Firm-specific and macroeconomic determinants of share pricing of listed firms in Nigeria

Emmanuel Oyasor
Department of Accounting Science, Walter Sisulu University,
South Africa, c.emmanueloyasor@gmail.com

Keywords: Share Price; Firm-specific characteristics; Macroeconomic variables; Political event; Consumer Goods Firms.
J.E.L. Classification: **B22, D53, E44 DOI: https://doi.org/10.52244/ep.2025.29.01**

For Citation: Oyasor E., (2025) Firm-specific and macroeconomic determinants of share pricing of listed firms in Nigeria (in English). Economic Profile, Vol. 20, 1(29), p. 7-20. DOI: https://doi.org/10.52244/ep.2025.29.01

Annotation.*Investors are generally concerned about the share prices of listed firms as they depict the risk-return characteristics of their investments. The study examined firm-specific and macro-economic determinants of share pricing of listed firms in Nigeria. The study focused the listed consumer goods firms and data which were extracted from the audited annual report of eighteen (18) firms from 2010 to 2022. Macro-economic data were also obtained from World Bank Database and the Central Bank of Nigeria statistical bulletin. Two-step System Generalized Method of Moments (GMM) was used to analyze the data. Findings showed positive effects of dividend payout and leverage, on share prices at 1% and 5% significant levels respectively. Return on assets and firm growth was found to have had negative, effect on share prices at 1% and 10% significant level, respectively. Also, money supply had negative effect at 1% significant level, while crude oil price had positive effect at 10% significant level. The result further showed that political event had negative effect on share prices at 1% significant level. The study concluded that firm-specific factors and macro-economic variables significantly influence share prices of listed consumer goods firms in Nigeria. The study recommended that potentials investors should monitor the movement of dividend payout, leverage, and return on asset, firm growth, money supply and crude oil price when making investment decision in the sector.*

Introduction

Researcher and portfolio managers worldwide have taken notice of the frequent changes in firms' share prices. Investors, both individual and institutional, are primarily concerned with the share prices of listed firms since they have an impact on the risk and projected returns of these shares. Business investment is often positively correlated with rising company share prices and negatively correlated with falling company share prices (Asif, Arif & Akbar, 2016; Erdugon, 2012). In order to explain share price movements in different stock markets, numerous researchers have attempted to use a variety of information types. For instance, shifts in financial and economic factors have frequently been used to explain the behaviors of various stock markets worldwide (Sudhahar & Raja, 2010). In Nigeria, as in many other nations, the topic of what influences a company's share price is perceived to elicit a variety of responses from various sources.

Efficient Market Hypothesis (EMH) holds that when deciding whether to purchase or sell company stock, logical investors in the market respond to the information at their disposal. This information is either market-related or firm-specific. Factors such as inflation rate, oil prices, exchange rate, and the gross domestic product, are macroecnomic varaibles which could also be regarded as market-related factors. Firm-specific information includes firm attributes like firm size, firm age, market/book value ratio, earnings per share, and dividend per share, among others (Anderson, 2016; Maku & Atanda, 2010; Kazeem, 2015; Tripathi & Seth, 2014). The different accounting data that

companies present in their financial statements for a single accounting period are known as firm-specific characteristics. These data can convey information about the performance of the company to different stakeholders.

In addition to firm-specific attributes, other external factors that may have a significant impact on share price include government restrictions, inflation, the money supply, the exchange rate, GDP growth, political issues, and so forth. The share price would be vulnerable to a number of shocks as a result of changes in macroeconomic factors. The capital market may perform poorly as a result of macroeconomic indicators like GDP, inflation, interest rates, currency rates, and so on having a tendency to be weak and unstable. Similar to this, a nation's political climate may likewise influence how its stock market share prices behave.

The spiral movement in share prices is a thorough reflection of the intrinsic dynamics and behavior of shares in emerging markets such as Nigeria. across recent years, the market has shown erratic fluctuations that have led to capital depreciation and returns reductions across sectors (Adebiyi & Oseni, 2011). The decrease in business returns has been ascribed to the company's subpar operations, which have decreased investor returns and raised the danger of making such an investment. With a total market capitalization of ₦ 3.86 trillion, the consumer goods industry was rated after the financial services sector in 2017. The sector came in third place behind the oil and gas and financial services sectors, with a total market capitalization of ₦ 2.96 trillion,. It also made up 22.08% of the market capitalization (Proshare, 2018a).

Over time, a number of studies have been carried out on the factors that influence share price in Nigeria (Makinde, 2015; Olowoniyi & Ojenike, 2016; Osisanwo & Atanda, 2012; Uwaloma, Olowe & Agu, 2012). However, majority of the studies have either concentrated on macroeconomic or firm-specific factors. Since the combination of both variables may alter the variable's reactions, they neglected to take into account the combination of both elements as well as other institutional factors as potential determinants of share prices. Thus, it is crucial to look into these aspects because they have been shown to be significant predictors of share price in other nations (Irshad, 2017; Mohammed, 2018; Singh, 2018; Wahyono, Nugroho & Imron, 2019). This study assesed the impact of firm-specific factors and macroeconomic factors on share price of listed consumer goods firms in Nigeria.

