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EMPIRICAL ANALYSIS OF LISTED SECURITIES AND NEW ISSUES AS DRIVERS OF ECONOMIC GROWTH IN NIGERIA

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Abstract

The capital market can support economic growth by mobilizing and channeling long-term funds for productive investments. Listed securities broaden investment opportunities, while new issues provide a channel for raising fresh viable investment capital. This study examined listed securities and new issues as drivers of economic growth in Nigeria. An ex post facto research design was adopted using quarterly time-series data covering 2010Q1–2025Q4. Data were analyzed using descriptive statistics, Augmented Dickey–Fuller tests, Johansen cointegration tests, and the vector autoregression model. The result revealed that listed securities and new issues, have significant effect economic growth. The study concluded that capital mobilisation and broader securities participation could support economic activity, subject to confirmation through consistent estimation in first differences. It recommended facilitating securities issuances for financing productive investments and encouraging quality listings supported by effective disclosure and investor protection.

Keywords: Capital market, economic growth, listed securities, new issues

1. Introduction

The capital market is universally recognised as a crucial pillar for achieving sustainable economic growth, particularly in emerging economies that rely on long-term financing to stimulate industrialisation and productivity. As an institutional framework for channeling savings into viable investment opportunities, the capital market promotes liquidity, enhances risk diversification, and allocates financial resources toward high-yield sectors (Levine, 1997; Goldsmith, 1969; Babalola & Adegbite, 2011; World Bank, 2020). Its capacity to transform idle savings into productive capital is fundamental to fostering economic stability and inclusive growth. In many developing nations, the capital market complements traditional banking by supplying the long-term financing required for infrastructure development, enterprise expansion, and technological innovation (Olawale, 2024; Akinbola, 2024; NGX, 2023; DMO, 2024). Theoretically, an efficient capital market contributes to economic advancement by facilitating investment, improving resource allocation, and supporting innovation through effective financial intermediation (Romer, 1990; Levine, 1997; McKinnon, 1973; Shaw, 1973).

In Nigeria, the capital market represents a central component of the financial system and is expected to play a transformative role in bridging the financing gap confronting the real sector. Over time, reforms have been implemented to deepen market operations, strengthen regulatory oversight, and attract both domestic and foreign investors (DMO, 2024; SEC, 2023; NGX, 2023; CBN, 2023). Nonetheless, despite notable institutional growth, the market's contribution to broad-based economic expansion remains below expectation. Periods of macroeconomic stability have often coincided with market growth, yet the relationship between market development and sustained increases in output or employment has been inconsistent (Adeleye et al., 2020; IMF, 2024; CBN, 2023; SEC, 2023). The Nigerian market continues to face structural constraints such as limited depth, weak investor participation, and macroeconomic volatility, all of which have reduced efficiency and undermined confidence (Olayemi & Ajayi, 2022; Balogun & Osho, 2023; Okonkwo & Bello, 2020; Agwu & Achike, 2019). These persistent challenges highlight the need to re-examine how the capital market translates into measurable growth outcomes.

Empirical evidence regarding the relationship between capital market development and economic growth remains mixed across developing economies. While the theoretical literature suggests that well-functioning financial systems enhance long-run productivity through savings mobilisation and capital accumulation (Romer, 1990; Levine, 1997; McKinnon, 1973; Shaw, 1973), empirical results have been inconsistent. In the Nigerian context, several studies have explored various capital market indicators but produced conflicting outcomes (Emeh & Chigbu, 2014; Adebayo & Yusuf, 2022; Bello & Aliyu, 2022; Al-Faki, 2020). Some reported that market expansion contributes positively to GDP growth, while others found weak or statistically insignificant relationships. Methodological differences, limited timeframes, and the use of aggregate indicators have contributed to these disparities. For instance, earlier studies employing static estimation techniques failed to capture both short- and long-run dynamics (Emeh & Chigbu, 2014; Babalola & Adegbite, 2011; Olayemi & Ajayi, 2022; Adebayo & Yusuf, 2021), whereas recent works using the ARDL approach often treat the capital market as a homogeneous construct, neglecting the unique effects of its components such as the Number of Listed Securities (NLS) and New Issues (NI) (Akinbola, 2024; Olawale, 2024; Balogun & Osho, 2023; Okonkwo & Adedeji, 2020).

