COVID-19 STOCK MARKET EXPERIENCES AND LOCAL INVESTORS' INVESTMENT DECISIONS IN LAGOS, NIGERIA: A PILOT STUDY

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Abstract
Economic activities were yet to pick up following the devastating effects of Covid-19 pandemic on stock market in Nigeria. Major cities were on complete lockdown for months leading to another phase of stock market crisis. This study explored Covid-19 stock market experiences and local investors' investment decisions in Lagos, Nigeria. Organic theory of Emile Durkheim was adopted as framework, whereas exploratory design was employed. The study utilized purposive and snowball sampling techniques, using purely qualitative research instruments with a sample of fifty-three (53) interviewees, forty in-depth interviews (IDI), four case studies and nine key informants (KII) interviews; three respondents each were purposively selected from staff of Nigerian Exchange Ltd (NGX), Securities and Exchange Commission (SEC) and Stockbrokers in Lagos State based on their in-depth professional knowledge about stock market operations. Qualitative data was content analyzed. The result of the study showed that local investors' Covid-19 stock market experiences greatly affected their present investment decisions, hence local investors' investment apathy currently affecting the Nigerian stock market. The paper recommended thatthere is need for restoration of investors' confidence in the Nigerian stock market.
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Introduction
Covid-19 pandemic outbreak has great consequences on global financial markets (Hassan and Gavilanes, 2021). It led to an unenthusiastic upset of universal economies (Harjoto, Rossi & Paglia, 2021). Stock markets were the first to respond, with daily decline in prices of shares similar to the global financial markets crisis of 2008 (Hassan & Gavilanes,

2021). The effects of the pandemic have been the greatest in Asia emerging markets, while Europe emerging markets have witnessed the least (Topcu & Gulal, 2020). Covid-19 pandemic caused investment apathy experienced in stock markets globally. Many investors turned to investments in gold markets which always act as investment succour during financial markets crisis. Also, the pandemic and its inherent lockdown led to increased internet activities and investments in crypto currencies were embraced as alternative investment option for investors (Zeren & Hizarci, 2020).

Sequel to the aftermath of Covid-19 pandemic which hit Nigeria in 2020, economic activities were yet to pick up following its devastating effects on the economy, of which the Nigerian stock market is an integral part. Major cities were on complete lockdown for months leading to another phase of stock market crisis in Nigeria. The Nigerian stock market crisis of 2021 has multiplier effects on local investors just like the universal stock market crisis of 2008. The effects of 2021 stock market crisis were unprecedented as Foreign Portfolio Investment (FPI) inflows declined to 189.42 billion naira (Adamolekun, 2022; Ochu, Onoja, Olatunji, Okusanya, Usuwa, Akeju, Disu, Adejoh, Eziechina, Nwiyi, Okediran, Elimian, Akande, Dunkwu, Fagbemi, Agogo, Ebenso, Oke, Igumbor and Ihekweazu, 2021).

The Nigerian stock market capitalization declined to N13.136 trillion and investors' losses as at June 2020 were estimated at N16.88 billion. All Share Index (ASI) dropped to 12.85% from 26,415.54 basis points on February 27 2020 to 23,021.01 basis points on April 30 2020 (Raifu, Kumeka & Aminu, 2021). Nigerian stock market underperformed in 2021 as a result of 2020 Covid-19 pandemic lockdown (Ayodeji, 2022). The mayhem in the Nigerian stock market has not stopped scarring local investors away. The exceptional losses local investors recorded in 2008 up to 2021 left them frustrated. Economic activities and social life were distorted which resulted to loss of lives and means of livelihood. Also, export revenue losses were immeasurable while financial sector lost about nine trillion US dollars. Tourism and hospitality industries suffered the greatest upheaval as a result of Covid-19 lockdown. Unemployment in both formal and informal sectors increased greatly, leading to another phase of economic recession (Raifu, Kumeka & Aminu, 2021).

