Foreign Exchange Rate Disruptions and Stock Market Performance of Selected Manufacturing Firms Quoted on the Nigerian Exchange Group

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ABSTRACT: *The core objective of the study is to empirically examine the effect of foreign exchange rate disruptions on stock market performance of selected manufacturing firms quoted on the Nigerian exchange group. Stock market price and stock volume were proxy for dependent variable, while exchange rates disruptions for independent variable. In pursuit of the objectives of this study, two hypotheses were formulated and tested. This study adopted ex-post facto research design. Secondary data cut from Nigerian stock market reports, 2023. Five (5) selected manufacturing firms quoted in Nigerian exchange group using random sample techniques. The study covered a period of 10 ranging between June and September, 2023. Data were analyzed using simple ordinary regression analytical estimation technique with aid of E-view v8. The empirical results reveal that exchange rate disruption has non-significant negative effect (t=1.042021; PV=0.3013) effect on stock market price of selected manufacturing firms in Nigeria exchange group. That the disruption of the exchange rate has no appreciable negative impact (t = 0.789457; PV=0.4329) on the volume of stock transaction of selected manufacturing firms on the Nigerian exchange group. In accordance with the data, we draw the conclusion that disruptions in foreign exchange rate have non-significant negative effects on the market performance of selected manufacturing firms quoted in the Nigerian exchange group. The researcher recommends that if the foreign currency rate is permitted to continue to disrupt, the Nigerian government should think about developing consistent rules to control, monitor, and manage the disruptions. It has the ability, people, and other costs associated with material inputs. Directors of manufacturing firms should also hire a professional who can precisely predict the direction of the exchange rate.*

KEYWORDS: *exchange rate, disruptions, market performance, stock market price, volume*

INTRODUCTION

Manufacturing firms play a crucial role in national economies by acting as intermediaries for investors and businesses, facilitating capital flow. Their financial results significantly impact economic development, benefiting shareholders and promoting investment. Profitability is essential for firms to remain profitable and provide sufficient returns to owners. Poor performance can lead to failure and crisis, negatively impacting economic development (Ongore & Kusa, 2013). Due to technical advancements, disruption is the fundamental alteration of an existing market or industry. A break or halt in the regular flow or continuation of some activity or process is referred to as disruption.

Variations in exchange rates have a big impact on the economy's development, stability, and growth. They have a direct impact on external competitiveness, inflation, and unemployment (Madura, 2003). For countries like Nigeria that engage in a lot of international trade, exchange rates represented in terms of currencies are important because they have an effect on the balance of payments, inflation, and economic activity.

According to Oladipupo and Onotaniyohuwo (2011) changes in the exchange rate have an impact on a number of economic indicators, including the money supply, unemployment rate, inflation rate, and interest rate. These facts highlight how crucial exchange rates are to the economic health of every nation that welcomes foreign commerce in products and services.

On the other hand, the process of supply chain of firms' products is affected by exchange rate volatility. Uncertainty about the level of currency fluctuations for any firm is a type of risk that can affect the firm's activities as well as their financial performance. In fact, exchange rate volatility affects aggregate demand (net exports) and aggregate supply (costs of imported intermediates, production of goods and services).

In general, in the commodity market, positive exchange rate shocks will make imported commodities more expensive and export commodities cheaper, thereby increasing demand for domestic commodities. The Exchange rate volatility measures the degree to which the exchange rate fluctuates or varies over a period of time. Exchange rate is said to be more volatile if there are more frequent ups and downs or less volatile if there are lesser changes in it over a period of time. There is a real time fluctuation in floating exchange rate (Sabri, 2011). According to Stancik (2006) there are a variety of factors contributing to an exchange rate fluctuating in certain country. These are the openness of an economy, the domestic and foreign money supplies, the exchange rate regime, interest rates, central bank independence, and levels of output, income, inflation, and unpredictable circumstances. But the impact of each of these factors describes in above varies and depends on the economic situation of certain country (Stancik, 2006).

