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Empirical Analysis of the Effect of COVID-19 Pandemic on the Nigerian Financial Market

By

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Abstract: This study examines the empirical effects of the COVID-19 pandemic on Nigeria's financial market, using a survey research design and structured questionnaires administered to 150 participants from financial institutions, regulatory bodies, and corporate entities within Gwagwalada Area Council, FCT, Abuja. Stratified random sampling was employed to ensure representative data, which were analyzed using descriptive statistics, mean scores, and Chi-square tests. The findings indicate a significant adverse impact of the pandemic on the Nigerian money market, capital market, and foreign exchange market, including increased government borrowing, reduced foreign investment, rising interest rates, a declining All Share Index, capital outflows, liquidity shortages, Naira depreciation, and a widening current account deficit. The study concludes that COVID-19 severely disrupted various segments of the Nigerian financial market and recommends the implementation of robust regulatory frameworks to enhance market resilience through improved surveillance, greater transparency, and stricter compliance with prudential regulations.

Keywords: COVID-19 Pandemic, Financial Market and Survey Research Design

1.0 Introduction

The COVID-19 pandemic, which emerged in late 2019, has had unprecedented global health and economic consequences, significantly affecting financial markets across both developed and developing economies. The Nigerian financial market, as a critical component of the nation's economy, was not immune to the disruptions caused by the pandemic (El-Yaqub, Ismail & Eke, 2024). Nigeria, like many countries, experienced widespread lockdowns, disruptions in oil prices (a key revenue source), and general economic uncertainty, all of which contributed to heightened volatility in the financial sector (Ozili, 2020). Given the integral role of financial markets in mobilizing capital and facilitating investment, understanding how such an external shock impacted Nigeria's financial market is both timely and essential (Ismail, El-Yaqub & Eke, 2025).

Several studies have examined the effects of the pandemic on global markets, but limited empirical analysis has been directed specifically at the Nigerian context. The Nigerian financial market, comprising the stock market, money market, and foreign exchange market, exhibits unique characteristics such as high sensitivity to oil prices and political instability (Ismail, Musa & Magaji, 2024). The COVID-19 crisis introduced an additional layer of uncertainty that further tested the resilience of these markets. The Nigerian Stock Exchange (now Nigerian Exchange Group), for instance, witnessed significant fluctuations in early 2020, influenced by investor sentiment and capital flight (El-Yaqub, Ismail & Bappayo, 2024; Onyeiwu & Ekong, 2021). This study aims to empirically analyze these dynamics using financial time series data from the pandemic period.

Moreover, the pandemic also prompted regulatory responses and policy interventions from the Central Bank of Nigeria (CBN) and the Securities and Exchange Commission (SEC), aiming to stabilize the markets and restore investor confidence. These policy shifts, including interest rate adjustments and foreign exchange interventions, created short-term and potentially long-term implications for market behavior (El-Yaqub & Ismail, 2025; Adeniran, 2021). This research seeks to evaluate the effectiveness of these interventions and how they influenced market recovery trajectories.

In addition, this study contributes to the broader literature on crisis-induced market volatility by exploring the relationship between public health emergencies and financial market performance in emerging economies (Magaji, Ismail & Musa, 2025). While advanced economies may have robust fiscal buffers and more diversified markets, emerging economies like Nigeria often bear disproportionate impacts due to structural vulnerabilities and investor perceptions of risk (Ismail, Musa & Magaji, 2025). As such, findings from this research can inform not only future pandemic preparedness but also financial market policy and investment strategies in similar contexts (Okorie & Lin, 2021).

The study adopts an empirical methodology using primary data from a design survey approach. the research investigates the magnitude and duration of COVID-19's impact on various financial indicators, including stock prices, exchange rates, and interest rates. Ultimately, the goal is to provide evidence-based insights into how external shocks affect developing markets and how policymakers can better respond to such crises.

2.0 Literature Review and Theoretical Framework

2.1 Conceptual Review

2.1.1 Covid-19

The COVID-19 pandemic, caused by the SARS-CoV-2 virus, has had profound global impacts on public health, economies, and daily life since its emergence in late 2019. Governments implemented various public health measures, including lockdowns, social distancing, and mask mandates, to mitigate the virus's spread. These interventions, while necessary, disrupted education, employment, and mental well-being worldwide (World Health Organization [WHO], 2020). The rapid development and deployment of vaccines represented a major scientific achievement, helping to reduce severe illness and mortality (Centers for Disease Control and Prevention [CDC], 2021). However, challenges such as vaccine hesitancy and unequal access to healthcare resources highlighted ongoing disparities in global health systems.

