savings while on the other hand, market capitalization was used to capture capital market development covering the period of 1981 to 2016. The result revealed that in the long run, credit to private sector and money supply will lead to an increase in capital market development while banks total savings and government expenditure results to a decrease in capital market development in the long run.

Okoye, Modebe,Taiwo, & Okorie (2016) investigated the relationship between capital market development and economic growth using data on GDP (proxy for economic growth), market capitalization ratio, value traded ratio and stock market turnover ratio (proxies for capital market development) over the period 1981-2014. Employing the vector error correction model, the study shows that in the short-run, market capitalization ratio and turnover ratio have significant negative effect on aggregate national output (GDP). The study also shows positive effect of value traded ratio as well as negative effect of inflation rate on GDP though not significant. The long-run estimate shows that all the exogenous variables have significant negative impact on GDP and that changes in market capitalization ratio, value traded ratio and turnover ratio produce more than proportionate changes in GDP. With an adjustment speed of about 91.12 per cent, the model presents an inherent capacity to overcome short-run disequilibrium. The Granger causality test shows evidence of causal impact of market capitalization ratio, value traded ratio and turnover ratio on aggregate national output. The study further shows uni-directional causality from GDP to inflation. Adeoye (2015) examined the impact of the Nigerian Capital Market on the Nigerian economy looking at a 20 years period from 1992 to 2011. The Nigerian Capital Market was proxy as Market Capitalization against some variables of the economy such as gross domestic product (GDP), foreign direct investment, inflation rates, total new issues, value of transaction and total listing. Using the multiple regression analysis, findings reveals that capital market has an insignificant impact on the Economy within the period under review. The study therefore advised that policies and measures that would boost investors‟ confidence should be enshrined in the running of Nigerian Capital Market so that it could contribute significantly to the growth of Nigerian economy noting that all elements of the market are essential ingredients to the development of a nation.

2. METHODOLOGY

This study utilized the descriptive research design. Secondary data which were obtained from CBN and SEC statistical bulletins for various years were used for the descriptive analysis in the period 1985 to 2019, thus covering a period of thirty-five (35) years. Simple percentage was also used to determine the progression of the capital market using number of listed securities (a proxy for market accessibility), market capitalization (a proxy for market size), All Share Index (a proxy of market efficiency) and market depth (a proxy of ratio of market capitalization to gross domestic product (GDP) in the reference period. The period analyzed was segmented into a five year period for effective descriptive reporting purposes.

3. DATA PRESENTATION AND ANALYSIS

Table 1: *Nigerian Capital Market Progression between 1985 and 1989*

Year	NLS	Diff (%)	MC(NB)	Diff	ASI	Diff	CM depth	Diff
1985	220		6.60		127.3		0.04	
1986	240	9	6.80	3	163.8	29	0.03	-2
1987	244	2	8.20	21	190.9	17	0.03	-2
1988	253	4	10.00	22	233.6	22	0.03	-5
1989	267	6	12.80	28	325.3	39	0.03	-3
Average	**-**	**5**		**18**	**-**	**27**	**-**	**-3**

Source: Authors' Computation from CBN statistical bulletin

Table 2: *Nigerian Capital Market Progression between 1990 and 1994*

Year	NLS	% Diff	MC(NB)	% Diff	ASI	% Diff	CM depth	% Diff
1990	295	10	16.30	27	513.8	58	0.03	7
1991	239	-19	23.10	42	783	52	0.04	19
1992	251	0.5	31.20	35	1107.6	41	0.03	-12
1993	272	8	47.50	52	1543.8	39	0.04	10
1994	276	1	66.30	40	2205	43	0.04	-1
Average		**1**		**39**		**47**		**23**

Source: Authors' Computation from CBN statistical bulletin

Table 3: *Nigerian Capital Market Progression between 1995 and 1999*

Year	NLS	% Diff	MC(NB)	% Diff	ASI	% Diff	CM depth	% Diff
1995	276	0	180.40	172	5092.2	131	0.06	55
1996	276	0	285.80	58	6992.1	37	0.07	20
1997	264	-4	281.90	-1	6440.5	-8	0.06	-9
1998	264	0	262.60	-7	5672.7	-12	0.06	-14
1999	268	2	300.00	14	5266.4	-7	0.06	0
Average		**-1**		**47**		**28**		**10**

Source: Authors' Computation from CBN statistical bulletin

Table 4: *Nigerian Capital Market Progression between 2000 and 2004*

Year	NLS	% Diff	MC(NB)	% Diff	ASI	% Diff	CM depth	% Diff
2000	260	-3	472.30	57	8111	54	0.07	22
2001	261	0	662.50	40	10963.1	35	0.08	20
2002	258	-1	764.90	15	12137.7	11	0.07	-17

2003	265	3	1,359.30	78	20128.9	66	0.10	51
2004	277	5	2,112.50	55	23844.5	18	0.12	16
Average		**1**		**49**		**37**		**18**