Exports will cost more and imports will cost less in the goods market if the domestic currency experiences a positive shock to its exchange rate (an unexpected appreciation). Due to competition from overseas markets, domestic product demand will decline, resulting in a fall in company's profitability (Magda and Ida, 2003). Since the exchange rates between the Naira and the US dollar fluctuate from 1990 to 2023, manufacturing companies mentioned in the Nigerian exchange group heavily rely on economic stability. The financial performance of manufacturing companies can be positively or negatively impacted by foreign currency rates. Concerns regarding the naira's ability to stabilize and increase market liquidity arose after the central bank of Nigeria announced a depreciation of the currency, which caused a 36% decline in the naira's value against the dollar on the official market. Nigerian industrial companies have seen a sharp decrease in stock market prices and trading volume since June 2023 as a result of new government policy that devalues the naira in relation to the US dollar and other major currencies. Globalization-related worries about competitiveness necessitate a close assessment of the macro factors affecting gross profit, sales, and cost of sales. Business profitability may be negatively impacted by financial crises. Operating cash flows and business value are impacted by exchange rate risk (Goodluck and Iliemena, 2019). Despite the fact those studies on managing exchange rates and the financial aspects of managing foreign exchange fluctuations have been conducted (Egolum, Iliemena, and Goodluck, 2020), there is no current proof of the effect of exchange rate disruption on stock market price and volume of stock trade of particular manufacturing firms in Nigeria. By examining the effect of exchange rate variations on the market performance of Nigerian manufacturing companies, this study seeks to close a research vacuum by concentrating on selected manufacturing firms in Nigeria.

The core objective of the study is to empirically examine the effect of foreign exchange rate disruptions on the stock market performance of selected manufacturing firms quoted on the Nigerian exchange group. Other specific objectives are to:

1.   Ascertain the effect of exchange rate disruptions on stock market price
2.   Determine the effect of exchange rate variation on volume of stock trade

Research Hypotheses
In order to address the objectives above, the following null hypotheses were tested in the study:
Ho_1:   Exchange rate disruption has non-significant effect on stock market price
Ho_2:   Exchange rate variation has non-significant effect on volume of stock trade

Conceptual Issues

The Concept of Exchange Rate Disruption
Currency exchange prices on the FOREX market go up and down in response to supply and demand fluctuations. When demand exceeds supply, the exchange rate of a currency increases in

value. When goods and services are in surplus, however, the value of a currency falls. The long-term demand and supply of any currency is very sensitive to changes in the value of imports and exports and long-term capital movements like FDI (FDI). Factors that have contributed to this change throughout time include inflation, interest rates (Ani et al., 2013). Exchange rate variation is the trend movement of exchange price of one country's currency to the other country at the exchange market environment. These are determined law of demand and supply of goods and services.

Foreign currency transactions' base currency valuations change over time as a result of variations in exchange rates between the base currencies and the foreign currencies utilized in transactions. There is a difference between the original values of transactions and the values at the time of closure or payment when exchange rates fluctuate. This discrepancy is noted as a gain or loss in the general ledger. It's possible that the inherent volatility of a freely floating exchange rate system may become too great under certain conditions. This phenomenon arises due to the fact that international capital markets 'overshoot' in response to shocks, creating variation in exchange rates, whereas goods and services markets react more slowly (Dornbush, 1976).

According to Sonik (2000), this is the pattern that emerges throughout most monetary crises. To start, the gap between the country's imports and exports is increasing. Therefore, when compared to other currencies using PPP, this one is seen as overpriced. If foreign investors are pouring money into a country's booming economy and providing cheap financing to local businesses, the country may seem to have a current account deficit even while it really has a capital account surplus. However, this kind of investment begins to dry up as the outlook for economic growth becomes less clear and volatility rises. As investors leave and the current account deficit becomes more visible, governments are raising interest rates in an effort to encourage investment. High interest rates have a detrimental impact on the economy, increasing the need of capital restriction policies. Movements in exchange rates tend to be influenced by two important variables; the relative prices of goods in two countries and relative interest rates. The Purchasing Power Parity (PPP) theorem explains the relationship between relative prices of goods and exchange rates. The PPP theorem propounds that under a floating exchange regime, a relative change in purchasing power parity for any pair of currency calculated as a price ratio of traded goods would tend to be approximated by a change in the equilibrium rate of exchange between these two currencies (Shapiro and Rutenberg 1976).

Determinants of Exchange Rates
Exchange rates are influenced by three major factors: differentials inflation, differentials in interest rates and current account deficits in trading relationships between countries according to (Bergen, 2017)

Differentials in Inflation: Countries with lower inflation rates generally have a rising currency value due to increased purchasing power. Low inflation countries like Japan, Germany, and Switzerland experienced this in the 20th century. Higher inflation leads to currency depreciation and higher interest rates.