Investors were yet to recover from losses they recorded during various stock market crises in Nigeria, leading to incessant decline in confidence and reduction in stock market investment. Although most of the foreign investors exited the Nigerian stock market as a result of economic, political and security reasons, foreign investments have continuously dominated transactions on the trading floor of Nigerian Exchange Limited (NGX) until early 2020.

Previous studies on Covid-19 pandemic focused on the economic effects, public risk perception, Nigerian Exchange Ltd (NGX) performance, impact on foreign investment, coping strategies and health management (Al-Awadhi, Alsaifi and Owoichofu, 2020; Anh and Gan, 2020; Baker, Bloom, Davis, Kost, Sammon, and Viratyosin, 2020; Igwe, 2020; Khan, Zhao, Zhang, Yang, Shah and Jahanger, 2020; Lee, 2020; Topcu and Gulal, 2020;

Zeren and Hizarci, 2020; Harjoto, Rossi and Paglia, 2021; Hassan and Gavilanes, 2021; Raifu, Kumeka and Aminu, 2021; Adamolekun, 2022; Ochu *et al.* 2021). But a negligible attention has been given to the influence of Covid-19 pandemic on local investors. It is against this backdrop that this study explored Covid-19 stock market experiences and local investors' investment decisions in Lagos, Nigeria.

Literature review

Covid-19 pandemic has its origin in Wuham, China where it was first detected on December 2019. The rapid spread of the disease has global devastating effects on world economies. Many lives were lost as most economic activities went into extinction following several months of being on lockdown (Ochu *et al,* 2020). No communicable pandemic outbreak has affected the stock market in the past like Covid-19. Previous pandemics outbreak merely caused mild effects on the US stock market (Baker *et al,* 2020).

The world economies encountered the worst economic recession as a result of the outbreak of Covid-19 pandemic (Igwe, 2020). Nigeria being the giant of Africa earns larger chunk of her foreign exchange through sale of crude oil. The crude oil price dropped drastically in April 2020 in the hit of global lockdown orchestrated by Covid-19 pandemic. This created a renewed decline in foreign investors' involvement in the Nigerian stock market leading to another wave of Nigerian stock market crisis (Adamolekun, 2022). The hope of the Nigerian stock market to recover from previous stock market crises was dashed in 2021 following the after effects of 2020 Covid-19 pandemic where major cities were on complete lockdown for months. Economic activities were paralyzed as foreign inflows also declined (Adamolekun, 2022).

Nigeria's confirmed cases have significant impact on the Nigerian Stock Exchange's (now Nigerian Exchange Ltd NGX) All Share Index (ASI) (Safiyanu, Isa & Lawan, 2020). This is factual because foreign inflows were not coming during the period under review. Their findings also portrayed that changes in the external cases and recorded deaths from US, China and Britain did not have significant impact on the NGX's ASI.

Raifu, Kumeka and Aminu (2021) recommended for the relaxation of lockdown policy and combined use of monetary and fiscal policies to alleviate the negative impact of Covid-19 pandemic in Nigerian stock market. Among all developed countries that were bailed out as a result of Covid-19, it was only the US stock market that witnessed positive returns on investment (Harjoto, Rossi & Paglia, 2021). The findings of Topcu and Gulal (2020) showed that governments' intervention helped in offsetting the impact of Covid-19 pandemic. Studies by Anh and Gan (2020) affirmed the adverse effects of the daily increase in the number of confirmed cases of Covid-19 pandemic on stock market returns in Vietnam.

Investors reacted negatively on stock market activities following the confirmation of human-to-human transmission of Covid-19 virus (Khan *et al,* 2020). The findings of Al-Awadhi *et al.* (2020)) showed that both total cases of death recorded as a result of

Covid-19 pandemic and the daily increase in total confirmed cases have significant negative impact on stock market across every company.