Theoretical Review

Spence's (1973) signaling theory serves as the foundation for this investigation. The idea focuses on the accuracy and dependability of accounting data that a business provides to its users for use in making investment decisions. Spence (1973) asserts that a successful company sets itself apart from a non-performing one by communicating reliable signal about its performance to prospective investors and the capital market. A company's operational activities produce the signal that tells investors about the company's prospects. The theory's argument is pertinent to establishing the impact of firm-specific factors on share prices as it maintains that firm-specific characteristics such as accounting information, send signals to market that affect majority of investors' decisions to invest in a company. This choice has an impact on share prices, which in turn affect the return that investors receive.

According to this theory, share prices should rise in response to any accounting data about the company that points to performance measures such as reporting of high profit, dividend payments, increase in size, and growth. The theory however holds that high leverage would have opposite effect on share prices. Based on this theory, this study examined money supply, exchange rate, interest rate, crude oil price, dividend payout, return on asset, leverage, firm size, firm growth, and political events, in relation to share price.

Empirical Review

Numerous studies have been carried out on different factors influencing share price. The share price has been found to be impacted by firm size, leverage, return on assets, dividend payout, and firm growth. Positive effects were observed by studies such as Mohammed (2017), Ramji (2017), Rjoub, Civcir, and Resatoglu (2017), and Sewelén (2017). While some studies found a negative correlation between firm size and share prices, others contended that firm size explained the variation in share prices and that the greater the market capitalization (firm size) of the firm, the less the effect of share price variation on companies' share price (Akwe, Garba & Dang, 2018; Heny, Harjum, Winsu & Robiyanto, 2018). The researchers reported that because small businesses are typically riskier than giant corporations, the market value of equity will decline, giving investors lower expected returns, that is, the expectation that they will receive little or no return on their investment.

Leverage and share price were found to be positively correlated by Jacob (2017), Ibrahim and Hussaini (2015), Olowoniyi and Ojenike (2012), and Snezana and Ivan (2017). According to the researchers' argument, share prices rise whenever the percentage of debt financing rises in tandem with an increase in equity. On the other hand, leverage and share price were found to be negatively correlated (Profilet & Bacon, 2013; Ugwu, Eneh & Uche, 2017). They maintained that because investors generally dislike highly indebted businesses, they respond negatively to this information by lowering their investments in these businesses, which in turn affects the share price of those businesses.

According to research by Anwaar (2016), Enow and Brijlal (2016), and Harahap (2018), return on assets and share prices are positively correlated. A higher return on assets increases demand for a company's shares because investors are more inclined to invest in companies with reported high profitability, according to studies that found return on assets explained changes in the share price.However, empirical review (Oliver, 2015; Placido, 2012) indicate that return on assets and share prices are negatively correlated. According to the studies, investors are deterred from funding businesses with reported low profits or negative earnings. Consequently, there is less demand for the company's shares, which lowers the share prices of those businesses.

Companies' share prices have been found to be impacted by their growth (Heny et al. 2018; Mohammed, 2017; Paminto, Djoko, & Sinaga, 2016). According to the studies, a company's excellent growth will boost investors' confidence in purchasing its stock, which will raise the share price. Waheed, Syed, and Qureshi's (2017) study, however, discovered a negative correlation between share price and firm growth. They came to the conclusion that if a company's growth slows, investors would become less confident about making investments in it, which will ultimately lower the company's market value.

Byson (2015), Matoke and Marangu (2014), Mohammed (2014), Ramji (2017), Sharma (2011), and Uwalomwa, Olowe, and Agu (2012) all assert that the dividend payout ratio and share price are positively correlated. According to the studies, investors responded favorably to dividend payments, which made them more inclined to increase their investments in the firm. As a result, the high demand would drive up the share price of the company. However, according to research by Chelimo and Kiprop (2017), Heny et al. (2018), and Sewelén (2017), the dividend payout ratio has no bearing on a company's share price. According to the studies, a modest dividend payment might not have an impact on how investors view the business.

As for the exchange rate, research by Barner (2014), Izedonmi and Abdullahi (2011), Kirui, Wawire, and Onono (2014), and Wahyono, Nugroho, and Imron (2019) found a positive correlation between the two. They contended that when a nation's currency depreciates against the US dollar, it affects share

prices in export-oriented nations because larger export volumes provide more cash flows for domestic industries, which in turn raise share values. However, according to research by Makinde (2015), Malaolu, Ogbuabor, and Orji (2013), and Obayagbona (2012), share price fluctuations are not caused by the exchange rate. The researchers' argument is that a high exchange rate is likely to inhibit stock market investment and promote round-tripping.

Research indicates that one of the primary factors influencing share price is the money supply (Chittedi, 2015; Ditimi, Sunday, Emma-Ebere & Onyedikachi, 2018; Rjoub, Civcir, & Resatoglu, 2017). According to the explanation, the variable's relevance suggests that any monetary expansionary policy, or rise in the money supply, enhances economic agents' disposable incomes, which in turn raises aggregate demand. Nonetheless, research by Adaramola (2013) and Makinde (2015) found that the money supply has no bearing on share price fluctuations. They came to the conclusion that rising inflation and falling stock prices are caused by expanding the money supply.

