

# THE SPOT AND FORWARD MARKET TRANSACTIONS AND ECONOMIC DEVELOPMENT IN NIGERIA

Anthonia Uduak Ubom

## Abstract

*This paper examined the impact of the spot and forward market transactions on economic development in Nigeria. Specifically it sought to establish the relationship that exist between the spot and forward market transactions, exchange rates, inflation rates, real gross domestic product (GDP) and external reserve position in the country. Through desk and descriptive research methods, it was possible to establish high fluctuating tendencies in the spot market transactions leading to a rising exchange rates in the other form of foreign exchange operations. The rising exchange rates exerted serious negative influence on economic development in the country as indicated by the deteriorations in the GDP growth rates and the external reserves positions. To this end, it was recommended among others that the monetary authorities should monitor the market closely to detect unfavourable fluctuations and intervene in time to harmonize the spot rates with the economic realities on ground in order to facilitate the availability and flow of the needed foreign exchange for optimum utilization that could lead to economic development in the country.*

## Introduction

One person cannot produce all the goods and services needed for his or her daily life. The farmer depends on the engineer for the farm tools while the engineer similarly depends on the farmer for his foodstuffs.

Both persons depend on the medical doctor for the health services he provides and so on. The truth is that life is full of interdependence among economic units. As it is for individuals, so is it for nations. No one nation can afford to produce all the goods and services that she needs. Similarly, individual nations at one time or the other have in abundance certain products which are in scarce supply elsewhere. Naturally, the nations in short supply tend to buy from those in abundance, which themselves must sell their surpluses to get money needed to buy from other countries, the very goods and services they themselves lack.

The buying and selling of these goods and services between nations is known as foreign trade. The medium of exchange that facilitates it is called foreign exchange. Its market may be spot or forward, each having distinct economic implications. The essence of entering into these transactions is to ensure availability of the needed foreign currencies at relatively lower cost and risk to finance trade and projects capable of improving the welfare and standard of living in such economies. Market participants trade here to make capital gains and profits. The impact of these transactions is still questionable in Nigeria. This is because in the Nigerian situation there exist a lot of inconsistencies in the operations of the spot and forward exchange market. These have affected the exchange rates.

There are cases in which the demand for foreign exchange is always higher than the supply causing the exchange rate to shoot up. In the same vein, the naira depreciates on a continuous basis and the practices of parallel marketers go a long way to enhance these inefficiencies. The inflation rate is ever rising and cost of living increases on daily basis with marked increase in importations among others. In the light of the aforementioned, this article focused on examining the impact of the spot and forward market transactions on economic development in Nigeria.

This paper is divided into four sections. The first section is the introduction. Section two examines literature relevant to this work while section three makes an empirical analysis of the data. The work is summarized, concluded and recommendations made in section four.

#### **Theoretical Framework**

The aim of this section is to examine the literature relevant to this work as put forward by various authors. Specifically, this section covers the nature and concept of foreign exchange markets, spot and forward market arrangements, economic implications of the spot and forward markets transactions and the relationship between the spot and forward market transactions.

#### **Nature and Concept of Foreign Exchange Market**

This market is not a single market place where goods and services are being exchange. It is an over the counter market that operates within the banking network of the world. An importer buys while an exporter sells. Transactions in the international market are settled by selling one's currency for the currency of the country with whose residents you desire to transact. Put in a formal way, we say that one's own currency has been used to buy foreign exchange thus converting the buyer's purchasing power into the purchasing power of the sellers country. The exchange rate determines the prices of the currencies traded. The foreign exchange market is the largest financial market worldwide.

In this market, only currencies are being exchange for other currencies the aim, being for participants to make international settlements (Mustapha and Fabunmi, 1990:159). Participants in the market are individuals, investors, business corporations, governments and financial institutions such as banks. These participants could further be classified as

agents, brokers, hedgers, arbitrageurs and speculators. The major trading centers are London, New York, Singapore, Frankfurt, Lagos, Abuja, Port Harcourt and Uyo among others. Participants in the market are kept in close contact with one another through the use of telephone, fax messages, computer terminals and other communication networks. This information technology (IT) age has made it possible to trade online in the market (Ubom, 2010:3-4) and (Ubom, 2010:219).