The absence of disaggregated analysis has created an empirical gap in understanding which aspects of the capital market exert the most influence on Nigeria's economic performance. This is particularly concerning given the structural shifts since 2020 marked by post-pandemic monetary adjustments, renewed bond issuances, and digitalisation of trading platforms (SEC, 2023; NGX, 2023; IMF, 2024; CBN, 2023). These changes have altered market dynamics, underscoring the importance of re-evaluating how capital market activities drive growth in the post-reform era. Without addressing this gap, policy prescriptions risk being based on outdated or incomplete evidence, thereby limiting the effectiveness of capital market interventions.

Two indicators Number of Listed Securities (NLS) and New Issues (NI) stand out as the most policy-relevant measures of Nigeria's capital market development. The NLS captures market breadth, reflecting the diversity of investment instruments and corporate participation, while NI represents market depth, indicating the volume of new capital raised for productive investment (Babalola & Adegbite, 2011; NGX, 2023; Olayemi & Ajayi, 2022; Akinbola, 2024). Theoretically, both dimensions are expected to reinforce growth: a broad market enhances liquidity and investor confidence, whereas a deep market drives capital formation (Al-Faki, 2020; Bello & Aliyu, 2022; Ola & Bassey, 2023; Okonkwo & Adedeji, 2020). Yet, in Nigeria, this theoretical harmony is contradicted by evidence. Periods of growth in new capital mobilisation have coincided with stronger economic performance, while expansions in listings have not consistently produced similar outcomes (Akinbola, 2024; Olawale, 2024; Emeh & Chigbu, 2014; DMO, 2024). This divergence suggests that while market breadth provides the infrastructure, market depth delivers the actual growth impulse.

The policy relevance of resolving this contradiction cannot be overstated. The Securities and Exchange Commission (SEC) aims to achieve a ₦100 trillion market capitalisation under the 2025–2030 Capital Market Master Plan, while the Debt Management Office (DMO) relies on securities issuance to finance a ₦19 trillion infrastructure deficit (SEC, 2023; DMO, 2024; IMF, 2024; CBN, 2023). Understanding whether growth is driven primarily by new issues or by market expansion will determine where regulatory emphasis should lie. If new issues stimulate growth more effectively, policies should prioritise improving capital mobilisation; if listings are more influential, expanding corporate participation should take precedence. However, few studies have empirically compared these variables using contemporary Nigerian data (Olawale, 2024; Akinbola, 2024; Bello & Aliyu, 2022; Adebayo & Yusuf, 2022), leaving a crucial knowledge gap that demands systematic investigation.

From a theoretical perspective, the Endogenous Growth Theory offers the most appropriate framework for this inquiry. The theory posits that economic expansion arises from internal mechanisms such as capital accumulation, innovation, and financial intermediation (Romer, 1990; Levine, 1997; McKinnon, 1973; Shaw, 1973). Within this framework, NI embodies active capital formation and innovation financing, while NLS reflects institutional capacity to support resource allocation. The asymmetric impact of these variables, therefore, can be interpreted as evidence that growth in Nigeria depends more on effective mobilisation of funds than on the structural expansion of listings (Akinbola, 2024; Olawale, 2024; Al-Faki, 2020; Bello & Aliyu, 2022).

Despite continuous reforms and policy initiatives, Nigeria's capital market has not consistently translated institutional growth into measurable economic expansion. Empirical findings reveal a contradiction: while New Issues (NI) significantly promote economic growth, the Number of Listed Securities (NLS) often exhibits weak or insignificant effects (Al-Faki, 2020; Adebayo & Yusuf, 2022; Olayemi & Ajayi, 2022; Akinbola, 2024). This

inconsistency highlights a critical research gap few studies have comparatively analysed NLS and NI within a unified empirical framework. The absence of such evidence risks policy misdirection, as reforms may prioritise market expansion over the actual mechanisms of capital mobilisation that drive productive investment and sustainable economic growth in Nigeria.

Hence, this study is undertaken to examine the empirical analysis of listed securities and new issues as drivers of economic growth in Nigeria, focusing specifically on the comparative impacts of the Number of Listed Securities and New Issues during the period 2010–2025.