According to Mofleh (2011), Mohammed (2017), Singh (2018), and Wanjala (2018), the price of oil and shares are positively correlated. The studies revealed that fluctuations in share prices are caused by volatility in oil prices. According to research by Giri and Joshi (2017) and Harahap (2018), the price of oil and shares are negatively correlated. According to the studies, changes in share prices are not influenced by changes in the price of oil. Share price has been found to be significantly influenced by political events (Irshad, 2017; Maqbool, Hameed & Habib, 2018; Nguthi, 2013). According to the studies, political events, such as elections, send a signal to investors in any nation as investors will withdraw their investments during election seasons, due to the unpredictability of the political climate in those nations.

Methodology

This study adopted the model of Singh (2018). The model was modified to capture political events (general elections). Therefore, the model is re-modified and stated as:

The model is expressed econometrically as follows:

$$SP_{it} = \beta_0 + \beta_1 SP_{it-1} + \beta_2 FSIZE_{it} + \beta_3 DIVP_{it} + \beta_4 LEV_{it} + \beta_5 ROA_{it} + \beta_6 FGWTH_{it} + \beta_7 EXG_{it} + \beta_8 MS_{it} + \beta_9 INTR_{it} + \beta_{10} OL_{it} + \beta_{11} POE_{it} + \mu_i \quad \text{……..(1)}$$

The *a priori* expectation is as follows; $\beta_1 > 0$; $\beta_2 > 0$; $\beta_4 > 0$; $\beta_5 > 0$; $\beta_7 > 0$; $\beta_8 > 0$; $\beta_{10} > 0$ while β_3, $\beta_6 < 0$; and $\beta_8 < 0$

The population of this study consist of all the twenty-one (21) consumer goods firms that were listed on the Nigerian Exchange Group as of January 5, 2023. Eighteen (18) firms were however selected and utilised for this study; the other three were excluded since the data was not available.

This study used a panel data estimation as it accounts for the intrinsic heterogeneity across cross-sectional units and offers more information, low multicollinearity, more degrees of freedom, and superior estimation efficiency, it outperforms time series and cross-section data estimation (Baltagi, 2008).

Generalized Method of Moments (GMM) estimator for dynamic panel data was used to estimate the dynamic panel data model. When the number of units (N) is more than the time period (T), this estimate is suitable. Instrumental variables (IVs) are variables that are orthogonal to the error term in the dynamic panel data GMM estimator. It can adjust for measurement error, omitted variable bias, Nickell bias, simultaneity bias/reverse causation, endogeneity problem, heteroscedasticity, and unobserved individual heterogeneity (Arellano & Bond, 1991; Blundell & Bond, 1998).

Results and Discussion

Table 1 shows mean value of ₦ 78.34k (STD. DEV. = ₦ 121.01k) for share prices which indicates that the variable spread across all the firms. This means that the data is not distributed around the mean. The highest and lowest share prices, respectively, are ₦1556.00k and ₦0.41k

for Nestlé Nigeria Plc. and McNichols Plc, Nigeria, while the payout ratio is 0% for some companies (such as Union Dicon Salt Plc. and Champion Breweries Plc.) that do not pay dividends. The payout ratio's mean value is ₦ 3.21k lower than its standard deviation (STD. DEV.) of ₦ 1.94k. This suggests that dividend payments have a broad spread, which differs among listed corporations and reflects the asset's riskiness.

Table 1: Descriptive Statistics

Var	Obs	MEAN	STD. DEV.	MIN	MAX
SP	234	78.34	121.01	0.41	1556.00
FSIZE	234	17.23	2.08	10.96	20.53
DIVP	234	3.21	1.94	0	46.10
LEV	234	44.23	12.8	0	435.17
ROA	234	9.77	16.7	-326.8	47.36
FGWTH	234	13.03	9.84	-173.94	230
EXG	234	110.23	8.33	100	124.49
MS	234	23.2	1.44	21.36	25.45
INTR	234	7.51	3.63	1.07	13.6
OL	234	83.17	28.42	43.81	113.76

Source: Author's computation, (2025). ***Notes:*** STD. DEV., MIN, and MAX imply Standard Deviation, Minimum Value, and Maximum Value, respectively.

The listed firms use debt financing, as indicated by the mean leverage value of 44.23; however, the values vary amongst listed firms, with the standard deviation showing a greater value of 12.8. Meanwhile, leverage has a minimum of 0 and a maximum of 435.17. These figures demonstrate that the majority of the companies are heavily leveraged, while some have kept low debt-to-equity ratio. The minimum negative values for ROA and FGWTH are 326.8% and 173.94%, respectively, with standard deviations of 16.7% and 9.84%.

Multicollinearity Test

Table 2: Variance Inflation Factor (VIF)

Var.	VIF	I/VIF
EXG	2.42	0.413
INTR	1.89	0.529
MS	2.19	0.457
POE	2.33	0.429
ROA	2.46	0.407
FSIZE	1.89	0.529
LEV	1.78	0.562
FGWTH	2.17	0.461
OL	1.46	0.685
DIVP	1.77	0.565
Mean VIF	2.04	

Source: Author's Computation, (2025).