Transactions in the market are under taken using two basic arrangements namely the spot and forward market arrangements. In the spot transactions, buyers and sellers agree to transfer bank deposits (currencies traded) immediately after they enter into the contract which in practice means delivery within two working days (Aliber, 1983:462), (Chandler, 1973:563) and (Cooper et al, 1983:462). The spot market established the current price of a specific foreign currency. The exchange rate, (the spot rate) is the underlying basis for evaluating forward futures and options (Gropelli and Nikbakht, 1990:340) and (Luckett, 1984:506). Operations in the spot market were established for the purpose of affecting expectations concerning future rates.

On the other hand, the forward market arrangement exists for the purchase and sales of currencies for delivery at a future date and at a prearranged exchange rate. It involves contracting today for the future purchase or sale of foreign exchange. The price may be the same as the spot price. However, in some cases it is higher (at a premium) or lower (at a discount) than the spot price. Maturities of forward transactions range from one, three, six to twelve months and above. Forward quotations could be direct or indirect, one being a reciprocal of the other. A clear dissection of the market transactions is done in the next discussion.

#### **Spot And Forward Market Transactions**

##### **The Spot Market Transaction**

As stated earlier, some foreign dealings are spot transactions, that is, buyers and sellers agree to transfer bank deposits immediately after they enter into the contract which in practice, means two days later (Aliber, 1983:56). In other words, it is the market for immediate delivery of money involved in the transaction (Chandler, 1973:563) and Cooper, et al (1983:462).

The spot market establishes the current price of a specific foreign currency being traded. For instance, an investor has funds which he is willing to lend in two different foreign countries, say Denmark or United States. Depending on relative rates of return in the two markets, if he does lend in New York, the dollars that he intends to lend will be bought for Deutsche marks in the spot market. At the same time, if he purchases dollars in the spot market, he will sell them for Deutsche marks in the forward market in order to repatriate his fund at the end of the loan period. His relative net returns will depend not only on the weights of interest rates in United States and Denmark but also on the relationship between the spot rate at which he buys dollars and forward rate at which he sells dollars. If the forward rate on the dollar is at a two percent (2%) discount, relative to the spot rate, he will lose two percent (2%) on his exchange transaction and will find it more profitable to lend in United States only if interest rates there are at least two percent points higher than in Denmark. On the other hand, if the forward rate on the dollar is at a two percent (2%) premium, relative to the spot rate, he will gain two percent (2%) on his exchange transaction and will find it more profitable to lend in United States if interest rates there are at least two percent (2%) points below those in Denmark (Chandler, 1973:564).

Operations in the spot market as discussed above reveals that the spot market arrangement was established for the purpose of affecting expectations concerning future rates. For example, limiting the purchases of dollars or preventing a decline of the exchange rate on the dollar may succeed in creating expectations that the dollar will not decline. This device is used to influence the direction and rate of international capital flow by affecting the relative net rates of return available in different countries. Another purpose of the spot market is that it was designed to aid OPEC and the government to fix official prices for crude oil, thereby acting as a price setter (Weisweiller, 1972:563). Further still, this market arrangement was meant to be used in the establishment of the rate between two currencies by fixing a simple ratio between their quotations and by providing a world wide marketing network, linking individual citizens of each nation (Luckett, 1984:506).

The major characteristics of the spot market transactions include

- (a) The spot market transaction is usually carried out on the basis of the exchange rate prevailing at the time of the transaction. In other words, there is no alteration as regards changes in the exchange rate.
- (b) It usually involves a cash transaction or immediate (within one or two days) delivery of the foreign exchange being traded.
- (c) It is usually not accompanied by any insurance cover, except when it is supported with a forward transaction to avoid losses.
- (d) Spot rate arising from this transaction is determined by factors such as supply and demand, level of investment and monetary/fiscal policies.
- (e) The transaction often establishes the current price of a specific foreign currency.
- (f) The transaction is usually used for normal requirements of genuine trade transactions (Egbahese, 1990:43) and (Gropelli and Nikbakht, 1990:340). These characteristics unfold that spot deals are accompanied with some advantages and disadvantages.