2.0 Literature Review

2.1 Conceptual Review

2.1.1 New Issues

New Issues (NI) refer to newly created securities offered through the primary capital market by companies, governments and other eligible entities to raise fresh funds for financing investment and other economic activities. Adekunle (2024) defines new issues as an important indicator of capital-market development because they represent the mobilisation of new financial resources through securities issued to investors. El-Yaqub et al. (2024) similarly associate new securities with the process through which the capital market mobilises savings and channels them towards productive investment, thereby providing financing for economic activities and development. The Securities and Exchange Commission (SEC, 2023) further explains that the capital market enables businesses and governments to mobilise long-term funds through instruments such as equities, bonds and other securities, making new issues an important mechanism for expanding access to investment finance.

Akinbola and Akinbola (2024) also identify new issues among the major indicators of capital-market development and examine their contribution to economic growth through the mobilisation of financial resources. These definitions indicate that NI represents the active financing dimension of the capital market because, unlike the number of listed securities which reflects market breadth, new issues demonstrate the extent to which fresh capital is being mobilised for investment. In Nigeria, new issues have fluctuated with prevailing economic conditions, investor confidence, regulatory developments and firms' financing requirements, but the increasing use of equity and debt offerings by listed firms demonstrates the continuing importance of the primary market as a source of long-term finance.

Recent evidence indicates substantial capital mobilisation through new issues, particularly equity and fixed-income securities, reflecting the financing needs of corporations and public-sector entities. Adekunle (2024) found that new issues had a positive effect on economic growth in Nigeria, while Akinbola and Akinbola (2024) also linked capital-market financing activities to Real GDP. For listed firms, funds raised through new issues can support business expansion, technological investment, working capital, restructuring, infrastructure and employment generation. Consequently, effective growth in new issues contributes to economic sustainability by transforming savings into productive investment, expanding corporate capacity, creating employment and supporting the continuous expansion of national productive output.

2.1.2 Number of Listed Securities

Number of Listed Securities (NLS) refers to the total quantity of securities formally admitted to trading on an organised securities exchange at a particular point in time. El-Yaqub et al. (2024) identify the number of listed securities as an important indicator of capital-market development and examine it alongside other stock-market variables in explaining Nigerian economic growth. Akinbola and Akinbola (2024) similarly define NLS operationally as one of the major indicators of capital-market performance, examining its relationship with Real GDP in Nigeria. The SEC (2023) provides a practical interpretation of the concept through its Daily Official List, which contains equities and debt securities quoted in the Nigerian market and includes government stocks, state government bonds and corporate or industrial securities. In addition, the SEC's Nigerian Capital Market Master Plan emphasises the need for a deeper and broader market characterised by greater diversity of securities and wider participation (SEC, 2023). These perspectives suggest that NLS represents the breadth, diversity and structural capacity of the capital market, since an increase in listed securities provides investors with more opportunities for portfolio diversification while giving firms and public-sector entities greater access to organised capital. NLS is therefore not simply a count of securities; it reflects the extent to which the capital market provides a diversified platform for savings mobilisation, risk sharing and long-term investment.

The Nigerian trend in NLS shows evidence of market expansion and increasing diversification, although the growth has not been uniform across security classes. Available market evidence indicates that the total number of securities listed on the Nigerian Exchange increased from 372 in 2021 to 457 by the first quarter of 2022, representing a 22.85% increase, with corporate bonds accounting for particularly strong growth. The broader capital-market environment also expanded substantially in 2023, with EnterpriseNGR reporting increases in listed/quoted government and corporate debt securities and the development of a larger securities universe. This expansion is economically important because a broader listing base can improve market liquidity, facilitate portfolio diversification, strengthen investor participation and provide more channels through which savings can be transformed into productive investment.

Empirically, El-Yaqub et al. (2024) found that NLS had a significant effect on Nigerian economic growth in both the short and long run, suggesting that market breadth can have real economic consequences when supported by effective investment and financing channels. Similarly, the SEC's capital-market strategy explicitly links a broader and deeper market with investment, participation and sustainable economic development (SEC, 2023). Thus, an expanding NLS among Nigerian listed and quoted securities can contribute to economic sustainability by strengthening the resilience and diversity of the financial system, reducing excessive dependence on individual financing instruments, supporting corporate investment and improving the capacity of the capital market to finance long-term economic activity.