As a result, these figures show that while some businesses have done poorly, their overall sales and profitability have been unstable. Additionally, Table 4.1 demonstrates that the real effective exchange rate spans from 100 to 124.49, with an average of 110.23. The mean value of the money supply is 23.2, while the lowest and maximum values are 21.36 and 25.45, respectively. Interest rates range from 1.0% to 13.6%, with a mean of 7.51%. The average price

of crude oil is 83.17, with a range of 43.81 to 113.76. Additionally, it seems that these macroeconomic factors' standard deviation is lower than their mean values. This suggests that shifts in the macroeconomic variables have equivalent impact on share prices of the consumer goods that were sampled. In the meantime, the monetary authority's macroeconomic policy actions help to keep the numbers under control.

For each of the independent variables in the model, the VIF and its inverse, also known as tolerance values, are shown in Table 2. The general rule is that a variable is extremely collinear if its VIF is greater than 10 but not collinear if it is less than 10. Therefore, Table 2 indicates that there is no collinearity because the VIFs for each independent variable are less than 10. Since the tolerance value of all the variables in Table 4.3 is above 10, the model is free from multicollinearity.

Model Estimation

Table 3: System Dynamic Panel-Data Estimation Results

Dependent Variable: Share Price

Regressor	**Coefficient**
SP_{t-1}	-0.5068151***
	{0.1094566}
FSIZE	7.69416
	{28.36216}
DIVP	21.59041***
	{3.236365}
LEV	0.0874354**
	{0.0259478}
ROA	-0.4753465***
	{0.1637141}
FGWTH	-0.2749214**
	{0.1260418}
EXG	-1.985726
	{1.692897}
MS	-14.79874***
	{3.596685}
INTR	6.01411
	{3.92842}
OL	0.5273499*
	{0.2954425}
POE	-77.77797***
	{21.12303}
Constant	-384.7572
	{491.8959}
Model Diagnostics	
AR (1)	-1.3601
	(0.0738)
AR (2)	-1.1017
	(0.2706)
Sargan statistics	2.48
	(0.26)
Wald x^2	277.63
	(0.000)

Source: Author's Computation, (2025).

Although the negative sign suggests that investors price shares downward using past period information, Table 3 demonstrates that the one-period lagged value of Share Price (SP) is significantly related to the contemporaneous value of SP in accordance with the technical analysts' prediction. This suggests that technical indicators, which are functions of past prices, trading volume, and other past available data, can represent useful signals for future investment in share prices. Dividend Payout (DIVP) has a positive coefficient value of 21.59041 with a p-value of 0.000, indicating that it is significantly related to SP; this means that one unit increase in DIVP is associated with approximately 21.590 units increase in SP, which is consistent with the theoretical expectation of a positive relationship. Similarly, Leverage (LEV) has a coefficient of 0.0874354 with a corresponding p-value of 0.050, indicating leverage is positively and significantly related to SP. All of these findings support the notion that the model is dynamic. The result is consistent with the theoretical expectation of a positive association, meaning that one unit rise in LEV increases SP by about 0.087 units.

On the other hand, there is significant correlation between Return on Assets (ROA) and SP; nevertheless, the coefficient is negative, at 0.4753465, with a p-value of 0.004. This suggests that there would be a roughly 0.475 unit drop in SP for every unit gain in ROA. The outcome does not match the positive link predicted by theory. In contrast, Firm Growth (FGWTH) has a substantial relationship with SP, as seen by its negative coefficient of 0.2749214 and p-value of 0.065.This suggests that there is a 0.275 unit drop in SP for every unit increase in FGWTH. The outcome does not match the positive link predicted by theory. Similarly, Money Supply (MS) shows a negative and significant relationship with SP, with a coefficient of 14.79874 and a corresponding p-value of 0.000. This suggests that for every unit increase in MS, the SP decreases by about 14.799 units. The outcome is consistent with the negative association predicted by theory.

Additionally, with a positive coefficient of 0.527 and a corresponding p-value of 0.074, the study demonstrated that crude oil price (OL) had positive relationship with SP. The relationship was found to significant at 1% level of significant, as indicated with p-value of 0.074. According to the report, there is roughly 0.527-unit rise in SP for every unit increase in OL. The outcome supports the theoretical prediction of a favorable connection. Political Event (POE) has a negative coefficient of 77.78 and a corresponding p-value of 0.004 when compared to the significance of the general elections in 2011 and 2015. This implies that there is a substantial and adverse correlation between SP and political events. This implies that the SP would decline by roughly 77.778 units in the event of a pre-election or election-year event. The outcome is consistent with the negative association predicted by theory. Additionally, the analysis finds no substantial correlation between share prices, interest rates, exchange rates, and business size.