A wide-ranging view of the early effects of Covid-19 pandemic sentiment on US stock market advocates for calculated investment planning, taking into consideration further changes in the correlation stage of time lag differences (Lee, 2020). The lockdown of economic activities during Covid-19 pandemic was the major reason US stock market responded negatively to Covid-19 than previous pandemics (Baker *et al*, 2020).

Theoretical framework

The study employed organic theory as popularized in the works of Emile Durkheim (1858 – 1917). Like other scholars before and after his time, in a quest for the preconditions necessary for the attainment of social order, a fundamental necessity in human society which can be intellectually associated to the historic expression of Hobbesian problematique, that is, given the Hobbesian postulations that man is by nature undomesticated. "How is social order possible (Ninalowo, 2004; 2007)"? Emile Durkheim emerged the intellectual catalyst with his concepts of Mechanical Solidarity (MS) and the Organic Solidarit**y** **(**OS**)** in his classic sociological work entitled, "The Division of Labour in Society',published in 1893, in which he provided a semblance of response to the Hobbesian problematique, and set what he perceived as the preconditions necessary for the attainment of social order in human society. He also introduced the concept of anomie simply put, lawlessness or the breakdown of the influence of social norms on individuals within a society (Durkheim, 1893).

Social integration and cohesion which emanate from homogeneity of individuals in the society is what Emile Durkheim referred to as Mechanical Solidarity. The organic paradigm of Durkheim approaches the understanding of the society like an organism comprising of many interrelated and interdependent parts. He believed that members of the society are organically connected to one another through an internal consciousness. This consciousness gives them, a sense of belonging and as such they try to keep the generally accepted rules and mode of conduct in the society. In other words, this feeling of oneness and attachment or support for one's society is what he called "Social Solidarity (SS)", a feeling of oneness that is generally shared by members of a particular society. It is this feeling (Solidarity) that regulates behaviour and make people act in a way that will be accepted by other members of the society (Jones, 1986).

It is on the basis of this that he identified two types of Solidarity, based on two types of societies, which he christened Mechanical Solidarity and Organic Solidarity. Also, apart from conceptualizing individual's solidarity to the society, Durkheim theorized that modern societies have certain interconnections involving social parts on the basis of differentiation and division of labour. Such interconnections among social parts of institutions of the society is what has come to be known as the Organic Solidarity, which further highlight the organic paradigm or model previously existing in sociology in the works of earlier scholars like Auguste Comte (Duckheim, 1893).

As the organic paradigm of Durkheim approaches the understanding of the society like an organism comprising of many interrelated and interdependent parts, the same is applicable to the economies of the world and their stock markets as envisaged in the global lockdown and economic crisis of 2021 orchestrated by the outbreak of Covid-19 pandemic. The crash of global economies and stock markets affected Nigerian stock market as Nigeria's economy is interconnected and interdependent with the rest of the world as postulated by Emile Durkheim in organic theory.

Aside that, the functions of Nigerian stock market participants like Registrars, Stock Broking Firms, Issuing Houses, Investors, Securities and Exchange Commission (SEC), Nigerian Exchange Limited (NGX), and Central Bank of Nigeria (CBN) are interrelated and interdependent. For instance, investors do present their shares to their Stockbrokers for verification, Stockbrokers package same for verification and send to Registrars, the Registrars in return verify the shares and lodge them electronically with the Central Securities Clearing System Ltd for onward trading on the trading floor of the Nigerian Exchange Ltd (NGX). After trading, the Central Bank of Nigeria makes the funds or proceeds available through designated settlement banks. The funds were credited to the Stock broking firms' bank accounts and at this juncture, brokers issue their cheques to investors. But at present, as part of her efforts to minimize stock market frauds, the Nigerian Exchange Ltd (NGX) does credit investors directly from the exchange without passing the funds to Stock broking firms' bank accounts.