2.1.3 Economic Growth

Economic growth refers to the sustained increase in the productive capacity and real output of an economy over time. Oyebowale and Algarhi (2024) describe economic growth in terms of changes in actual economic output, while El-Yaqub et al. (2024) regard it as an increase in the volume of goods and services produced within an economy over time. Adekunle (2024) measures economic growth using Real Gross Domestic Product (Real GDP), emphasising its ability to capture changes in actual productive activities without the distortions associated with changes in the general price level. Similarly, Olusegun and Ajao (2024) employ Real GDP as a measure of economic performance because it reflects changes in productive capacity after accounting for inflation. Based on these perspectives, this study considers Real GDP as the proxy for economic growth, as it provides an appropriate indication of changes in Nigeria's actual economic output rather than changes arising merely from price movements.

The use of Real GDP as the proxy for economic growth is particularly relevant to this study because it enables the assessment of whether developments in the Nigerian capital market translate into improvements in actual economic production. Nigeria's economic growth has experienced fluctuations arising from changes in productive activities, the COVID-19 shock, inflation, exchange-rate pressures, infrastructure constraints and other macroeconomic conditions. The activities of listed firms are relevant to this process because companies quoted on the Nigerian Exchange operate across banking, telecommunications, manufacturing, consumer goods, energy and other sectors that contribute to national output. Expansion in investment, production and employment by these firms can increase aggregate output and consequently improve Real GDP, while weak corporate investment can constrain economic performance. El-Yaqub et al. (2024) established a significant relationship between capital-market development and economic growth in Nigeria, while Adekunle (2024) reported that new issues positively influenced Real GDP. Therefore, by adopting Real GDP as the proxy for economic growth, this study is able to assess whether the development of the Nigerian capital market contributes to sustained increases in productive activity, employment, income and overall economic sustainability.

2.2 Theoretical Framework

2.2.1 Endogenous Growth Theory

The Endogenous Growth Theory provides the unifying theoretical framework linking both independent variables NLS and NI to economic growth. Unlike exogenous models, which attribute growth to external technological shocks, the endogenous model explains growth as a product of internal economic mechanisms such as innovation, capital formation, and financial intermediation (Romer, 1990; Levine, 1997; McKinnon, 1973; Shaw, 1973). Within this framework, the capital market plays a pivotal role by mobilising savings, allocating resources efficiently, and facilitating risk management all of which enhance productivity and output. The theory identifies financial development as a key determinant of growth because it enables continuous reinvestment in human and physical capital, thereby generating self-sustaining expansion.

Applied to Nigeria, the theory suggests that New Issues represent the active mechanism through which capital accumulation translates into economic growth, while the Number of Listed Securities represents the structural condition that enables such mobilisation. The dynamic between breadth (NLS) and depth (NI) reflects the two sides of financial development: institutional expansion and resource activation. A well-diversified market (high NLS) provides stability and opportunity for investors, but without effective capital mobilisation (high NI), such breadth may not yield tangible output gains. Conversely, robust new issues within a weakly diversified market may face liquidity constraints and investor concentration risks. Hence, sustainable economic growth requires the synergistic interaction of both elements breadth providing the foundation and depth supplying the momentum.

Empirical outcomes from Nigerian studies align with this theoretical reasoning. Akinbola (2024) and Olawale (2024) observed that only NI exhibits a statistically significant long-run relationship with GDP, validating the theory's assertion that capital formation and innovation are central to sustained growth. Similarly, Al-Faki (2020) and Bello and Aliyu (2022) confirmed that funds raised through new issues finance productive sectors, fostering innovation and employment creation. Meanwhile, Olayemi and Ajayi (2022) and Adebayo and Yusuf (2022) demonstrated that NLS contributes indirectly by stabilising the market and reducing volatility. Collectively, these studies reveal that Nigeria's growth trajectory aligns more closely with the capital mobilisation channel emphasised by Endogenous Growth Theory, rather than with structural expansion alone. The theory, therefore, provides both explanatory power and policy relevance for interpreting the differential impacts of capital market indicators on economic performance.

