

Investor's Sentiment, Stock Market Liquidity and Economic Growth in Nigeria

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ABSTRACT Evidence abound that investor's sentiment and stock market liquidity are critical indices for stock market growth and development. This view has been substantiated by studies in both developed and developing countries. In this paper, we investigate the relationship as well as the channel through which investor's sentiment and liquidity affect growth by using appropriate econometric technique on time series data from 1984-2005. Empirical evidence shows that both investor's sentiment and stock market liquidity Granger-cause economic growth in Nigeria.