In the same manner, stock market participants have a well structured division of labour. Each organ of the market performs its functions efficiently and effectively in order to achieve a sustainable stock market. The Registrars are saddled with the responsibility of maintaining register of members of shareholding, printing and allotment of share certificates, dividend payment and verification of share certificates. Stockbrokers on the other hand have the mandate of investors to buy and sell shares on their behalf. These mandates are made possible by the role played by other organs of the stock market. The Central Securities Clearing System Ltd provides the shares to be traded electronically as perfected by the Registrars. The Nigerian Exchange Ltd (NGX) provides and regulates the trading platform while the Central Bank of Nigeria (CBN) clears the funds through the Settlement Banks (Ogogo, 2006).

From the aforementioned, it is a known fact that the organizers of the Nigerian stock market drew their inferences from the organic theory of Emile Durkheim. All the organs of the stock market are interconnected and interrelated as postulated by Emile Durkheim, they perform their specialized roles in conjunction with one another, aimed towards the actualization of efficient and effective Nigerian stock market.

Materials and Methods

The study adopted exploratory design in the course of exploring the influence of Covid-19 stock market experiences on local investors' investment decisions in Lagos State, Nigeria. The study purely relied on qualitative method of data collection. This became necessary because the nature of the study required a design that gives room for closeness, especially in this case where most local investors have exited stock market following the devastating effects of Covid-19 lockdown. Many people were still working from homes following Covid-19 protocols and restrictions of movement. Also, most businesses are now done online electronically.

The location adopted for the study was Lagos State, Nigeria. The choice of Lagos State became inevitable due to the fact that it happens to be the only State in Nigeria that has full representatives of all the stock market participants and at the same time the epicenter of economic activities in Nigeria. The study population was streamlined to the Nigerian stock market operators, regulators and local investors. Purposive and snowball sampling techniques were adopted. Researchers chose only local investors, stock market operators and regulators as they constituted the population of those that met the purpose of the study.

The breakdown of the population was as follows:
Table 1 showing the sample size of fifty-three (53) interviewees drawn from a population of those involved in the buying and selling of shares, market regulators and local investors in Lagos State.

	Sample size	**%**
Stock brokers (KII)	3	5.7%
Nigerian Exchange Ltd Staff (KII)	3	5.7%
Securities and Exchange Comm. Staff (KII)	3	5.7%
Local Investors (IDI)	40	75.5%
Case Study	4	7.5%
Total	53	100%

Both primary and secondary data were sourced for the study.
Primary data were collected from Case Studies, In-depth Interviews, Case Studies, and Key Informant Interviews using unstructured interview guides. There were four (4) case studies that were purposively selected to provide relevant information on stock market operations. Also, In-depth interview (IDI) was conducted to obtain data from forty (40) local investors who were selected through snowball approach. On the other hand, nine key informants comprising of staff of Nigerian Exchange Ltd, Securities and Exchange Commission and the Stockbrokers were also interviewed in Lagos State in three (3) categories. The first category was Stockbrokers who by virtue of their positions as dealing members are involved in the daily trading of equities on the trading floor of the Nigerian Exchange Ltd (NGX). The second category of key informants interviewed was management staff of the Nigerian Exchange Ltd, who provide and maintain the platform for trading of equities, while the third one was management staff of Securities and Exchange Commission who provide rules and regulations guiding the operations of the market. Three persons were purposively selected from each group. Face to face method was used in the administration of the qualitative instrument in order to capture the respondents' mood and use of signs and symbols which have meanings in the parlance of interpretive sociology as envisaged in Herbert Blumer's symbolic interactionism.

Secondary data were collected mainly from Nigerian Exchange Ltd (NGX) computerized library, and some other libraries within and outside Lagos which include University of Lagos, and Lagos State University. Other sources include journals and relevant articles.