Differentials in Interest Rates: Exchange rates, inflation, and interest rates are all closely tied. Interest rates are manipulated by central banks to affect inflation, exchange rates, and currency values. Exchange rates increase as a result of higher interest rates luring in foreign capital. However, increased inflation or currency issues lessen their impact.

Current-Account Deficits: The current account represents a country's balance of trade with its trading partners, including goods, services, interest, and dividends. A deficit indicates a country spending more on foreign trade than earning, borrowing capital from foreign sources to cover the deficit. This excess demand lowers the exchange rate until domestic goods and services are affordable for foreigners, and foreign assets are too expensive to generate domestic interest sales.

Foreign Exchange Rate Policies
The foreign exchange rate of a country can either be any of the following;

Fixed or Pegged Exchange Rates
Fixed exchange rates are stable exchange rates determined by monetary authorities, allowing for stable currency exchange and increased reserve (Adetifa, 2005). This encourages international trade, predictable commodity prices, and orderly capital flows, promoting a favorable balance of trade.

Flexible or Fluctuating Exchange Rates
Currency instability occurs when a country's currency against other currencies is unstable, determined by market forces. This unpredictable market leads to economic instability, high risk, and potential foreign exchange loss (Ayodele, 2014). Excessive currency supply causes currency depreciation.

The Concept of stock market price and trade volume of stock
The dependent variable was financial performance, which was measured using two key indicators: stock market price and volume of stock.

In the study of Carla (2022) price disruptions in the stock market is a shift in the value of a security or another asset to either a higher or lower level. The term also refers to the difference between a stock's closing price on a trading day and its closing price on the previous trading day. The price at which a good or service can currently be purchased or sold is known as the market price. The dynamics of supply and demand influence the market price of a good or service. The market price

is the price at which quantity provided and quantity demanded are equal (Mitchell, 2020). The price at which one share of a corporation would be purchased is known as the share price or stock price. A share's price is not constant; rather, it changes over time in response to market factors. It is likely to rise if the business is thought to be performing well or decline if it isn't living up to expectations.

According to American English, the terms "stocks" and "shares" are frequently used interchangeably to refer to financial equities, or securities designating ownership in a public corporation. The distinction primarily depends on context and semantics (Troy, 2023).

Trade Volume of Stock
Volume is simply the number of shares traded in a particular stock, index, or other investment over a specific period of time. According to Adam (2023) Volume is the amount of an asset or security that changes hands over some period of time, often over the course of a trading day. For instance, a stock's trading volume refers to the number of shares traded between its daily open and close. Trading volume, and changes in volume over the course of time, is important inputs for technical traders.

The volume count of a security is affected by both buyer and seller transactions. When a buyer consents to buy at a certain price, a trade takes place. Exchanges keep track of trading activity and give traders and investors data; final results are announced the following day. Moskowitz (2021) posits that high volume stock price growth is more enduring than low volume growth, which could be a dead cat bounce. A stock will be in higher demand if there is more money flowing in, but illiquidity and potential pump and dump schemes may result from low volume. Be wary of stocks with minimal volume.

The Purchasing Power Parity Theory (PPP)
Purchasing Power Parity theory propounded by Menon and Viswanathan (2005) posits that the value of homogenous goods is similar in different countries based on the currency of each country. By, implication, when purchasing power is similar in different countries then the exchange rates between the country's currencies will be at equilibrium. This is similar to the earlier postulation of Reid and Joshua (2004) that ratio of commodities price levels should be equals the country's currency. By PPP, the prices of same commodity is different in different countries, it could be high in country A and low in B, and vice versa. This can be said to have direct implication on cost of sales. According Ross (2008), a country's currency may be incorrectly valued whereby money has no purchasing power against the country's commodities level. The main challenge of this belief is in measuring Purchasing Power Parity constructed from price indexes given that different countries use different goods to determine their price level (Reid, 2004). This theory is relevant for this study as it explains a country's currency value over another country's currency. This theory

argues that in the equilibrium exchange rate is one that ensures that the value exchanged can purchase the same basket of goods and services from either of the countries involved.

Reviews of Empirical Studies

Egolum, Ilieemena and Goodluck (2020) examined the effect of exchange rate fluctuation on the financial performance of quoted conglomerates in Nigeria 2007-2018. Data were analyzed using multiple regression analytical estimation technique. Findings reveal that exchange rate fluctuations have significant negative effect on ROCE and ROE while a positive but insignificant effect on ROA. The researchers recommend that Government should uphold the restriction policy on the importation of similar products manufactured in Nigeria. If this is religiously pursued, it will create and open more markets for the locally manufactured goods to thrive. Also Government should make policy that aims at Naira appreciation against foreign exchange rates which will greatly help reduce the cost of production in the manufacturing sectors.