2.1.2 Financial Market

Financial markets are platforms or systems that facilitate the buying and selling of financial instruments such as stocks, bonds, currencies, and derivatives. They play a crucial role in the allocation of resources by enabling investors to channel funds to individuals or organizations

that need capital for productive use (Mishkin & Eakins, 2018). Efficient financial markets contribute to economic growth by improving liquidity, reducing transaction costs, and enhancing the transparency of information. These markets are broadly categorized into capital markets, where long-term securities are traded, and money markets, which deal with short-term debt instruments (Fabozzi et al., 2019). The health and stability of financial markets are vital to the overall economic stability of a country.

2.2 Theoretical Review
2.2.1 Efficient Market Hypothesis (EMH)

The EMH posits that financial markets are informationally efficient, meaning that asset prices fully reflect all available information at any given time (Fama, 1970). During the COVID-19 pandemic, the Nigerian financial market responded rapidly to new information regarding infection rates, lockdown measures, and global economic forecasts, resulting in heightened volatility and significant shifts in investor behavior. This aligns with the EMH, as the market quickly incorporated the economic uncertainties and policy responses into asset prices (Okonkwo et al., 2021). Empirical evidence from Nigeria's stock exchange showed sharp declines during the early stages of the pandemic, followed by a gradual recovery influenced by government interventions and investor sentiment, supporting the theory that markets react swiftly and rationally to available information.

2.3 Empirical Review

Usman et al., (2024) conducted a study examining the impact of COVID-19 on Nigeria's socio-economic development. The study analyzed the political economy of the pandemic between 2019 and 2022, focusing on how the health crisis disrupted various sectors. Using qualitative methods and documentary research, data were sourced from institutions such as the National Bureau of Statistics, Central Bank of Nigeria, NCDC, World Bank, IMF, ECOWAS, AU, WHO, and scholarly journals. The findings revealed that Nigeria, as a mono-economy heavily reliant on oil revenue, suffered severe socio-economic consequences. The fall in global oil prices, shutdown of businesses, and inflation led to diminished diaspora remittances and a decline in the population's health status. However, the pandemic also catalyzed significant public health reforms at the state level, reflecting a positive outcome amid the crisis

El-Yaqub, Musa, and Ismail (2024) explore the relationship between monetary policy and economic growth in Nigeria over the period from 1986 to 2021, employing the Autoregressive Distributed Lag (ARDL) model. The study identifies a long-run relationship between monetary policy and economic growth using the ARDL bounds testing approach. Their results show that monetary policy significantly influences Nigeria's economic growth. Findings from the Vector Error Correction Model (VECM) further reveal that, in the short run, broad money supply (LM2) and exchange rate (LEXC)

exert a slightly stronger influence on GDP growth than bank credit to the private sector (LBCP) and interest rate (INT). In the long run, LM2 and LEXC demonstrate a substantially higher impact on economic growth compared to INT and LBCP. The study concludes that the Central Bank of Nigeria's monetary policy measures have had a meaningful effect on economic performance. Consequently, it recommends that the Central Bank ease lending restrictions to the private sector to boost economic activity. Moreover, the adoption of market-based interest and exchange rate regimes is encouraged to attract both domestic and foreign investment.

Gbolahan (2023) offered an overview of Nigeria's macroeconomic and financial development post-pandemic. Employing a descriptive research design and drawing from both primary and secondary data, the study observed that despite Nigeria's economic recovery following the 2020 recession, macroeconomic stability weakened. Key issues highlighted included high inflation, pervasive poverty, and adverse effects from global commodity shocks, currency devaluation, and trade challenges. Additionally, the study noted that rising global oil prices had little to no positive impact on the Nigerian economy. Instead, the country's oil revenue growth declined due to fuel subsidies and reduced oil output.

El-Yaqub, et al (2024) investigate the influence of the capital market on Nigeria's economic growth. The study adopts an ex-post facto research design, utilizing secondary data from 1990 to 2022—a period marked by significant transformations in Nigeria's capital market operations. The researchers employ the Autoregressive Distributed Lag (ARDL) model for estimation, integrating the ARDL bounds testing for co-integration alongside both short-run and long-run error correction models. These analytical approaches were used to validate the reliability of the model. The results indicate that both the Number of Listed Securities and the All Share Index have a significant effect on Nigeria's economic growth in the short and long term. Based on these findings, the study recommends that the government formulate policies that encourage stock market development to foster economic growth. Furthermore, policy consistency is essential to ensure sustainable capital market growth. The study warns against the implementation of conflicting policies that could undermine the progress achieved through capital market reforms. Lastly, it suggests that the government should explore strategies to enhance investor confidence and retain portfolio investments.