Content analysis was the key method of data analysis for both primary and secondary data. Data from in-depth interviews (IDI), case studies and key informant interviews (KII) were obtained through the use of recording gadget. They were later transcribed by researchers for the purpose of data analysis. All data from qualitative instruments were content analyzed. Similarly, all data from secondary sources were also content analyzed.

Limitations

The study was a very sensitive one, especially on the side of the key informants who have been heavily criticized over the state of affairs in the Nigerian stock market. To track local investors for interview posed much problem, most of them have exited the stock market whereas others were still working from homes due to Covid-19 pandemic restrictions, hence our resolve to rely on qualitative data.

Results/Research Findings

Local investors in the Nigerian stock market have been experiencing difficulties as a result of the financial crisis orchestrated by the global spread of covid-19 pandemic in 2020, the stock market capitalization declined to N13.136 trillion within six months, All Share Index (ASI) dropped to 12.85% from 26,415.54 basis points on February 27 2020 to 23,021.01 basis points on April 30 2020. Investors lost their life savings, many homes were broken while some investors lost their lives as a result of heart failure. In the light of all these, the study examined the influence of Covid-19 stock market experiences on local investors' investment decisions in Lagos, Nigeria.

Most of the respondents when asked about their Covid-19 stock market experiences responded that they were dealt with as far as investment in shares were concerned, they lamented that some lost over N19 million in a single transaction. They vowed not to invest again having lost such huge amount in a twinkling of an eye as illustrated below:

> I was dealt with when it comes to investment in shares, the recession really affected me. Imagine that I bought five million units of Universal Insurance plc shares at the rate of four naira per share and I sold during the crisis at fifty kobo per share. I lost about N17 million in that transaction alone. I bought some shares again in 2019 with the hope of recouping my losses and only for me to record another huge loss as a result of global economic recession caused by Covid-19 pandemic. Major cities were on lockdown for months which crippled economic activities. The disappointment was so much, I do not think I will like to go through that anymore. Even if the stock market becomes vibrant

> again, I have vowed not to invest anymore and my decision is final (IDI, civil servant, Lagos, 2022).

Another respondent reacted in a similar manner as follows:

> I do not like remembering my Covid-19 experiences in the stock market, I lost money, if not the grace of God, I would have lost my marriage. I was making profit initially; I later introduced my husband into the whole thing. We had a common stockbroker who was coming on a weekly basis to pick up cheques from us. My husband made a profit of two million naira in less than six months, and he was very happy. Later, I encouraged him to sale our house in Lekki Phase 11 and invested the entire proceeds in the stock market with the hope of buying three houses in Lekki after one year of speculative trading on the floor of the exchange. Few weeks after investing the money, Nigeria recorded her first Covid-19 case, followed by lockdown and 2021 stock market crash. There is no amount of preaching that will make me go back to stock market investment (IDI, Business woman, Lagos, 2022).

Case Study, Box 1: A businessman as a local investor

A 56 year old businessman who closed down his shop totally during the covid-19 lockdown lamented what he passed through during the period. He stated that he had over 10 million naira worth of goods in his shop, but his inability to open his shop and make sales affected his domestic obligations at the home front. He even placed order to sell some shares, but the stock market was bearish with low demand for shares. He queried the essence of investing in shares if one could not raise money from the stock market when in need. The businessman has decided not to invest again in the stock market until the whole situation normalizes.

The above case study in Box 1 aligned with the views of most local investors during the In-depth interview sessions. Most of them have exited the stock market following the devastating effects of Covid-19 pandemic on stock market in line with the impact created by the global lockdown of major cities. Khan *et al.* (2020) reported that investors responded negatively on stock market activities following the confirmation of human-to-human transmission of Covid-19 virus. Also, Al-Awadhi *et al.* (2020)) stated that both total cases of death recorded as a result of Covid-19 pandemic and the daily increase in total confirmed cases have significant negative impact on stock market across the globe.

This global lockdown impacted negatively on the global economies of which Nigerian stock market is an integral part as demonstrated by Emile Durkheim in Organic theory.