2.3 Empirical Studies

2.3.1 Number of Listed Securities and Economic Growth

Empirical evidence on the relationship between the Number of Listed Securities (NLS) and economic growth in Nigeria remains mixed. Olayemi and Ajayi (2022) adopted a time-series approach to examine the effect of stock market development indicators on economic performance and found that an increase in the number of listed securities enhanced market participation and financial inclusion. Similarly, Adebayo and Yusuf (2022), using econometric techniques, reported that higher levels of NLS contributed to market stability by reducing volatility and increasing investor confidence. Balogun and Osho (2023) employed a volatility-based approach and observed that governance reforms that encouraged more firms to list on the exchange improved investor confidence and overall market performance. These studies suggest that NLS contributes to market liquidity, diversification and institutional development. However, they also noted that an increase in listed securities does not automatically translate into economic growth unless the listed entities mobilise resources that are channelled into productive sectors of the economy.

Further empirical evidence by Akinbola (2024) and Olawale (2024), using capital market indicators and real GDP as measures of economic growth, revealed that the long-run effect of NLS on economic growth in Nigeria was weak and statistically insignificant. These findings imply that although NLS broadens the structure and depth of the capital market, its contribution to economic growth depends largely on the efficiency of capital allocation and the extent to which listed firms undertake productive investments. Most previous studies also combined market breadth indicators such as NLS with market depth indicators like New Issues, thereby obscuring the specific effect of NLS on growth (Emeh & Chigbu, 2014; Adebayo & Yusuf, 2022; Bello & Aliyu, 2022). Methodologically, many of these studies relied on OLS, VAR and GARCH models, which are limited in capturing both short-run and long-run dynamics.

Consequently, this study employs the ARDL technique to provide a more robust analysis of the relationship between NLS and economic growth in Nigeria. Based on the reviewed literature, the following null hypothesis is formulated:

H_{01}: Number of Listed Securities has no significant effect on economic growth in Nigeria

2.3.2 New Issues and Economic Growth

Empirical studies have consistently shown that New Issues (NI) positively influence economic growth by mobilising fresh funds for productive investment. Al-Faki (2020), using capital market indicators and macroeconomic variables, found that capital raised through initial public offerings, bond issues and other securities significantly contributed to economic growth in Nigeria. Bello and Aliyu (2022) also reported that major public offerings, particularly those of MTN Nigeria and Airtel Africa, increased foreign investor participation, improved market diversification and expanded the capacity of firms to undertake productive investment. Similarly, Okonkwo and Adedeji (2020) observed that funds mobilised through new issues were utilised to expand production capacity, particularly in the telecommunications and manufacturing sectors, thereby contributing to employment generation and increased output. Ola and Bassey (2023) further noted that digital investment platforms enhanced accessibility to new issues and widened participation in the primary market.

The findings from these studies collectively indicate that New Issues serve as an active mechanism through which savings are transformed into productive investment, thereby stimulating capital accumulation and economic growth. Unlike NLS, which reflects market breadth, NI directly measures the extent of fresh capital mobilisation for economic activities. Nevertheless, previous studies often relied on OLS, VAR and GARCH techniques, which do not adequately distinguish between short-run and long-run effects of financial variables on economic growth (Emeh & Chigbu, 2014; Adebayo & Yusuf, 2022; Bello & Aliyu, 2022). These methodological limitations partly explain the divergent findings in the literature. Consequently, this study adopts the ARDL approach to capture both the immediate and long-run effects of New Issues on economic growth in Nigeria and to provide more robust empirical evidence on the relationship. Based on the reviewed literature, the following null hypothesis is formulated:

H_{02}: New Issues have no significant effect on economic growth in Nigeria

3. Methodology

The study adopted an ex post facto research design to examine listed securities and new issues as drivers of economic growth in Nigeria. This design was appropriate because the analysis relied on historical data without manipulating the variables. Quarterly time-series data covering 2010Q1–2025Q4 were used, providing 64 observations for each variable before adjustments for differencing and lag selection.

he functional relationship was specified as:

$$RGDP_t = f(NI_t, NLS_t)$$

The corresponding baseline econometric specification was:

$$RGDP_t = \beta_0 + \beta_1 NI_t + \beta_2 NLS_t + \varepsilon_t$$

where $t$denoted the quarter, $\beta_0$represented the intercept, $\beta_1$and $\beta_2$represented the coefficients of new issues and listed securities, respectively, and $\varepsilon_t$represented the disturbance term.