In a study titled The Effects of COVID-19 Outbreak on the Nigerian Stock Exchange Performance: Evidence from GARCH Models, Adenomon, Maijamaa, and John (2022) investigated how the pandemic influenced stock returns and market volatility in Nigeria. Utilizing GARCH, QGARCH, and EGARCH models, the study analyzed secondary data from March 2, 2015, to April 16, 2020, focusing specifically on the pandemic period from January 2, 2020. The analysis demonstrated a sharp

decline in stock returns and heightened volatility during the COVID-19 period. The study emphasized the negative impact of the pandemic on market performance and proposed policy interventions such as economic diversification, flexible exchange rate regimes, and improved security to stabilize and stimulate stock market growth.

Bello (2022) examined the relationship between financial market performance and economic growth in Nigeria using the Systematic Quantitative Assessment Technique (SQAT). The study reviewed 51 peer-reviewed journal articles, with most of them focused on Nigeria, while a few included international perspectives. Despite limitations in database access, which led to the inclusion of Google Scholar in the selection process, the study found a clear link between financial market performance and economic growth. However, it noted variations across countries due to different stages of financial market development. The study concluded that further research is necessary to deepen understanding in this area, given its importance to national development.

Ubesie, Nwanekpe, and Ejilibe (2020) analyzed the impact of the financial market on Nigeria's economic growth from 1990 to 2022. Using the Ordinary Least Squares (OLS) method, the study found that most financial market variables significantly influenced economic growth, except for labor force participation. The regression models used in the analysis were deemed statistically adequate. The study recommended that the government should formulate favorable policies to enhance financial market performance and improve living standards.

Ayodele, Akinyede, and Iyabode (2020) explored how COVID-19 affected Nigeria's money market, capital market, and foreign exchange market. The study employed quantitative time-series data over 60 working days following Nigeria's first confirmed case of COVID-19. Utilizing exploratory analysis, signal estimation, and simple regression techniques, the researchers assessed Open Buyback Rate (OBRR), All Share Index Volume (ASIV), and Parallel Foreign Exchange Rate (PFER). Results showed a low positive correlation between COVID-19 and both the money and capital markets, while a moderate correlation was noted in the foreign exchange market. The study concluded that the pandemic significantly influenced the foreign exchange sector and recommended proactive government policies to buffer future financial shocks.

2.4   Gap in Literature

Despite the extensive research on the impact of COVID-19 on Nigeria's socio-economic and financial sectors, a critical gap remains in the integration of sector-specific analyses into a unified framework that comprehensively assesses the long-term implications of the pandemic across interconnected domains such as public health, oil revenue, macroeconomic stability, financial market development, and stock market performance. While studies by Usman et al. (2024), Gbolahan (2023), and Adenomon et al. (2022) provide valuable insights into individual sectors, there is limited empirical research that synthesizes these findings to examine how the pandemic's ripple effects across these areas collectively influence national economic resilience and recovery strategies. Furthermore, few studies incorporate post-2022 data to evaluate ongoing recovery efforts, policy effectiveness, and adaptive strategies by key economic institutions, leaving a gap in understanding the dynamic and evolving nature of Nigeria's economic landscape in the post-pandemic era.

3.0 Methodology
3.1 Research Design

The study employed a survey research design, utilizing questionnaires to gather insights from both management and staff of Nestlé Plc located in the Federal Capital Territory (FCT), Abuja. This approach is particularly effective for capturing a broad range of perspectives from a specific population. As Kimani (2016) explains, survey designs enable researchers to obtain data by querying individuals about their perceptions, attitudes, behaviors, and values, thereby facilitating an in-depth understanding of the prevailing conditions being examined.