#### **Advantages:**

- (a) This method of transaction is usually adopted by the Central Bank of Nigeria during periods of crisis and of general commercial pressures.
- (b) It serves as the underlying basis for evaluating forwards futures and options.
- (c) It establishes the current price of a specific foreign currency required to provide a fixed amount of the domestic currency.
- (d) To an importer (or importer bank), the losses as a result of currency depreciation which may occur in forward exchange arrangement is minimized if not completely eliminated.

#### **The Disadvantages:**

- (a) There is no gain as a result of home currency appreciation to an importer
- (b) It is difficult to forecast short term exchange rates because of the complex interrelationships and unpredictability of certain factors affecting it.
- (c) This method of transaction provides no insurance cover (Wood and Bryne, 1981:60).

#### **The Forward Market Transaction**

A forward exchange contract is a transaction in which foreign exchange are bought or sold for delivery at a future date at a prearranged exchange rate. In a

forward transaction, no currency will change hands between the buyer and the seller until the maturity date of the contract. This maturity date is calculated from the delivery date of the spot (two clear working days from the date of the contract plus the forward period). On maturity date, the delivery of the foreign currency is effected at the agreed exchange rate, irrespective of what happens to the rate in the intervening period. The rate at which this transaction is effected is called forward rate and is invariably expressed in relation to the spot rate ruling at the time the forward rate was quoted.

These market facilities are meant to protect exporters and importers of foreign currencies from the risk of exchange rate changes, that is, the forward market facilities protect exporters and importers of foreign currencies from the uncertainties that may come as a result of exchange rate fluctuations. There is often a time gap between the signing of a sale contract and the receipt of payment by exporters and actual remittance of payments by importers. During this period, the exchange rate can change, thereby causing loss to the traders. This loss could be eliminated by entering into a forward transaction. For instance, if an importer who buys goods today has to pay for the goods in a foreign currency one month from today, it may be convenient to buy the currency now for delivery in a month. Similarly, an investor in foreign securities who has money due in a fortnight may find it convenient to sell that currency for delivery in two weeks. These measures are taken, in order to eliminate or reduce to the barest minimum, the losses that may occur as a result of changes in the exchange rate (Luckett, 1984:509-517).

The forward market deals have the following characteristics:

- (a) There are no cash flows to an investor in a forward contract until the settlement date.
- (b) This transaction is always designed initially to have a zero value, but as expectations change, their value can become positive or negative.
- (c) With a forward contract, you obligate yourself to buy or sell a commodity, some time in the future at a particular price.
- (d) The transaction may not be standardized. The terms of the contracts, including the forward price, are set by the parties to the contracts through negotiation.
- (e) In some cases, securities are required as guarantee that the obligation of to forward

contract will be met.

- (f) The terms of the contract (the forward price, maturity date, the grade or type of currency or commodity acceptable for delivery, the pace of delivery) can be more precisely tailored to the needs of the buyers and sellers (Haugen, 1990:510-511).

#### **Advantages:**

- (a) In effect, the contract means that foreign currency is converted into local currency on the date it is entered into.
- (b) The customer needs not worry about exchange rate developments.
- (c) It serves as an insurance cover to the spot transaction.
- (d) The customer is placed on equal basis with competitors who invoiced in local currency.
- (e) The customer is able to ascertain production costs as well as profit on a particular contract.

#### **Disadvantages:**

- (a) The forward market does not provide an adequate safeguard against exchange risks.
- (b) The forward rates sometimes turn out to be a poor predictor of the future spot rate.
- (c) The insurance cover for which it was meant to provide for spot deals may not be properly accomplished (Pike and Neale, 1996:432).

#### **Economic Implications Of The Spot And Forward Market Transactions**

Most of the buyers and sellers of currency in the market react to certain changes that take place in the economy such as a fall in value of currency, a cut in interest rates (which may result in making the currency a less attractive investment), increased importation and attractiveness of alternative currencies. These factors increase the number of sellers in the market. On the other hand, factors such as improved economy (showing exceptional growth which may lead to a rise in currency value) higher interest rate (resulting in the attractiveness of the currency investment), currency undervaluation in relation to other currencies and increase exporting, will similarly increase the number of buyers in the market (Henderson, 1988:225).

The decisions on whether to buy or sell are based on what the operators want to agree on in terms of the price for the currency in which they want to trade as soon as possible. These activities have various

economic implications. In the first place, there will be spot arbitrage transactions which will bring about a consistent determination of all foreign exchange rates, that is, it integrates, the foreign exchanges so that a single market is formed for all currencies. These arbitrage transactions would be to change the exchange rates which continue to change until arbitrage is no longer profitable (Lockett, 1984:508-509).