Keshtgar, Pahlavani and Mirjalili (2020) examined the impact of exchange rate volatility as a determinant of banks' performance 2007-2017. Exchange rate fluctuations are derived by GARCH method and the effect of its fluctuations on bank performance examined using panel data method. In order to evaluate banks' performance, we used two criteria, namely liquidity and profitability. Estimation of econometric model using panel data by random effects indicated that exchange rate volatility has a negative and statistically significant effect on banks' capital return ratio. Exchange rate volatility is also a determinant in increasing the ratio of lending to total bank deposits, as it increases the financial gap and creates the credit risk that the gap entails.

Fakhrul, Mary and Mohammad (2023) used a single case study methodology and 24 supply chain employees from Belgium and Germany who take part in the survey. To measure the effect of supply chain disruptions to the firm's financial performance, some quarterly financial statement data are used from 2018 to 2021. The regression analysis results show that there is no significant impact of supply chain disruptions to the firm's productivity and non-financial performance. The paired samples t-test suggests that there is no significant change in the firm's financial performance before and during Covid-19 either due to the market's political and economic stability or the semiconductor company develops effective supply chain risk management strategies.

Gumbo Lilian, Simon Chosani, and Barangwe, (2022) determined the effects of exchange rate fluctuations on banks' profitability 2016 to 2021. Panel data was analyzed using E-views package. The research established a significant negative relationship between exchange rates and banks profitability that is the depreciation of the Zimbabwean currency has a negative significant relationship with bank profitability. Economic growth represented by (GDP) had a positive significant relationship whilst inflation had a negative significant relationship with bank profitability. Banks are recommended to employ robust liquidity management techniques and good corporate governance because diseconomies of the scale were found to exist.

The effects of exchange rate changes and other economic factors on the financial performance of multinational corporations in Nigeria from 2006 to 2020 were examined by Augustine and Olufemi (2022). The hypotheses were tested using a purposeful sampling strategy as well as correlation and regression analysis. The study found that nominal exchange rate and interest spread rate positively impact return on asset (β=1.395,p value 0,000 and 0.017;p- value 0.000) at the level of 5% level of significant, while foreign exchange rate fluctuation, real exchange rate, firm size, and financial leverage negatively affect it (β=-0.0021,p-value=0.000,-8.01;p-value 0.049,-0.00031;p-value 0.038, and -0.00867;p-value|=0.002) respectively at 5% level of significant. The researchers recommend considering micro-economic factors for Nigerian listed oil and gas businesses.

Osho, and Efuntade, (2019) examined how foreign exchange affects financial performance of multinational companies in Nigeria. The secondary data were obtained from relevant literatures, Central Bank of Nigeria Statistical Bulletin and annual report of selected multinational companies in Nigeria. Data were tested using the Ordinary Least Square Linear Regression model. Findings show that exchange rate fluctuation has significant effect on performance of multinational companies in Nigeria. As a result, the study concluded that exchange rate instability affects the operations of companies in Nigeria vis-à-vis international trade with other countries of the world. It was recommended that, Multinational Companies should develop a robust foreign exchange risk management framework which will clearly show its currency risk assessment procedures and implementation of foreign exchange risk management strategy. These strategies should be monitored and adjusted regularly.

In the work of Williams, (2018) empirically investigated the impact of exchange rate fluctuations on return of investment. The study makes use of descriptive and ordinary least square methodology. The scope of the study is 2012 to 2016 on a panel data. From the study, the exchange rate plays a significant impact on Return on Investment as most of the banks are involved in exchange rate transactions. The regression result shows that there is a positive relationship between Return on Investment and exchange rate of 145.4265. This implies that a unit increases in exchange rate of 145.4265 will bring about a rise of 145.4265 in Return on Investment. Since the T-calculated value in the study is 0.287 which is compared to 0.05 i.e .287>0.05 we reject the null and accept the alternative hypothesis that there is a significant relationship between exchange rate and return on investment (firm's performance). Other variables used in the study have a positive relationship with return on investment. In the regression result, the coefficient of determination is very high.