3.2 Model Specification

To examine the effect of the COVID-19 pandemic on the Nigerian financial market, the study employs the following models specified in line with the research objectives:
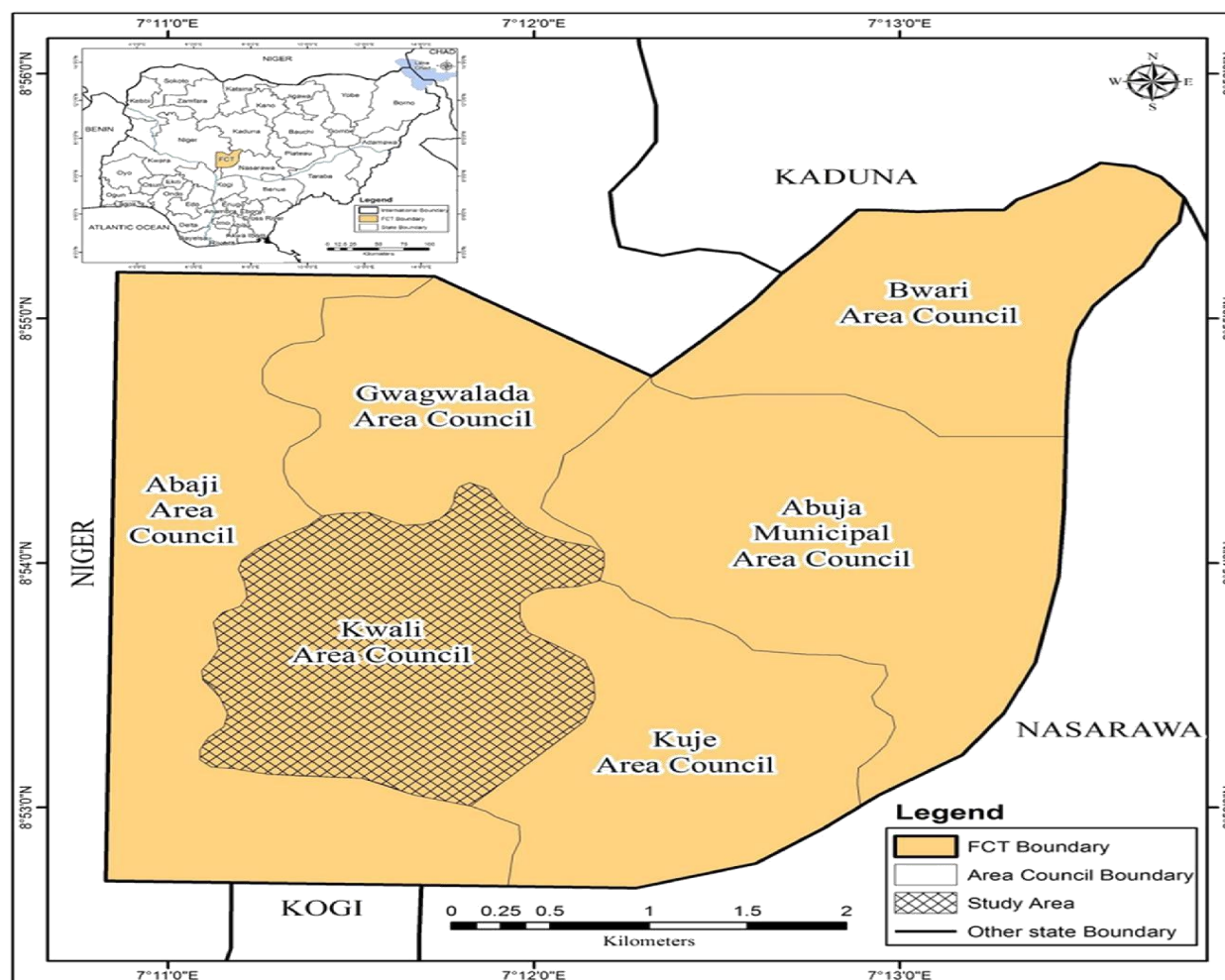
$MM = \beta_0 + \beta_1 COVID19 + \beta_2 INF + \beta_3 INT + \epsilon$

Where:

MM	=	Money Market (Proy for financial market.
COV	=	Covid-19
INF	=	Inflation rate
INT	=	Interest rate

3.3 Area of the study

Figure 1: Map of Nigeria Showing FCT.

The study area lies between latitudes 8°28′ and 8°54′ North of the Equator and longitudes 6°50′ and 7°13′ East of the Greenwich Meridian. It is one of the six area councils constituting the Federal Capital Territory (FCT), Abuja, and is located in the southwestern part of the FCT. It shares boundaries with Gwagwalada to the north, Kuje to the east, and Abaji to the west. The area council is divided into eight districts and spans a total land area of approximately 1,700,400 km² (Balogun, 2021).

3.4 Source of Data

The data used for this study were obtained from Primary sources using a well-structured questionnaire.

3.4 Population of the Study

Cooper and Schindler (2018) define a population as the entire set of elements from which inferences are to be drawn. In line with this definition, the population for this study comprises participants in the financial market, financial institutions, regulatory authorities, and business and corporate

3.5   Sample Size and Sampling Procedure

The sample size for this will consist of one hundred and fifty (150) respondents made up of Participants in

Financial Market, Financial Institutions, Regulatory Authorities and Business and Corporate Entities specifically in Gwagwalada Area Council that will be drawn randomly. The sampling procedure used in this study was stratified sampling.

3.6   Instrument for Data Collection

The researcher employed a questionnaire as the primary instrument for gathering relevant data on the topic titled: Effect of COVID-19 Pandemic on the Nigerian Financial Market. In this study, the questionnaire was highly structured and consisted of close-ended questions designed to elicit appropriate responses from the participants. It was thoughtfully crafted to include two main sections. The questionnaire, which was developed by the researcher, is divided into Section A and Section B. Section A focuses on the personal information of the respondents, such as gender, age, marital status, and educational background. Section B, on the other hand, contains questions specifically related to the impact of the COVID-19 pandemic on the Nigerian financial market.