Also, most businessmen in the economy may be saddled with the problem of exchange risks arising from the fact that exchange rates are not fixed, but vary daily. This may affect the value of a transaction, making the deal unprofitable. An attempt by investors to avoid this risk usually implies also losing the opportunity for the same amount of gain resulting in the market remaining at a fix. Again, a movement of foreign funds into a country tends to increase that country's reserves of foreign currency and places the receiving country in a better position to meet a temporary disequilibrium in its international payments. Spot market deals reduces banks' reserves of foreign currency in that, when a bank buys spot currency to increase its nostro balance as cover for the forward sale, it has to pay out an equivalent amount of domestic currency or another convertible currency, thereby reducing its reserves of foreign currency (Henderson, 1988:224-225).

The nostro balances here refers to deficient or decreasing balances of banks which the financial institutions have to increase. In doing this, they buy spot currency which obviously reduces their foreign currency reserves because of paying out the convertible currency in their reserves.

In terms of the forward transactions, there are some risks in entering into a forward contract with a customer because if a customer promises to sell a certain amount of currency but fails to do so, this may leave the bank having to buy the currency at the spot rate. This rate may be quite different from the contracted rate and the bank could make losses, resulting in a reduction in the foreign exchange reserves of the bank and nation as a whole.

Also, this market arrangement permits foreign traders and investors to hedge. Hedging is a means of shifting the risk of a possible movement in the exchange rate to someone else. Also, in some cases, customers know what currency they will need to buy or sell in the

future and are able to make arrangements in advance, often as a way of avoiding exchange risk. The customer does not have to pay at the time of the contract, but is committed to dealing at the agreed special forward rate which will not normally be the same as spot rates (Henderson, 1988:226).

Following from above, it is important to point out three specific possible alternative relationships between the forward transaction and the corresponding spot transaction at par, premium and at a discount. Forward transaction is at par with the corresponding spot transaction if the forward exchanges are worth as much as the spot exchanges. This means that relevant foreign currency can be purchased or sold at the same rate as the spot exchanges. When forward exchange are worth more or are dearer than the spot exchanges, they are said to be at a premium (which is synonymous with "dearer" or "costlier"). Obviously, when a currency is costlier or dearer, it can be purchased only at a higher price, that is, more units of the local currency have to be paid for the same units of the foreign currency or less units of the foreign currency can be bought with the same units of local currency.

If forward exchanges are worth less than the corresponding spot exchanges, they are said to be at a discount. Thus, forward exchanges are at a discount if more units of the foreign currency can be purchased with the same units of the domestic currency, as compared to what it can purchase for spot delivery. Or, the same units of the foreign currency on forward delivery can be purchased with less units of domestic currency as compared to spot purchases (Egbahese, 1990: 44-45).

### **Empirical Review**

This section is set out to present and analyse the data on the variables involved in the work. These variables include the volume of the spot and forward transactions, exchange rates, the real gross domestic product (GDP), inflation rate and external reserves from 1980-2008. (i.e. a period of 28 years). The major focus here is to establish the relationships that exist among the variables of the foreign exchange transactions and those of economic development such as external reserve, inflation rate and real gross domestic product as reflected on table 3.1 below.

TABLE 3.1: Relationship between Spot/Forward transactions, exchange rate and real gross domestic product, inflation rates and external (1980-2008)