In particular, Firm Size (FSIZE) exhibits a positive and negligible relationship with SP, as indicated by its coefficient of 7.69416 and p-value of 0.786. This suggests that there is a about 7.694 unit rise in SP for every unit increase in FSIZE. The outcome is consistent with the positive association predicted by theory. With a p-value of 0.24 and a negative coefficient value of 1.985726, the Exchange Rate (EXG) does not significantly correlate with SP. This suggests that there is a 1.986-unit drop in SP for every unit rise in EXG. The outcome is consistent with the negative association predicted by theory. A p-value of 0.126 and a coefficient value of 6.01411 indicate a positive but non-significant association between Interest Rate (INTR) and SP. This suggests that, contrary to the expectation of a negative connection, a one unit rise in INTR would translate into a roughly 6.014 unit increase in SP.

The study uses model diagnostic tests to assess the validity of the estimates mentioned above, and the findings indicate that the first-order autocorrelation (AR 1) null hypothesis is

rejected at the 10% significance level, while the second-order autocorrelation (AR 2) is not. In the meanwhile, the null hypothesis of overidentifying limitations is not rejected since the Sargan statistic, which has a coefficient of 2.48, displays a p-value (0.26) that is not statistically significant. This suggests that the internal tools utilized to estimate the model are reliable. The model is statistically significant at the 1% significance level, according to the Wald x^2 coefficient of 277.68 and the p-value that goes with it.

Discussion of Findings

According to the study's findings, the lagged value of share prices is significant, which suggests that it can be used to calculate the present value of shares that are already in existence. The negative outcome, however, implies that investors who are unable to make accurate predictions typically experience investment losses. The distribution of dividends showed a favorable and noteworthy impact on stock prices. This implies that when investors are guaranteed consistent cash flow and sizable future earnings, a rise in the dividend payment ratio will inevitably lower company risks, which will raise the market prices of equity shares significantly. Despite the transaction costs of reinvesting dividend proceeds or their tax implications, the study's conclusion is that the dynamics of dividend payment convey positive signals about a firm's prospects to market participants (including current and potential shareholders). This is in line with the signaling theory and the findings in the studies of Matoke and Marangu (2014); Uwalomwa, Olowe, and Agu (2012), but differs from the negative outcome reported in the studies of Sewelén (2017) and Chelimo and Kiprop (2017).

Share prices are significantly and favorably impacted by leverage. As a result, highly-levered companies see a surge in share prices. The results contradict those that demonstrated a negative correlation between leverage and share prices (e.g., Mohammed, 2017; Ugwu et al., 2017; Uwalomwa et al., 2012), but are in line withSnezana and Ivan (2017), and Ramji (2017). The outcome does not match the signaling theory's negative anticipation. According to the study's findings, increased leverage may lead to management's optimistic expectations of increased future cash flows, which would raise the market price of the companies' shares.

The profitability (ROA) of the consumer goods listed in Nigeria and their share prices were shown to be negatively and significantly correlated by the study. This outcome may be exceptional since a high ROA typically indicates more business profitability, which raises a company's share price. According to Menaje (2012) and Harahap (2018), return on assets tends to decrease when net income stays the same but assets rise, so return on assets may not always result in an increase in the firms' net income. The results of this study differ from those of Anwaar (2016), Uwalomwa, Olowe, and Agu (2012), and Snezana and Ivan (2017), who demonstrated that return on assets had a favorable impact on share price market value. The share prices of the chosen consumer items are significantly and negatively impacted by the firms' growth. This differs with Mohammed's (2017) study, which found a positive correlation with share prices, but it is consistent with the findings of Shabrina (2015), Waheed, Syed, and Qureshi (2017), and Paminto, Djoko, and Sinaga (2016). The inverse impact of firms' growth on share prices might have resulted from overtrading. That is it could be that some firms were expanding too quickly with little resources.

The share prices of listed companies that produce consumer goods are significantly impacted negatively by the money supply (MS). According to the findings, expanding the money supply may lead to inflation and raise its uncertainty, which would have a detrimental effect on share prices. Additionally, a rise in the money supply could result in a risk premium, which would lower equity prices. It agrees with the arbitrage asset pricing theory and the investigations of Nabila (2015) and Nathani et al. (2015). The position of this study is that

monetary expansion, which is very inflationary in Nigeria, may have a negative impact on share prices. This suggests that, as predicted by Ross (1976)'s arbitrage price theory, the expected return of a company's shares is defined by sensitive changes in numerous macroeconomic factors.

The study found a positive and significant relationship between Crude Oil (OL) and share prices, indicating that a sharp rise in OL prices stimulates share prices. This is not surprising, as the Nigerian economy, in which consumer goods companies operate, is heavily dependent on oil exports, meaning that investors are sensitive to changes in oil prices. It also supports Ross's (1976) arbitrage price theory and the positive findings of Adaramola (2011) and Wanjala (2018), but it differs from Harahap's (2018) negative findings.

The findings of Maqbool, Hameed, and Habib (2018) and Osuala, Onoh, and Nwansi (2018) indicate that the share prices of listed firms are negatively and significantly impacted by Political Events (POE) measured with the significance of the period of the 2011 and 2015 general elections. The findings show that the uncertainty of major political events, such as elections, can change the behavior of domestic and foreign investors in financial markets, thus influencing the share prices of listed firms. Therefore, the news of political tension tends to make risk-averse investors pull out.