3.7 Method of Data Collection

The questionnaire was administered to participants involved in the financial market, including those from

financial institutions, regulatory authorities, as well as business and corporate entities, specifically within the Gwagwalada Area Council of the Federal Capital Territory (FCT), Abuja. The completed copies of the questionnaire were retrieved on the same day after both staff and customers had responded to the questions provided by the researcher.

3.8 Validation of the Instrument

According to Cooper and Schindler (2020), pretesting is essential as it aids not only the research team in refining the instrument but also in understanding respondents' reactions to the questions. In this study, the researcher employed face and content validation methods to ensure the validity of the questionnaire. A draft of the questions was submitted to the research supervisor, who reviewed them to confirm that they were clearly worded, relevant, and aligned with the objectives of the study.

3.9 Reliability of the Instrument

This research project employed the test-retest method to determine the reliability of the instrument. This approach involves administering the same questionnaire to the same group of five respondents at two different times, with a two-week interval between the tests. The responses from both administrations were then correlated to assess the stability of the instrument over time. A correlation coefficient of 0.87 was obtained, indicating a high level of reliability. This result confirmed the internal consistency of the questionnaire and validated the responses obtained from the selected sample.

3.10 Method of Data Presentation and Analysis

In the processing and analysis of the collected data, extensive use was made of tables and percentages. The data were systematically presented in tabular form and analyzed using percentage calculations to clearly illustrate the distribution and trends within the responses.

4.0   Data Presentation and Analysis
4.1   Introduction
4.2   Presentation of Data

The data collected for this study were presented and analyzed in the table and interpretations follow immediately. The study used simple percentage for the presentation, analysis, and interpretation of the bio-data of the respondents. While mean score was used for the presentation, analysis and interpretation of research question responses. This data was then presented through tables. Items were analyzed by computing the mean responses of the respondents on each item.

Figure 1: Distributed Questionnaire
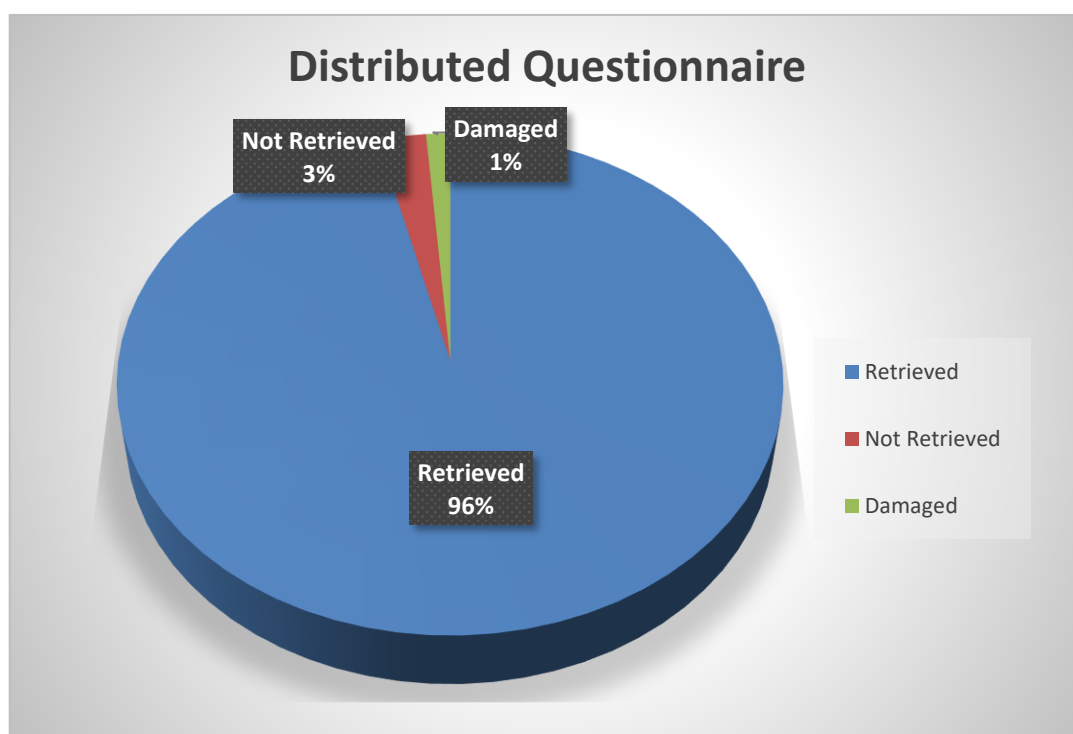
Source: Authors Computation, 2025.