Period	Spot transactions (N'm)	Forward transactions (N'm)	Exchange rate US \$/N	Real GDP (N'm)	Annual Inflation Rate (%)	External Reserves (N'm)
1980	81.48	2.16	0.55	31.55	10.00	5,445.6
1981	53.21	2.86	0.61	205.22	21.42	2,424.8
1982	69.09	2.90	0.67	199.69	7.16	1,026.5
1983	151.11	3.46	0.72	185.60	23.22	781.7
1984	324.84	4.68	0.77	183.56	40.71	1,143.8
1985	323.94	4.72	0.89	201.04	4.67	1,641.1
1986	106.44	4.88	2.02	205.97	5.39	3,587.4
1987	16.82	5.18	4.02	204.81	10.18	4,643.3
1988	77.39	5.06	4.54	219.88	56.04	3,272.7
1989	42.49	11.17	7.39	236.73	50.47	13,457.1
1990	44.40	11.39	8.04	267.55	7.50	34,953.1
1991	35.54	12.33	9.91	265.38	12.70	44,349.6
1992	17.59	17.3	17.3	271.37	44.81	13,992.5
1993	62.32	26.42	22.1	274.83	57.17	67,245.6
1994	174.04	49.92	21.89	275.45	57.03	30,455.9
1995	2.16	75.60	81.02	281.41	72.81	40,333.2
1996	2.39	85.37	81.25	293.75	29.29	174,309.9
1997	4.54	90.01	81.64	302.02	10.67	262,198.5
1998	3.53	98.01	83.81	310.89	7.86	226,702.4
1999	6.14	102.25	92.34	312.18	6.62	546,873.1
2000	9.24	105.74	100.12	329.18	6.94	1,090,148.0
2001	15.30	122.16	111.52	356.99	18.87	1,181,652.0
2002	14.00	134.82	120.47	433.20	12.89	1,013,514.0
2003	13.45	134.82	129.22	477.53	14.03	1,065,093.0
2004	14.00	134.82	133.00	527.58	15.01	2,232,837.0
2005	115.10	351.02	131.10	561.93	17.85	3,647,998.7
2006	301.78	382.98	128.14	595.82	8.24	5,425,578.6
2007	200.91	280.01	125.06	634.25	5.38	6,055,717.0
2008	301.01	300.00	118.57	674.89	11.60	7,025,727,727.7

Source: CBN Statistical Bulletin for the various years.

The table above shows that between 1980 and 1985, when forward transactions and exchange rates were always increasing and spot transaction highly fluctuating, economic development variables showed wild fluctuations. Within this period, spot transactions fluctuated between N69.09 million and N323.94 million, while forward transaction ranged from N2.16 million to N4.72 million as exchange rates rose from 0.55 kobo per dollar in 1980 to 0.89 kobo per dollar in 1985. As the volume of transaction and exchange rate fluctuated, the real gross domestic product and inflation rates followed suit. For instance, the real GDP rose from N31.55 million in 1980 to N201.04 million in 1985, while inflation rate ranged from ten percent (10%), forty percent (40%) to four percent (04%) respectively in 1980, 1984 and 1985. External reserves reduced from US\$ 5,445.6 million in 1980 to US\$781.7 million in 1983 and to US\$ 1,641.1 million in 1985.

The forward transactions rate continued to rise from N4.88 million in 1986 to N12.33 million in 1991 as the exchange rate increased from N2.02kobo per dollar to 9.91 kobo per dollar within the same period. Spot transactions cracked from N106.44 million to N35.54million while the real GDP remain stable within this period, rising from N204.81million to N265.38 million. Annual inflation rate rather kicked from 5.39% to 56.04% and dropped to 12.70% in 1991. The trend of external reserves within this period was reasonably stable increasing from US\$3,272million to US\$ 44,249.6 million.

Between 1992 and 1997 the spot transaction had declined sharply N17.59million to N4.54million as forward transaction and exchange rate kept rising from N17.3million to N90.01million and 17.3% to 81.64% respectively. The real GDP within this period increased from N271.37million to N302.02million. During this period the annual inflation rate also

increased with real GDP from 44.81% in 1992 to 72.81% in 1995 and dropped to 10.67% in 1997.

The spot and forward transactions and exchange rate maintained their pattern as in the previous year from 1998 to 2002. However, GDP rose from N310.89 million to N477.53 million while inflation rate jumped from 7.9% to 14% as external reserves rose from US\$226,702.4 million to US\$1,065,093.0million. This period was a good one compared to others.

The period from 2004 to 2008 witnessed a turning point for spot transaction as it rose from N14.00million to N301.01million naira. The forward transaction rose to N300.00million while exchange rate for the first five years dropped from 133.00 per dollar to 118.57 per dollar. By this time, real GDP had risen to N674.89million, inflation rate reduced to 11.60% while external reserves continued to rise from N2.2million to N7.03 million.

