

# Review of: "Does Exchange Rate and Interest Rate Affect Stock Prices in Nigeria?"

Luis Renè Cáceres

Potential competing interests: No potential competing interests to declare.

Review by Luis Rene Caceres

luisrenecaceres@gmail.com

Title: Does the Exchange Rate and Interest Rate Affect Stock Prices in Nigeria?

Author: Yusuf Wasiu Akintunde.

Comments to the authors:

- I. The authors recommend that monetary authorities should adopt policies that lead to the appreciation of the currency. However, the appreciation of the currency may penalize exports and increase imports, with negative effects on liquidity, which would hurt stock prices. The drop in liquidity may lead to rising interest rates, with negative repercussions on share values.
- II. The authors may wish to contrast their results with those obtained by other studies, particularly those related to the lack of cointegration among variables and the absence of long-term effects between all share index, interest rates, and exchange rates.
- III. A question that arises is the economic implications of the lack of cointegration among the variables.
- IV. The authors make several references to the volatility of the all share index. The authors should expand this topic and indicate the different specifications that can be used and, In particular, the effect of Garch-volatility on the value of the share index should be discussed.
- V. All in all the paper provides an interesting insight into the workings of Nigeria's stock market and the variables that influence it. A few clarifications/ expansions would be in order.