



Financial Deepening and Market Stability in Nigeria

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Abstract

The study examined the contribution of financial deepening to Nigeria market stability by evaluating the influence of financial deepening on financial market (Money, Capital and foreign exchange) and commodity market (energy market and agriculture).. The research employed multivariate regression in order to confirm the existence of relationship that exists between the dependent variables (financial market and commodity market) and the independent variable (financial deepening) from January 2007 to August 2017. The study empirically tested hypothesis “financial deepening has no significant effect on market stability”. The results from this study shows a positive significant relationship between financial deepening, foreign exchange market, money market, energy market and the agricultural market in Nigeria while the capital market has a positive but no significant relationship.

Keywords: Financial deepening, financial market, commodity market, market stability