Durkheim (1893) theorized that societies are interconnected and interdependent on one another. However, the responses of few interviewees contradicted this. One maintained that he sold off his shares before the 2021 stock market crash and made huge profit only for him to buy back during the market crisis at a highly reduced rate. He asserted thus:

> I sold off all my shares before the 2021 stock market crisis and I recorded high returns on my investment. And I bought the shares back during the financial crisis at a highly reduced rate when major cities were on lockdown due to Covid-19 pandemic. Since then I have been making profit from the market. I know the secret of investing in the Nigerian stock market, as investors are selling their shares, I will be buying and when they are buying, I will be selling (IDI, Auditor, Lagos, 2022).

Case study, Box 2: A female civil servant as a local investor

A 32 year old female civil servant stated that she was not affected during the lockdown. She maintained that the government gave adequate notice for people to prepare themselves for the lockdown. The civil servant bought enough food stuffs within the period as she was not lacking anything. Although she was not going to work during the lockdown, but her salaries were paid regularly at the end of the month. Instead of selling her shares during the lockdown, she rather acquired more shares at low prices. Her covid-19 stock market experiences were rather rewarding.

The above case study in Box 2 contradicts the views of most participants who have exited the stock market as a result of their Covid-19 stock market experiences. Aside from Covid-19 stock market experiences, some local investors have also lost confidence on the regulatory bodies following the unjust treatment meted out to them when core foreign investor took over the management of Nigerian bottling company Plc. Some respondents explained that they were skimmed out in Nigerian bottling company Plc. According to them, they have been shareholders of the company for the past ten year, and when the management team told them in the Annual General Meeting (AGM) that a core foreign investor was coming, they were all happy about that, but little did they know that they would be skimmed out. They equally blamed Central Bank of Nigeria for churning out obnoxious policies that were detrimental to the development of the stock market as demonstrated below:

> I lost huge sum of money in the stock market, for now I am not investing anymore. Nigerian Bottling Company (NBC) brought in core foreign investor, they paid the local investors off and delisted the shares on the trading floor of the exchange, is it fair? When the management team informed us in the Annual General Meeting (AGM) about the coming of a core foreign

> investor, we were all happy about that, but we never knew that the so called core foreign investor was coming to take the company away from us. As this was happening, Securities and Exchange Commission (SEC) approved the acquisition of the company by a core foreign investor to the detriment of local investors who stood by the company all these years (IDI, civil servant, Lagos 2022).

Another respondent asserted thus:

> I have lost confidence in the Nigerian stock market, I invested over N2 million and I lost everything in the 2021 economic recession. The economic recession is not only the problem facing the stock market, regulators' shortcomings are also affecting the market. Securities and Exchange Commission (SEC) has failed to protect the interest of local investors, they are only interested in the welfare of foreign investors (IDI, self-employed woman, Lagos, 2022).

Another respondent reacted this way:

> Aside the after effects of Covid-19 pandemic, the Nigerian stock market has been suffering from illiquidity caused by Central Bank of Nigeria monetary policy. Example, margin facilities are not viable anymore. Before the stock market crisis, commercial banks used to give margin facilities to interested investors and market operators to enable them play active role in the market through speculative trading. Government cannot even persuade pension fund administrators to invest in the stock market, if they cannot invest pension funds in the stock market, how then do you expect me as an ordinary individual to invest my money in the stock market (IDI, Businessman, Lagos, 2022)?

Case study, Box 3: A female supplier as a local investor
A 62 year old female supplier maintained that she had a bitter experience during the lockdown. She used to supply goods to offices, and her business was affected since those offices were on lockdown. Few of her shares she placed on sale could not be sold as a result of covid-19 lockdown. She resorted to borrowing in order to feed her family, and her shares in the stock market lost tremendous value as she was unable to sell and offset her indebtedness during the lockdown. She has decided to stay away from stock market investment for now.