Source: Authors' Computation from CBN statistical bulletin

Table 5: *Nigerian Capital Market Progression between 2005 and 2009*

Year	**NLS**	**% Diff**	**MC(NB)**	**% Diff**	**ASI**	**% Diff**	**CM depth**	**% Diff**
2005	288	4	2,898.80	37	24085.8	1	0.13	8
2006	288	0	5,133.60	77	33189.3	38	0.17	35
2007	310	8	13,173.90	157	57990.22	75	0.38	125
2008	301	-3	9,532.80	-28	31450.78	-46	0.24	-37
2009	265	-12	7,027.70	-26	20827.17	-34	0.16	-32
Average		**-1**		**43**		**7**		**20**

Source: Authors' Computation from CBN statistical bulletin

Table 6: *Nigerian Capital Market Progression between 2010 and 2014*

Year	**NLS**	**% Diff**	**MC(NB)**	**% Diff**	**ASI**	**% Diff**	**CM depth**	**% Diff**
2010	264	0.00	9,909.40	41	24770.52	19	0.18	11
2011	250	-5	10,275.40	4	20730.63	-16	0.16	-10
2012	256	2	14,800.94	44	28078.81	35	0.21	27
2013	254	-1	19,077.42	29	41329.19	47	0.24	15
2014	252	-1	16,875.10	-12	34657.15	-16	0.19	-20
Average		**-1**		**21**		**14**		**4**

Source: Authors' Computation from CBN statistical bulletin

Table 7: *Nigerian Capital Market Progression between 2015 and 2019*

Year	**NLS**	**% Diff**	**MC(NB)**	**% Diff**	**ASI**	**% Diff**	**CM depth**	**% Diff**
2015	255	1	17,003.39	1	28642.25	-17	0.18	-5
2016	245	-4	16,185.73	-5	26874.62	-6	0.16	-12
2017	261	7	22,917.90	42	38243.19	42	0.20	26
2018	272	4	21,904.04	-4	31430.5	-18	0.17	-15
2019	302	11	25,890.22	18	26842.07	-15	0.18	5
Average		**4**		**10**		**-3**		**0**

Source: Authors' Computation from CBN statistical bulletin

The result of table 1 indicates that the average progression from in terms of NLS was 5%; ASI was 27%; MC grew by 18% while CM depth declined by 3% between 1985 and 1989. The result of table 2 reveals that between 1990 and 1994, the average progression of the capital market in terms of NLS was 1%, MC was 39%; ASI was 47% while the depth of the capital market recorded average 23% progression. The result of table 3 shows that the average progression of the capital market from 1995 to 1999 in terms of NLS was minus 1% while that of market capitalization was 47%, ASI was 28% and capital market depth was 10%. The result of table 4 indicated that the average progression of the capital market from 2000 to 2004 in terms of NLS was 1% while that of market capitalization was 49%, ASI was 37% and ratio of MC to GDP was 18%. The result of table 5 indicates that the average progression of the capital market from 2005 to 2009 in terms of NLS was minus 1% while that of market capitalization was 43%, ASI was 7% and ratio of MC to GDP was 20%. The result of table 6 shows that the average progression of the capital market from 2010 to 2014 in terms of NLS was minus 1% while that of market capitalization was 21%, ASI was 14% and ratio of MC to GDP, representing capital market depth was 4%. The result of table 7 indicated that the average progression of the capital market from 2015 to 2019 in terms of NLS was 4% while that of market capitalization was 10%, ASI was minus 3% and ratio of MC to GDP was flat. On the overall, the analysis reveals that between 1985 and 2019, the number of listing in the Nigerian capital market averaged 8%.

The finding portends that the number of listed companies in the Nigerian capital market is significantly low for over thirty (30) years. Market capitalization which is the commonest important indicator of the size and progression of the capital market from the analysis averaged 227%. It means that the aggregate number of securities issued in the Nigerian capital market has been impressive since 1985 to 2019. The finding supports the position of Nyong (2003) and Isenmila (2017) where they stated that the value of equities transactions and listing broadens the stock market and tell a good sign of its progression in a defined period. All share index (ASI) which shows the trends and performance of the securities market averaged 157% in the reference period. The finding points out that the volume and value of securities transactions was relatively high and also reveals a better mood of the securities market and progression in the examined. The depth of the Nigerian capital market averaged 72% between 1985 and 2019. In a nutshell, it can be concluded that the Nigerian capital market progressed relatively in the period examined.

4. CONCLUSION AND RECOMMENDATION

Over the years, the capital market has shown to be a catalyst for real sector development and in general economic growth and development of any economy. So, developed and developing economies have paid much attention to its growth and development. Measuring its progression is critical in-order to know how it is faring. This study has taken a critical evaluation of Nigerian capital market since 1985 to 2019 with a view to knowing its progression, From the evaluation, it is clear from the four cardinal points of assessing capital market progression or performance using size, accessibility, efficiency and depth that the Nigerian capital market has progressed steadily in terms of market size, efficiency and depth but was retrogressive in terms of the number of listed firms in the reference period. From the analysis, it is recommended that capital market operators and regulators should do more in the areas of listing more securities by reducing the obstacle for listing, efficiency and especially the depth of the market (increase trading in the floor) for it to effectively and efficiently provide move fund from surplus sector to deficit sector. The study also suggested that the government should come up with effective and enabling policies geared towards minimizing macro -economic instability capable of hampering the deepening of the capital market and its progression in Nigeria in order to make it globally competitive for investors.

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