Nafiseh, Mosayeb, and Seyed, (2020) examined the impact of exchange rate volatility as a determinant of banks' performance. This study, investigate the issue for the period 2007-2017 for 14 Iranian banks. Exchange rate fluctuations are derived by GARCH method and the effect of its fluctuations on bank performance examined using panel data method. In order to evaluate banks' performance, we used two criteria, namely liquidity and profitability. Estimation of econometric

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model using panel data by random effects indicated that exchange rate volatility has a negative and statistically significant effect on banks' capital return ratio. Exchange rate volatility is also a determinant in increasing the ratio of lending to total bank deposits, as it increases the financial gap and creates the credit risk that the gap entails.

METHODOLOGY

Research Design
Ex-post facto design is considered in this study, according to Onyekwelu (2020), is done using passed data. Secondary data used for the study were collected from the five selected firms for the period of month June to September 2023 covering period 1 to 14. Sample of 5 firms were randomly selected from a population of all manufacturing firms quoted in the Nigerian stock exchange group. They included: GlaxoSmithKline (GSK), May and Baker (M&B), PZ, Nigerian Breweries, (NB) and Vitafoam Plc. Ordinary linear regression model was employed, because they are flexible, powerful, and produce optimal results in predicting numeric output when properly structured.

Model Specification
The data analysis method used was based on ordinary linear regression analysis models are adopted because it corresponds to the study's variables:

$Fp = ExchR + e_t$

FP = Financial performance

ExchR = Foreign exchange Rates

β_0 = Constant

Where proxies for financial performance:

SMP = Stock Market Price

TVOL = Trade Volume

Proxies for exchange rate disruption:

ExchRD = Exchange rate Disruption

e_t = (error term) measures the probability of statistical error encountered

Decision Rule:
Reject the null hypothesis, **If the P-value is less than the significance level ($\alpha = 0.05$)**

IV. ANALYSES AND RESULTS
The data used in this study and necessary computations made are attached as appendices
TEST OF HYPOTHESES

Hypothesis One
Ho_1: Exchange rate disruption has non-significant effect on stock market price of selected manufacturing firms quoted on the Nigeria exchange group.
Dependent Variable: SMP

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Method: Least Squares
Date: 09/10/23   Time: 14:25
Sample: 1 50
Included observations: 46

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	31.16781	7.937052	3.926875	0.0002
EXCHR	-0.010654	0.010225	-1.042021	0.3013

R-squared	0.716683	Mean dependent var	24.59065
Adjusted R-squared	0.651318	S.D. dependent var	13.27707
S.E. of regression	12.97933	Akaike info criterion	8.074870
Sum squared resid	10781.64	Schwarz criterion	8.154376
Log likelihood	-261.8161	Hannan-Quinn criter.	8.104654
F-statistic	1.085809	Durbin-Watson stat	0.025699
Prob(F-statistic)	0.301322		

Source: E-view vr 8

The table above showed that the significance value for the calculated t-statistics (t = 1.042021) for ExchR, > 0.05 level of significance used for this study. The regression analysis coefficients as the standardized coefficient in table shows -0.010654 and the Pv = 0.3013 > 0.05 at 95%. adjR^2 indicates that EXCHR predict 65.1% of variation in SMP was explained by the independent variable and about 34.9% of the effect is explained by other factors. Therefore we accept the null hypothesis and conclude that exchange rate disruption has non-significant positive effect on stock market price of selected manufacturing firms in Nigeria exchange group. The overall regression model is non statistically significant in terms of its overall goodness of fit (f =0.301322, P =0.301322 > 0.05).

Hypothesis Two
Ho$_2$: Exchange rate variation has non-significant effect on volume of stock trade of selected manufacturing firms quoted on the Nigeria exchange group.

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Dependent Variable: TVOL
Method: Least Squares
Date: 09/10/23   Time: 14:29
Sample: 1 50
Included observations: 45

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	28.015567	5.273353	2.368209	0.0210
EXCHR	-0.001293	0.001638	-0.789457	0.4329

R-squared	0.639952	Mean dependent var	2.244444
Adjusted R-squared	0.576016	S.D. dependent var	2.034865
S.E. of regression	1.998481	Akaike info criterion	4.310105
Sum squared resid	247.6235	Schwarz criterion	4.390401
Log likelihood	-134.1089	Hannan-Quinn criter.	4.340039
F-statistic	0.623242	Durbin-Watson stat	1.437620
Prob(F-statistic)	0.432854		

Source: E-view vr 8

According to the table above, the ExchR derived t-statistics significance value t = 0.789457 > 0.05 level of significance employed in this investigation. The standardized coefficient in the table for the regression analysis is -0.001293, and the Pv = 0.4329 > 0.05 at a 95% confidence level. AdjR^2 indicates that EXCHR predict 57.6% of variation in TVOL was explained by the independent variable and about 42.4% of the effect is explained by other factors.