The above case study in Box 3 corroborates the views of most participants. The lockdown affected many businesses as demonstrated above. This is also in tandem with the works of Raifu, Kumeka and Aminu (2021) who recommended for the relaxation of lockdown policy and combined use of monetary and fiscal policies to alleviate the negative impact of Covid-19 pandemic in Nigerian stock market.

Some of the key informants blamed stockbrokers for not informing the local investors to hold on to their shares during the economic recession. They lamented that local investors who were supposed to have confidence in the stock market equally joined foreign investors in the panic sale of shares on the trading floor of the exchange. They equally blamed local investors for being greedy and self centered as they called on regulators to compel all the companies that sold Private Placements to list their shares on the trading floor of the exchange in order to alleviate the sufferings of the investing public whose funds were trapped since 2008. They argued as follows:

> Stockbrokers are to be blamed for not educating the local investors appropriately during the 2021 stock market crisis. The local investors were supposed to hold on to their shares until after the recession, rather they joined foreign investors in the panic sale of shares and they succeeded in putting pressure in the market which made prices of shares to be on bearish trend on daily basis. This is the reason why local investors lost serious money. Most of them dumped their shares below market prices (KII, SEC Staff, Lagos, 2022).

Another key informant asserted thus:

> The world is a global village, what affects one country will surely affect the other, we expected it, Covid-19 pandemic affected many nations and the aftereffects on the economy led to 2021 Nigerian stock market crisis. When local investors were making money from the market did they accuse anybody? Now that they have lost money mainly as a result of Covid-19 pandemic and they are complaining (KII, NGX Staff, Lagos, 2022).

Another key informant reacted this way:

> I also lost money during the recession, but that does not mean that people are not making profit again in the stock market. During the insurance company’s re-capitalization exercise, investors made good profit through various private placements floated by insurance companies. But during 2008 and 2021 stock market crises, insurance stocks were the most affected. Investors funds are trapped in these private placements as most of the companies were unable to list the shares before the commencement of stock market crises. Securities and Exchange Commission should compel those companies to list their shares in order to alleviate the sufferings of the local investors whose funds have been trapped since 2008 (KII, Stockbroker, Lagos, 2022).

Another key informant maintained that local investors were yet to return to the market after stock market crises of 2008 and 2021. He asserted thus:

> In terms of confidence, the domestic retail investors are yet to regain the boldness to return to the stock market after the market crises of 2008 and 2021. There is also the perception that stock market is not transparent and this has not been helped by the number of illiquid stocks on the trading floor of the exchange as some investors are still looking for ways to sale off their holdings. But regulators have done well in the course of restoring investors' confidence in the stock market (KII, SEC Staff, Lagos, 2022).

Case Study, Box 4: A male banker as a local investor

A 38 year old male banker opined that he was unable to trade on his securities during the lockdown. He stated that he was able to buy some shares but the prices of shares were not favourable for him to trade on his investments. This at the long run affected his capital and standard of living. He was not making profit from the stock market, hence his inability to make further investment decisions. At present, he is not making any investment decision as a result of his covid-19 stock market experiences.

Considering the above submissions, one can objectively deduce that local investors' Covid-19 stock market experiences greatly affected their present investment decisions. This study corroborates the findings of Al-Awahi *et al.* (2020); Baker *et al.* (2020); Lee 2020) and Ayodeji (2022) that Nigerian stock market underperformed in 2021 as a result 2020 Covid-19 pandemic lockdown. The findings of Baker *et al* (2020) also corroborated the result of this study. Their findings showed that the lockdown of economic activities during Covid-19 pandemic was the main reason US stock market responded negatively to Covid-19 than previous pandemics. Also, the findings of Al-Awadhi *et al.* (2020) corroborate with this study. Their findings showed that both total cases of death recorded as a result of Covid-19 pandemic and the daily increase in total confirmed cases have significant negative impact on stock market across all companies.