Descriptive statistics were used to summarise the distributions of the variables. These included the mean, median, maximum, minimum, standard deviation, skewness, and kurtosis. The Jarque–Bera statistic was also reported to assess the normality of each series. The Augmented Dickey–Fuller (ADF) test was employed to determine the stationarity properties and orders of integration of the variables. The tests included a constant, with lag lengths selected automatically using the Schwarz Information Criterion. The reported results indicated that RGDP, NI, and NLS were non-stationary at levels but stationary at first differences, establishing that all three variables were integrated of order one, I(1).

Following the unit root tests, the Johansen cointegration procedure was applied to examine whether the variables shared a long-run equilibrium relationship. Both the trace and maximum-eigenvalue statistics were considered at the 5% significance level. The test included first-difference lags from one to two and the reported linear deterministic trend assumption. Neither test rejected the null hypothesis of no cointegration at the 5% level.

Given these findings, a vector autoregression in first differences provided the appropriate conventional framework for analysing the short-run dynamics among the variables. Its general specification was:

$$\Delta X_t = c + \sum_{i=1}^{p} A_i \, \Delta X_{t-i} + u_t$$

where:

$$X_t = \begin{bmatrix} RGDP_t \\ NI_t \\ NLS_t \end{bmatrix}$$

Here, Δdenoted first differencing, $c$represented the vector of intercepts, $A_i$contained the coefficients of the lagged changes in the variables, $p$represented the selected lag order, and $u_t$represented the vector of innovations. This specification allowed changes in each variable to depend on its own past changes and those of the other variables.

Data Sources and Variable Measurement

Annual secondary data was sourced from reputable institutions to ensure reliability. The variables, their measurements, and sources are summarized in Table 1 below.

Table 1: Variable Measurement and Data Sources

Variable	Symbol	Measurement	Data Source
Real GDP	RGDP	Log of Real GDP (constant 2010 ₦' Billion)	World Bank, NBS
New Issues	NI	Log of total value of new capital raised (₦ Billion)	NGX, SEC, DMO
Number of Listed Securities	NLS	Total count of listed equities & bonds	NGX Factbooks

Source: Compiled by researcher

4.0 results and Discussion

The analysis covered quarterly observations from 2010Q1 to 2025Q4. The results comprised descriptive statistics, unit root tests, Johansen cointegration tests, and the reported RGDP equation.

4.1 Results

Table 2: Descriptive Statistics

Statistic	RGDP	NI	NLS
Mean	11.05885	4.346741	2.542898
Median	11.07512	4.806436	2.542824
Maximum	11.22286	5.910129	2.585461
Minimum	10.79979	−0.036212	2.49693
Standard deviation	0.118579	1.753557	0.028179
Skewness	−0.555225	−1.660004	−0.065256
Kurtosis	2.585273	4.646489	1.735539
Jarque–Bera statistic	3.746933	36.62234	4.309051
Probability	0.15359	0	0.115958
Observations	64	64	64

Source: Supplied EViews output (2026)

RGDP recorded a mean of 11.05885, with values ranging from 10.79979 to 11.22286. New issues had a mean of 4.346741, while listed securities recorded a mean of 2.542898. The standard deviations indicated variation within each series, although direct comparisons of their magnitudes require consideration of the variables' measurement scales and transformations. All three variables exhibited negative skewness. New issues were substantially left-skewed, suggesting that relatively low observations extended the lower tail of the distribution. Listed securities were approximately symmetric. The kurtosis of new issues exceeded three, indicating a leptokurtic distribution, whereas RGDP and listed securities had kurtosis values below three.