The study also found evidence that the interest rate (INTR), exchange rate (EXG), and firm size (FSIZE) have non-significant effects on share prices. The study found that the firm size has positive but insignificant effect on share price, suggesting that growing a firm's size does not always ensure high returns or the safety of shareholders' investments. The finding of this study is consistent with Abdullahi, Lawal, and Etudaiye-Muhtar (2011) which reported positive impact of firm size on share price. However, the result in conflict with the report Ibrahim and Hussani (2015) that negative relationship was discovered between firm size and share price.

Conclusion and Recommendations

Using the system GMM estimator, this study examined factors affected the share price of Nigerian listed consumer goods companies between 2010 and 2022. Based on the findings, the study concludes maximiation returns with minimum risk entails consideration of a number of factors including dividend payout, leverage, return on asset, firm growth, money supply, crude oil price, and political events.

The study advised prospective investors to consider factors like money supply, leverage, return on asset, company growth, dividend payout, and crude oil price, while making investment decisions in the consumer goods sector. Additionally, management of the firms should make sure that dividends are paid on a regular basis because this will always lower the business risks of their companies. This is to reassure investors of consistent cash flow and high future profits, which will raise the company's market value significantly.

Also, government should implement a consistent policy strategy and maintain a steady money supply through monetary policy in order to collect excess public funds that could be invested in the capital market to support substantial economic growth. In order to avoid losing their money, investors are also encouraged to use prudence while purchasing stock in consumer products companies during times of political unpredictability, such as general elections. Lastly, in order to facilitate a seamless transfer of political power inside the nation, the Nigerian government should make sure that a fully functional democratic framework (rule of law) is established. This will significantly lessen the political unrest that is linked to Nigerian elections and the customary share sell-off that marked the election season.

References

1. Abdullahi, I. B., Lawal, W. A., & Etudaiye-Muhtar, O. F. (2011). The effects of firm size on risk and return in the Nigerian stock market: A sectoral analysis. *British Journal*

*of Economics, Finance and Management Sciences, 1(*2), 1-10.0

2. Adaramola, A. O. (2011). The impact of macroeconomic indicator on stock prices in Nigeria. *Developing Country Studies, 1(*2), 1-15.
3. Adebiyi, A. J., & Oseni, J. E. (2011). Theoretical analysis of firm and market-specific proxies of information asymmetry on equity prices in the stock markets. *Australian Journal of Business and Management Research, 1(*2), 1-13.
4. Akwe, J. A., Garba, S. B., & Dang, Y. D. (2018). Effects of firm level attributes on stock returns in Nigeria. *International Journal of Finance and Accounting, 7(*4), 122-131.
5. Alhasan, A., & Kilishi, A. (2016). Analysing oil price-macroeconomic volatility in Nigeria. *Central Bank of Nigeria Journal of Applied Statistics, 7(*1), 1-20.
6. Anwaar, M. (2016). Impact of firms' performance on stock returns: Evidence from listed companies of FTSE-100 index London. *Global Journal of Management and Business Research: Accounting and Auditing, 16(*1), 30- 39.
7. Anderson, M. (2016). *The effect of leverage on stock returns*. Unpublished PhD Thesis submitted to the School of Economics and Management, Lund University, Sweden.
8. Arellano, M., & Bond, S. (1991). Some tests of specification for panel data: Monte Carlo evidence and an application to employment equations. *The Review of Economic Studies, 58(*2), 277–297.
9. Asif, M., Arif, K., & Akbar, W. (2016). Impact of accounting information on share price: Empirical evidence from Pakistan Stock Exchange. *International Finance and Banking, 3(*1), 124-135.
10. Baltagi, B. H. (2008). *Econometric analysis of panel data*. New York: John Wiley and Sons.
11. Blundell, R., & Bond, S. (1998). Initial conditions and moment restrictions in dynamic panel data models. *Journal of Econometrics, 87(*1), 115-143.
12. Byson, B. M. (2015). The dividend effect on stock price: An empirical analysis of Malawi listed companies. *Journal of Accounting and Finance, 4(*3), 99-105.
13. Chelimo, J. K., & Kiprop, S. K. (2017). Effect of dividend policy on share price performance: A case of listed insurance companies at the Nairobi securities exchange, Kenya. *International Journal of Accounting, Finance and Risk Management, 2(*3), 98-106.
14. Chittedi, K. R. (2015). Macroeconomic variables impact on stock prices in a BRIC stock markets: An empirical analysis. *Journal of Stock and Forex Trading, 4(*2), 1-7.
15. Ditimi, A., Sunday, K., Emma-Ebere, E., & Onyedikachi, N. (2018). Dynamic interrelationship between macroeconomic fundamentals and stock prices in Nigeria. *Journal of Financial Market, 2(*1), 50-59.
16. Dougherty, C. (2016). *Introduction to econometrics, Fifth Edition,* New York: Oxford University Press.
17. Enow, S. T., & Brijlal, P. (2016). Determinants of share prices: The case of listed firms on Johannesburg Stock Exchange. *Journal of Accounting and Management, 6(*1), 85-92.
18. Erdugon, R. (2012). *The effect of economic factors on the performance of the Australian stock market.* Unpublished Ph.D. Thesis submitted to school of Accounting and Finance, Victoria University, Melbourne, Australia.
19. Fama, E. F. (1965). The behaviour of stock market prices. *Journal of Business, 38(*1), 34-105.
20. Giri, A. K., & Joshi, P. (2017). The impact of macroeconomic indicators on Indian stock prices: An empirical analysis. *Studies in Business and Economics, 12(*1), 61-78.
21. Gujarati, D. N., & Porter, D. C. (2009). *Basic Econometrics,* New York: McGraw-Hill Education.
22. Harahap, I. M. (2018). Impact of macroeconomic variables and financial performance on stock prices of oil and gas mining companies. *International Journal of Economics, Business and Management Research, 2(*5), 1-11.
23. Heny, H., Harjum, M., Wisnu, M., & Robiyanto, R. (2018). Determinants of the stock price volatility in the Indonesian manufacturing sector. *International Research Journal of Business Studies, 11(*3), 179-193.
24. Ibrahim, I., & Hussani, B. (2015). Firms specific characteristics and firm value: Evidence from listed food and beverages