From the above fig. 1, total of one hundred and fifty seven (157) questionnaire were administered, four (4) representing 3% were not retrieved, three (3) representing 1% were damaged while one hundred and fifty (150) representing 96% were retrieved and thus, used for the analysis.

4.3 Analysis of the Data and Interpretation

Table 1: Bio - data of the Respondents.

Category	Options	Frequency (N)	Percentage (%)
Gender	Male	68	45.3%
	Female	82	54.7%
Highest Educational Qualification	Secondary School Certificate	25	16.67%
	Diploma/National Certificate	30	20.00%
	Bachelor's Degree	50	33.33%
	Postgraduate Degree	35	23.33%
	Others	10	6.67%
Current Employment Status	Employed (full-time)	60	40.00%
	Employed (part-time)	20	13.33%
	Self-employed	30	20.00%
	Unemployed	25	16.67%
	Retired	5	3.33%
	Student	10	6.67%
Sector of Employment (if applicable)	Banking/Finance	40	26.67%
	Education	35	23.33%
	Healthcare	10	6.67%
	Manufacturing	20	13.33%
	Trade/Commerce	15	10.00%
	Information Technology	10	6.67%
	Other	10	6.67%
Years of Experience in Financial Market	Less than one year	10	6.67%
	1 – 3 years	30	20.00%
	4 – 6 years	40	26.67%
	7 – 10 years	35	23.33%
	More than ten years	35	23.33%

Sources: Field Survey, 2025.

The demographic data from Table 1 indicates a slightly higher representation of female respondents (54.7%) compared to males (45.3%). In terms of educational attainment, the sample is highly educated, with the largest group holding a Bachelor's Degree (33.33%), followed by those with Postgraduate Degrees (23.33%). Other qualifications include Secondary School Certificates (16.67%), Diplomas/National Certificates (20%), and a smaller portion with other types of education (6.67%), illustrating a diverse academic background among participants.

Employment status shows that a significant portion of respondents are engaged in full-time work (40%), with others being self-employed (20%), part-time employed (13.33%), unemployed (16.67%), retired (3.33%), or students (6.67%). The majority work in the Banking/Finance sector (26.67%) and Education (23.33%), with additional representation in Manufacturing, Trade/Commerce, Healthcare, and IT. Regarding experience in the financial market, most respondents have between 4 to 6 years (26.67%), followed by equal proportions (23.33%) with 7–10 years and more than 10 years of experience. These figures suggest a well-rounded, experienced, and professionally diverse respondent base.

Section B - Answers to Research Questions

Table 2: effect of the COVID-19 pandemic on the Nigerian money market.
N=150

S/N	Statement	SA	A	D	SD	$\bar{X}$	Decision
1.	Increased Government Borrowing	75	61	10	4	3.38	Agreed
2.	reduced foreign investments	80	60	7	3	3.45	Agreed

S/N	Statement	SA	A	D	SD	$\bar{X}$	Decision
3.	lower oil revenues, leading to higher interest rates	56	84	8	2	3.29	Agreed
4.	Reduced Interbank Activities	56	75	8	11	3.17	Agreed
5.	The pressures disrupts supply chains and increasing production costs.	62	80	5	3	3.34	Agreed
	Sectional Mean					**3.33**	**Accepted**

Sources: Field Survey, 2025.

The analysis of Table 2 highlights the substantial impact of the COVID-19 pandemic on the Nigerian money market, as reflected by the overall sectional mean score of 3.33. This average indicates a general agreement among respondents that the pandemic adversely affected several key areas. Notably, government borrowing saw a significant increase (mean score of 3.38), suggesting that respondents recognized the government's reliance on debt to manage public health crises and stimulate the economy. A more pronounced concern was the decline in foreign investments, which received the highest mean score of 3.45, pointing to strong consensus that global economic uncertainty, trade restrictions, and reduced investor confidence discouraged foreign capital inflows.

Other notable effects include the rise in interest rates due to reduced oil revenues (mean score of 3.29), underscoring the link between falling global oil prices and tighter monetary policy. Respondents also agreed on the reduction in interbank activities (mean score of 3.17), indicating that normal banking functions were disrupted, likely due to decreased economic activity and heightened financial risks. Furthermore, the pandemic's disruption of supply chains and the resultant rise in production costs were acknowledged with a mean score of 3.34, reflecting inflationary pressures and logistical setbacks. Overall, the data demonstrate a broad consensus on the negative consequences of the pandemic across various dimensions of the Nigerian money market.

Table 3: Effect of the COVID-19 pandemic on the Nigerian money market.