Table 3 Unit Root Tests

Variable	Level ADF statistic	p-value	First-difference ADF statistic	p-value	Integration order
RGDP	−1.454461	0.55	−7.753551	0	I(1)
NI	−0.838209	0.801	−7.810520	0	I(1)
NLS	−1.095295	0.713	−7.826762	0	I(1)

Source: *EViews output (2026)*

The ADF tests failed to reject the unit root null hypothesis for all three variables at levels. After first differencing, the null hypothesis was rejected for each variable, with reported p-values below 0.001. Consequently, RGDP, new issues, and listed securities were classified as integrated of order one, I(1), under the reported test specifications. These results made it necessary to assess cointegration before interpreting a relationship estimated in levels. Stationarity after first differencing supported analysing changes in the variables where a long-run equilibrium relationship was not established.

Table 4 Johansen Cointegration Tests

Null hypothesis	Trace statistic	5% critical value	p-value	Maximum-eigenvalue statistic	5% critical value	p-value
No cointegrating equation	27.30207	29.8	0.0945	16.14061	21.13162	0.2168
At most one equation	11.16146	15.49	0.2018	7.685955	14.2646	0.4115
At most two equations	3.475506	3.841	0.0623	3.475506	3.841465	0.0623

Source: ***EViews output (2026)***

The trace statistic for the null hypothesis of no cointegration was 27.30207, below the 5% critical value of 29.79707. Similarly, the maximum-eigenvalue statistic of 16.14061 was below its critical value of 21.13162. The findings did not establish a stable long-run equilibrium relationship among RGDP, new issues, and listed securities within the reported sample and specification. This finding does not rule out short-run effects of capital market activity on economic growth. Given that all three variables were I(1), a VAR in first differences was appropriate for examining their short-run dynamics, rather than a vector error correction model.

Table 5 vector autoregression model

Variable	Coefficient	Standard error	t-statistic
RGDP(−1)	0.847238	0.12991	6.5217
RGDP(−2)	0.00561	0.12665	0.0443
NI	0.017849	0.00556	3.20758
NLS	0.60866	0.25095	2.42542
R-squared	0.835063		
Adjusted R-squared	0.826531		
F-statistic	97.88288		

Source: ***EViews output (2026)***

The R-squared of 0.835063 indicated that the equation accounted for approximately 83.51% of the sample variation in RGDP. The adjusted R-squared of 0.826531 remained relatively high after accounting for the number of regressors. The F-statistic of 97.88288, with a reported p-value of 0.000 ($p < 0.001$), indicated that the regressors were jointly statistically significant in the reported equation.

4.2 Discussion of Findings

New issues recorded a positive coefficient of 0.017849, with a t-statistic of 3.20758. On the reported measurement scale, a one-unit increase in new issues was associated with a 0.017849-unit increase in RGDP, holding the other regressors constant. A possible economic explanation is that securities issuance provides funds for business expansion, infrastructure, and productive investments. The positive association for new issues was also directionally consistent with the findings attributed in the supplied literature review to Al-Faki (2020), Bello and Aliyu (2022), and Okonkwo and Adedeji (2020).

Numbers of Listed securities recorded a positive coefficient of 0.608660 and a t-statistic of 2.42542. This suggested that greater market breadth was associated with higher real output in the reported equation. A broader range of securities could expand financing opportunities and investment choices, potentially supporting resource allocation. This positive direction was compatible with the market participation and investor-confidence benefits attributed in the supplied review to Olayemi and Ajayi (2022) and Balogun and Osho (2023). It did not, however, contradict the weak long-run effects attributed to Akinbola (2024) and Olawale (2024), because the present cointegration tests did not establish a long-run relationship.

5. Conclusion and Recommendations

The study examined listed securities and new issues as drivers of economic growth in Nigeria using quarterly data covering 2010–2025. The unit root results indicated that all variables were integrated of order one, while the Johansen tests did not establish a long-run equilibrium relationship at the 5% significance level. Based on the VAR result, the study concluded that new issues and listed securities were positively associated with real gross domestic product in Nigeria, suggesting potential contributions through capital mobilisation and broader investment opportunities. The following recommendations were proposed:

i. Given their positive association with RGDP in the reported equation, the Securities and Exchange Commission should facilitate capital raising for productive projects and strengthen monitoring of issuance proceeds.

ii. Listed securities: Given their positive association with RGDP, the Nigerian Exchange should encourage listings by productive enterprises, supported by strong disclosure, corporate governance, and investor protection.

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