We therefore accept the null hypothesis and come to the conclusion that the disruption of the exchange rate has no appreciable negative impact on the volume of stock transaction of particular manufacturing firms on the Nigerian exchange group. The overall regression model is not statistically significant in terms of its overall goodness of fit (f =0.432854, P = 0.432854 > 0.05).

DISCUSSION OF RESULTS

According to the results of the investigation presented above, exchange rate disruption has both negative and non-significant effects. The stock market price can vary by 65.1% using our model, and the remaining 34.9% can be explained by factors outside of its purview, according to the coefficient of determination (R^2). The regression coefficient of -0.010654 shows that the relationship between the independent variables and stock market price is negatively weak.

The aforementioned table shows that our model has non effect (95% confidence level, Pv = 0.301322 > 0.05). The works of Egolum, Ilieemena, and Goodluck (2020), which claim that

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exchange rate variations have a considerable negative impact on ROCE and ROE while a positive but negligible impact on ROA, are somewhat at odds with this. The findings contradict Fakhrul, Mary, and Mohammad's (2023) conclusion that supply chain disruptions have no appreciable effect on the firm's productivity and non-financial performance. The findings of Osho and Efuntade's work from 2019 support the idea that foreign exchange fluctuations have a big impact on how well multinational corporations function in Nigeria. Our findings are consistent with those of Egolum, Ilieemena, and Goodluck (2020), who found that changes in exchange rates have a favorable but minor impact on the ROA on the financial performance of Nigerian quoted conglomerates.

The investigation previously detailed revealed that ExchR derived t = 0.789457 > 0.05 level of significance employed in this investigation. The number of stock transactions can fluctuate by 57.6% using our model, according to the coefficient of determination (R^2), and the other 42.4% can be explained by factors outside of its purview. The regression coefficient, which is -0.001293, shows a modest association between the independent variables and the volume of stock transactions. The above table shows that our model has non effect (95% confidence level, Pv = 0.4329 > 0.05). According to result of Gumbo The findings that exchange rates and bank profitability—specifically, the depreciation of the Zimbabwean currency—have a negative, significant relationship with one another are disputed by Lilian, Simon Chosani, and Barangwe (2022). According to Nafiseh, Mosayeb, and Seyed's research from 2020, the capital return ratio of banks is negatively and statistically significantly impacted by exchange rate fluctuation. According to Egolum, Ilieemena, and Goodluck's (2020) research, exchange rate fluctuations have a favorable but negligible effect on the ROA on the financial performance of Nigerian stated conglomerates.

FINDINGS AND CONCLUSION

In summary, the results of our analyses reveal the following:
- That exchange rate disruption has non-significant negative (t=1.042021; PV=0.3013) effect on stock market price of selected manufacturing firms in Nigeria exchange group.
- That the disruption of the exchange rate has no appreciable negative impact (t = 0.789457; PV=0.4329) on the volume of stock transaction of particular manufacturing firms on the Nigerian exchange group.

Conclusion

The study's objective was to examine how variations in foreign exchange rates affected the stock market performance of selected manufacturing firms listed on the Nigerian exchange group. This study investigated the effects of disrupting foreign exchange rates on stock market price and volume of selected manufacturing firms quoted on the Nigerian exchange group between June and September 2023. In accordance with the data, we draw the conclusion that disruptions in foreign

exchange rate have non-significant negative effects on the market performance of selected manufacturing firms quoted in the Nigerian exchange group.

Recommendations and Policy Implications

- If the foreign currency rate is permitted to continue to disrupt, the Nigerian government should think about developing consistent rules to control, monitor, and manage the disruptions. It has the ability, people, and other costs associated with material inputs. Directors of manufacturing firms should also hire a professional who can precisely predict the direction of the exchange rate.

- Instead of continuing to import a similar product made in Nigeria, the government should invite the manufacturer to set up such firms in Nigeria. If this is practiced in a religious manner, it will expand the markets available for locally produced items, allowing them to flourish. Gaining more market share will increase the manufacturing sector's revenue-generating capacity in Nigeria.

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