N=150

S/N	Statement	SA	A	D	SD	$\bar{X}$	Decision
6.	All Share Index (ASI) dropped as investors feared economic disruptions	95	44	4	7	3.51	Agreed
7.	The pandemic led to significant capital outflows as foreign investors sought safer assets in developed markets	57	79	8	6	3.25	Agreed
8.	Led to liquidity constraints	48	74	15	13	3.05	Agreed
9.	Banking stocks were affected due to fears of increased non-performing loans	65	69	10	6	3.29	Agreed
10.	Accelerated the adoption of digital trading platforms	86	55	6	3	3.49	Agreed
	Sectional Mean					**3.32**	**Accepted**

Source: Field Survey, 2025.

The analysis of Table 3 illustrates the perceived effects of the COVID-19 pandemic on the Nigerian money market, based on the responses of 150 participants. With an overall sectional mean of 3.32, the data reflects a general agreement that the pandemic had notable impacts across several financial indicators. The most prominent effect was the decline in the All Share Index (ASI), which received the highest mean score of 3.51, indicating widespread consensus that investor confidence dropped due to fears of economic disruption. Capital outflows were also significant, with a mean score of 3.25, as foreign investors reportedly moved funds to more stable markets in response to global uncertainty.

Liquidity constraints, with a mean score of 3.05, suggest that respondents recognized the financial strain experienced across sectors, leading to reduced cash flow and operational difficulties. Additionally, the impact on banking stocks, which scored 3.29, highlights concerns about rising non-performing loans and the overall stability of the financial sector during the crisis. Another major finding was the accelerated adoption of digital trading platforms, reflected in a high mean score of 3.49, indicating that the limitations on physical interactions prompted a shift toward digital financial solutions. Altogether, the sectional mean of 3.32 reinforces the shared perception that the pandemic had a substantial and disruptive effect on Nigeria's money market.

N=150

S/N	Statement	SA	A	D	SD	$\bar{X}$	Decision
11.	The Central Bank of Nigeria (CBN) struggled to maintain stability across its multiple exchange rate windows	88	59	2	1	3.56	Agreed
12.	Led to wider gaps between the official rate	90	57	1	2	3.57	Agreed
13.	Nigeria's foreign reserves declined as oil revenues plummeted due to the pandemic	75	68	2	5	3.42	Agreed
14.	Naira faced significant depreciation	58	83	6	3	3.31	Agreed
15.	Widened current account deficit	97	51	1	1	3.63	Agreed
	Sectional Mean					**3.50**	**Accepted**

Source: Field Survey, 2025.

The analysis of Table 4 reveals the significant impact of the COVID-19 pandemic on Nigeria's foreign exchange market, as reflected by the responses of 150 participants. The overall sectional mean of 3.50 indicates strong consensus among respondents that the pandemic severely affected various aspects of the market. A major concern highlighted was the Central Bank of Nigeria's (CBN) difficulty in maintaining stability across its multiple exchange rate windows, which recorded a high mean score of 3.56. Respondents also strongly agreed that the gap between the official and parallel market exchange rates widened considerably during the pandemic, with the highest mean score of 3.57, pointing to the effects of reduced forex inflows and increased demand for foreign currencies.

Further effects noted include the decline in Nigeria's foreign reserves (mean score of 3.42), which respondents attributed to falling oil revenues and limited foreign

exchange earnings, thereby constraining the country's ability to manage exchange rate fluctuations. The Naira also experienced significant depreciation, with a mean score of 3.31, indicating agreement that the pandemic weakened the local currency due to declining foreign income and strong currency demand. Lastly, the widening of the current account deficit received the highest agreement with a mean score of 3.63, suggesting that respondents viewed the pandemic as a key factor exacerbating Nigeria's trade imbalance. Collectively, the sectional mean of 3.50 underscores a shared perception of the pandemic's profound disruption of the foreign exchange market in Nigeria.

4.4   Test of Hypotheses

We subject these hypotheses to test using the Chi-square non-parametric statistical tool using SPSS Software.

Likelihood Ratio of 14.62 (p = 0.002) and the Linear-by-Linear Association value of 3.17 (p = 0.004) confirm this significance. These results strongly suggest that the COVID-19 pandemic had a significant impact on the Nigerian money market.

Ho2: The COVID-19 pandemic has no significant impact on the Nigerian Capital Market.

Ho1: The COVID-19 pandemic has no significant impact on the Nigerian money market.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.73	3	**0.000**
Likelihood Ratio	14.62	0	**0.002**
Linear-by-Linear Association	3.17	1	**0.004**
N of Valid Cases	150		

Source: SPSS Output 2025.

Interpretation

The Chi-Square tests provide evidence to reject the null hypothesis (Ho1: The COVID-19 pandemic has no significant impact on the Nigerian money market). The Pearson Chi-Square value of 17.73 and a p-value of 0.000 indicate a significant relationship. Similarly, the

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.82	1	**0.000**
Likelihood Ratio	13.87	2	**0.001**
Linear-by-Linear Association	11.82	3	**0.020**
N of Valid Cases	150		

Source: SPSS Output.