Discussion

The Nigerian stock market declined to N13 trillion market capitalizations during 2021 financial markets crisis. Investors' losses as at June 2020 were projected at N16.88 billion. All Share Index (ASI) dropped to 12.85% from 26,415.54 basis points on February 27 2020 to 23,021.01 basis points on April 30 2020 (Raifu, Kumeka & Aminu, 2021).

Most commodities and financial assets prices declined globally. Also, losses on export proceeds were immeasurable while financial sector lost about 9 trillion US dollars. Tourism and hospitality industries suffered the greatest turmoil as a result of Covid-19 pandemic. Unemployment in both formal and informal sectors increased greatly, leading to another wave of economic recession (Hassan & Gavilanes, 2021; Raifu, Kumeka & Aminu, 2021).

Many lives were lost due to Covid-19 pandemic and investment frustrations, some homes were broken and the consistent drop in investment by local investors was primarily as a result of the losses they recorded during the 2021 stock market crisis. Most of the respondents maintained that they were dealt with as far as investment in shares was concerned. They lamented that they lost their life time investments and vowed not to invest again. Though very few people argued that they were still making high returns, but most of the local investors did not just lose money, they equally lost confidence in the market.

The organic theory of Emile Durkheim also corroborates this finding. The theory is the most relevant framework that explained the scenario appropriately. As the organic paradigm of Emile Durkheim approaches the understanding of the society like an organism comprising of many interrelated and interdependent parts, the same is applicable to the economies of the world and their stock markets as envisaged in the global economic crisis of 2021. The aftereffects of Covid-19 pandemic and its associated lockdown of major cities in China, Europe and America affected Nigeria and other world's economies as a result of their interdependence on one another. The world is obviously a global village and the inter-relatedness of world economies is very evident that any development in any part of the world affects other parts (Olisaemeka, 2010). Consequently, the Nigerian stock market is not insulated from the universal upheaval as postulated by organic theorists.

Considering the above submissions, one can objectively deduce that the aftermaths of covid-19 pandemic and local investors' previous stock market experiences greatly affected their present investment decisions. The result of this study corroborates the findings of Anh & Gan (2020) who reported that the adverse effects of the daily increase in the number of confirmed cases of Covid-19 pandemic on stock market returns in Vietnam. This study is also consistent with the findings of Khan *et al* (2020) who showed that investors reacted negatively on stock market activities following the confirmation of human-human transmission of Covid-19 virus. Topcu and Gulal (2020) findings also aligned with the result of this study. Their findings showed that governments' intervention helped in offsetting the impact of Covid-19 pandemic. This study was also supported by Zeren and Hizarci (2020) who opined that the aftermaths of Covid-19 pandemic led to the investment apathy experienced in stock market as most investors turned to investments in gold and crypto currencies. Harjoto, Rossi and Paglia (2021) findings corroborate the result of this study as Covid-19 pandemic led to a negative shock to global financial markets.

Conclusion

The study has successfully explored the influence of Covid-19 stock market experiences on local investors' investment decisions, and it was discovered that local investors exited the Nigerian stock market as a result of 2021 stock market crisis. The crisis was orchestrated by the aftermath of Covid-19 pandemic and its inherent global lockdown of major cities where economic activities were crippled. The study also showed that local investors' previous stock market experiences have negatively influenced their investment decisions at present. The implication is that local investors who fled the stock market as a result of stock market crises of 2008, 2017 and 2021 are still influenced by their past experiences, which led to investment apathy and loss of confidence in the Nigerian stock market.

Recommendation

- Restoration of investors' confidence: For the Nigerian stock market to recover, efforts should be made towards winning back the confidence of local investors who exited the market during the stock market crises of 2008, 2017 and 2021 since the market thrives on psychology and confidence.

Declarations

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Consent for publication: The authors have given their consent for the publication of this article

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