firms in Nigeria. *Research Journal of Finance and Accounting, 6(*16), 188-200.
25. Irshad, H. (2017). Relationship among political instability, stock returns and stock market volatility. *Studies in Business and Economics, 12(*2), 70-99.
26. Izedonmi, F., & Abdullahi, I. B. (2011). The effects of macroeconomic factors on the Nigerian stock returns: A sectoral approach. *Global Journal of Management and Business Research, 11(*7), 24-30.
27. Kazeem, H. S. (2015). *Firm specific characteristics and financial performance of listed insurance firms in Nigeria:* Unpublished M.Sc. Dissertation submitted to the school of postgraduate studies, Ahmadu Bello University, Zaria.
28. Kirui, E., Wawire, N. H., & Onono, P. O. (2014). Macroeconomic variables, volatility and stock market returns: A case of Nairobi securities exchange, Kenya. *International Journal of Economics and Finance, 6(*8), 214-228.
29. Makinde, H. O. (2015). Determinants of share price movement in Nigeria- the management perspective. *International Journal of Business, Economics and Management, 2(*10), 209- 221.
30. Maku, O. E., & Atanda, A. A. (2010). Determinants of stock market performance in Nigeria: Long-run analysis. *Journal of Management and Organisaional Behaviour, 1(*3), 1-16.
31. Malaolu, V. A., Ogbuabor, J. E., & Orji, A. (2013). Determinants of stock price movements in Nigeria: Evidence from monetary variables. *Journal of Economics and Sustainable Development, 4(*14), 61-66.
32. Maqbool, N., Hameed, W., & Habib, M. U. (2018). Impact of political influences on stock returns. *International Journal of Multidisciplinary Science Publication, 1(*1), 1-5.
33. Matoke, J., & Marangu, W. (2014). Impact of dividend payments on share values in companies listed in the Nairobi Securities Exchange. *European Journal of Business and Management, 6(*17), 2222-2839.
34. Menaje, P. M. (2012). Impact of selected financial variables on share price of publicly listed firms in Phillipines. *American International Journal of Contemporary Research, 2(*9), 1-7.
35. Mohammed, A. A. (2014). Determinants of equity share prices of the listed banks in Amman Stock Exchange: Quantitative approach. *International Journal of Business and Social Science, 5(*1), 91-104.
36. Mohammed, G. T. (2017). *Impact of firm characteristics on firm value of listed healthcare firms in Nigeria.* Unpublished M.Sc. Dissertation submitted to the school of postgraduate studies, Ahmadu Bello University, Zaria.
37. Nathani, N., Saxena, H., Paramasivam, P., Mishra, P., Sharma, N., Singh, V., Kadam, N., & Jain, R. (2015). Determinants of stock price movements: Empirical study of Indian stock market. *Research Perspectives in Social Sciences, 7*, 117-126.
38. Nguthi, P. N. (2013). *The effect of political news on stock market returns in Kenya: The case of March 2013 general elections*. Unpublished M.Sc. Dissertation submitted to the Department of Finance, University of Nairobi, Kenya.
39. Nigerian Stock Exchange (2018). *Daily official list for equities*. Assessed on 10th December, 2018.
40. Nugroho, L., Villaroel, W., & Utami, W. (2018). The challenges of bad debt monitoring practices in Islamic micro banking. *European Journal of Islamic Finance, 11*, 1-10.
41. Oliver, I. I. (2015). Effect of banks financial performance on share prices: Evidence from Nigerian banking industry. *European Journal of Research and Reflection in Management Sciences, 3(*3), 69-79.
42. Olowoniyi, A. O., & Ojenike, J. O. (2012). Determinants of stock return of Nigerian listed firms. *Journal of Emerging Trends in Economics and Management Sciences, 3(*4), 389-392.
43. Osisanwo, B. G., & Atanda, A. A. (2012). Determinants of stock market returns in Nigeria: A time series analysis. *African Journal of Scientific Research, 9(*1), 478-496.
44. Osuala, A. E., Onoh, U. A., & Nwansi, G. U. (2018). Presidential election results and stock market performance: Evidence from Nigeria. *Applied Economics and Finance, 5(*2), 117-124.
45. Paminto, A., Djoko, S., & Sinaga, J. (2016). The effect of capital structure, firm growth and dividend policy on profitability and firm value of the oil palm plantation companies in