Interpretation

The Chi-Square tests provide evidence to reject the null hypothesis (Ho2: The COVID-19 pandemic has no significant impact on the Nigerian capital market). The Pearson Chi-Square value of 12.82 with a p-value of 0.000 indicates a highly significant relationship. Similarly, the Likelihood Ratio of 13.87 (p = 0.001) and the Linear-by-Linear Association value of 11.82 (p = 0.020) further confirm this significance. These results strongly suggest that the COVID-19 pandemic significantly impacted the Nigerian capital market.

Ho3: The COVID-19 pandemic has no significant impact on the Nigerian foreign exchange market.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.72	3	**0.001**
Likelihood Ratio	15.93	3	**0.000**
Linear-by-Linear Association	11.32	1	**0.001**
N of Valid Cases	150		

Source: SPSS Output.

Interpretation

The Chi-Square tests provide evidence to reject the null hypothesis (Ho3: The COVID-19 pandemic has no significant impact on the Nigerian foreign exchange market). The Pearson Chi-Square value of 14.72 with a p-value of 0.001 indicates a statistically significant relationship. Additionally, the Likelihood Ratio of 15.93 (p = 0.000) and the Linear-by-Linear Association value of 11.32 (p = 0.001) confirm the significance of the pandemic's impact. These findings demonstrate that the COVID-19 pandemic had a significant influence on the Nigerian foreign exchange market.

4.5   Discussion of Findings

The demographic data in Table 1 reveals a predominance of female respondents (54.7%) compared to male respondents (45.3%), indicating a slightly more female-oriented sample. Educationally, the sample is well-qualified, with a majority holding at least a Bachelor's Degree (33.33%) and a significant portion having Postgraduate Degrees (23.33%). Other educational levels include Diploma/National Certificate holders (20%) and those with Secondary School Certificates (16.67%), while a small minority (6.67%) fall into the "Others" category. This spread suggests a diverse yet highly educated group of respondents.

Employment data indicates that 40% of respondents are employed full-time, and 20% are self-employed, showing that a large portion is actively working. Part-time workers make up 13.33%, while 16.67% are unemployed. A smaller percentage comprises retired individuals (3.33%) and students (6.67%). The employment sectors represented are varied, with a notable concentration in Banking/Finance (26.67%) and Education (23.33%).

Other sectors include Manufacturing, Trade/Commerce, Healthcare, and Information Technology, showing a wide occupational distribution among the respondents.

Regarding experience in the financial market, most respondents are relatively seasoned. The highest percentage (26.67%) have between 4 to 6 years of experience, followed by those with 7 to 10 years and more than 10 years (both at 23.33%). Those with 1 to 3 years make up 20%, while only 6.67% have less than one year. This reflects a respondent base with considerable exposure to financial markets, especially in the mid-to-senior experience range. Overall, the sample represents a knowledgeable and experienced group with strong participation in the workforce and key economic sectors.

Tables 2, 3, and 4 collectively reveal the profound impact of the COVID-19 pandemic on Nigeria's financial system. Table 2 shows a general consensus (mean score: 3.33) that the money market faced significant disruptions—most notably increased government borrowing, reduced foreign investment, higher interest rates, and diminished interbank activity. Table 3 supports these findings with respondents noting a drop in the All Share Index, capital outflows, liquidity challenges, and the shift toward digital trading. Table 4 illustrates how the foreign exchange market was similarly affected, with consensus (mean score: 3.50) on issues such as widened exchange rate gaps, declining reserves, naira depreciation, and a growing current account deficit. Altogether, these tables underscore that the pandemic adversely affected all major financial dimensions in Nigeria.

5.0 Conclusion and Recommendations
5.3   Conclusion

The study concludes that the COVID-19 pandemic had a pervasive and significant adverse impact on the Nigerian financial market. The analysis of survey data from participants in the financial market, financial institutions, regulatory authorities, and business and corporate entities reveals that the pandemic disrupted key aspects of the money market, capital market, and foreign exchange market. Specifically, the pandemic led to increased government borrowing, reduced foreign investments, higher interest rates, a decline in the All Share Index, capital outflows, liquidity constraints, depreciation of the Naira, and a widening of the current account deficit. These findings underscore the vulnerability of Nigeria's financial system to external shocks and highlight the need for robust policy responses to mitigate the negative consequences of such crises.

To bolster the Nigerian financial market's resilience, it is recommended that the government strengthens regulatory frameworks, diversifies the economy beyond oil, enhances the effectiveness of monetary policy, promotes financial inclusion, invests in digital infrastructure, exercises fiscal prudence, provides targeted support to businesses, and improves foreign exchange management.

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