Indonesia. *European Journal of Business and Management, 8(*33), 123-134.
46. Placido, M. M. (2012). Impact of selected financial variables on share price of publicly listed firms in Philippines. *American International Journal of Contemporary Research, 2(*9), 98-104.
47. Profilet, K. A., & Bacon, F. W. (2013). Dividend Policy and Stock Price Volatility in the United States of America Equity Capital market. *Proceedings of ASBBS, 20(*1), 219-227.
48. Proshare (2019). Accessed in https://www.proshareng.com/the Nigerian Financial Market Jan 2019. Assessed on 19th May, 2021.
49. Proshare (2018a). Nigerian Stock Market: Review of 2016 and outlook for 2017.Accessed in https://www.proshareng.com/news/Capital%20Market/NigerianStock-Market-Review-of-2016-and-Outllok-for-2017/33378. Assessed on 17th May, 2022.
50. Proshare (2018a). Nigerian Stock Market: Review of 2016 and outlook for 2017.Accessed in https://www.proshareng.com/news/Capital%20Market/NigerianStock-Market-Review-of-2016-and-Outllok-for-2017/33378. Assessed on 17th May, 2022.
51. Proshare (2015). Accessed in https://www.proshareng.com/news/Capital%20Market/Trading-Patterns-the-Nigerian-Stock-Market-Ahead-of-General-Elections/26197. Accesssed on 20 March, 2022.
52. Ramji, G. (2017). The impact of firm specific variables on stock price volatility and stock returns in the context of Nepalese. *International Journal of Research in Business Studies and Management, 4(*6), 33-44.
53. Rjoub, H., Civcir, I., & Resatoglu, N. (2017). Micro and macroeconomic determinants of stock prices: The case of Turkish banking sector. *Romanian Journal of Economic Forecasting, 20(*1), 150-166.
54. Roodman, D. (2009). How to do xtabond2: An introduction to difference and system GMM in Stata. *Stata Journal, 9*(1), 86-136.
55. Ross, S. A. (1976). The arbitrage theory of capital asset pricing. *Journal of Economic Theory, 13(*3), 341-360.
56. Sewelén, J. (2017). *Determinants of stock price volatility. A quantitative study on the Swedish stock market.* Unpublished PhD Thesis submitted to the School of Economics and Management, Lund University, Sweden.
57. Sharma, S. (2011). Determinants of equity share prices in Indian. *Journal of Arts Science and Commerce, 2(*4), 51-60.
58. Singh, D. (2018). Stock price determinants: Empirical evidence from Muscat securities market, Oman. *Journal of Economic Studies, 42(*4), 21-31.
59. Snezana, M. A., & Ivan, M. (2017). Impact of company performances on the stock price: An empirical analysis on selected companies in Serbia. *Economic of Agriculture Journal, 2(*64), 561-570.
60. Spence, M. (1973). Job marketing signaling. *The Quarterly Journal of Economics, 87(*3), 335-374.
61. Stainer, L. (2006). Performance management and corporate social responsibility. *The Strategic Connection, Strategic Change, 15(*5), 253-264.
62. Sudhahar, J. C., & Raja, M. (2010). An empirical assessment of India stock market efficiency. *Business Journal of Research, 2(*1), 100-112.
63. Tripathi, V., & Seth, R. (2014). Stock market performance and macroeconomic factors the study of Indian equity market. *Global Business Review, 15(*2), 291-316.
64. Ugwu, U. V., Eneh, G. N. O., & Onyekwelu, U. L. (2017). Effect of financial variables on the share prices of oil and gas firms in Nigeria. *GOUni Journal of Management and Social Sciences, 5(*2), 1-24.
65. Uwalomwa, U., Olowe, O., & Agu, G. (2012). An assessment of the determinants of share price in Nigeria: A study of selected listed firms. *ACTA Universitatis Danubius, 8(*6), 78-88.
66. Uwubanmwen, A. E., & Obayagbona, J. (2012). Company fundamentals and returns in the Nigerian stock exchange. *Journal of Research in National Development, 10(*2), 154-159.
67. Vanguard Newspaper (2018). Accessed in https://www.vanguardngr.com/2018/12/weak-demand-undermine-industrial-consumer-goods-sector/. Assessed on 20 June, 2022.
68. Waheed, U. R., Syed, A. G., & Qureshi, M. I. (2017). The impact of dividend policy on share price volatility in the context of banking sector of Pakistan. *Journal of*

Managerial Sciences, 11, 199-214.

69. Wahyono, T., Nugroho, L., & Imron, M. (2019). Determinants factors of stock price in oil and gas sector in Indonesia Stock Exchange. *Eurasian Journal of Business and Management, 7(*2), 12-22.
70. Wanjala, J. B. (2018). *The Relationship between oil prices and share prices of listed manufacturing firms in Kenya*. An Unpublished Dissertation submitted to the School of Business and Public Management at KCA University, Kenya.