### **Summary, Recommendations And Conclusion**

#### **Discussion**

The analysis above revealed that between 1980 and 1991, the economic development variables were highly fluctuating. The real GDP had increased at reducing rates meaning that the domestic market was not stabilized resulting in the negative impact on economic development. Inflation rate was highly unstable and unpredictable while external reserves was reducing. This showed that as exchange rate and forward transactions increased, the external reserves reduced indicating an inverse relationship. From 1992 to 2003 spot transactions was not really stable. After rising from N17.59 million to N174.04million in 1994, it reduced drastically to N13.45 million in 2003. This time, a positive relationship exist between forward transactions, exchange rate and real gross domestic product (GDP) as the increased in GDP resulted in increased in exchange rate and forward transactions. In other words, the domestic market had significant improvement. External reserves significantly improved along this line while the inflation rate remains high, until 1997 when it dropped to 10.67% and 6.62% respectively. However, it increased to 14.03% in 2003.

It was only within the period 2004 and 2008, that spot transaction showed some element of sharp increment rising from N14.00million in 2004 to N301.01million

in 2008. The GDP and foreign reserves moved in the same direction with forward transactions and exchange rate. The fluctuating nature of inflation rate caused by high demand for foreign currencies and greater dependency on imports exert negative impact on economic development. For instance, it creates too much money in circulation with physical output of goods and services. Although some elements of improvement have been recorded in terms of the real gross domestic product, it appears not sufficient to anchor sustainable economic development as the waves of inflation heightened on daily basis.

#### **Summary**

The aim of this paper was to examine the impact of the spot and forward transactions on economic development in Nigeria. The paper identified high dependency on imports, depreciating value of naira due to high exchange rate and high inflation rate among others as some of the major problems facing economic development in Nigeria. To this end, it became imperative to established the relationship that exist between the spot and forward transactions, foreign exchange rate and real GDP, inflation rate and external reserves. It was therefore discovered that:

- (i) Spot transactions were highly fluctuating until 2004 when it showed signs of significant improvement.
- (ii) Between 1980 and 1991, the economic development variables were highly unstable meaning that development in the domestic market were transcend as inflation rate was unstable and external reserves reducing.
- (iii) An inverse relationship was therefore noted between external reserves, forward transactions and exchange rate from 1980 to 1991.
- (iv) Between 1992 and 2003, a positive relationship had exist between real GDP, exchange rate and forward transactions. Some remarkable improvements took place in the domestic market leading to significant increase in external reserves.
- (v) Above all, the improvements recorded between 2004 and 2008 in the economy resulted in increase in the tempo of economic activities and attendant increase in the demand for foreign exchange. As the demand for foreign currencies increased, exchange rate and inflation rate increased as well.

### Recommendations

In this paper, the following recommendations have been made:

- (i) The monetary authorities should monitor the market closely to detect unfavourable fluctuations and intervene in time to harmonize the spot rates with the economic realities on ground in order to facilitate the availability and flow of the needed foreign exchange for optimum utilization that could lead to economic development in the country.
- (ii) Measures such as encouragement of entrepreneurship and development of the real sector of the economic through the provision of the needed infrastructure and technology should be adopted to promote availability of goods and services locally to minimize importations. This will reduce the demand for foreign exchange and the associated increase in the foreign exchange rate and inflation rate in the economy.
- (iii) Activities of unauthorised and unofficial dealers in foreign exchange market should be properly controlled by the CBN to reduce the level of fluctuations in foreign exchange transactions and its subsequent negative impact on external reserve position of the country.
- (iv) Sensitisation workshops should be organized from time to time to create public awareness on the implications of unfair and unethical practices in the foreign exchange market as the affect economic development and the welfare of the Nigerian citizens.

### Conclusion

The spot and forward transactions are worth being undertaken but unless the monetary authorities monitor the market closely and harmonised spot rates with economic realities, the implementation of the exchange policies in isolation would not solve the problem. Apart from this, other recommendations made should also be taken into consideration.

### References

- Aliber, R. Z. (1983). *International Monetary Game*. (4<sup>th</sup> Edition) (London: Macmillan Publishers).
- Chandler, L. V. (1973). *The Economics of Money and Banking*. (6<sup>th</sup> edition) (London: Harper and Row Publisher Inc.)
- Cooper, R. et al (1983). *Money, the Financial System and Economic Policy*. (Sydney: Addison – Wesley Publishing Company).
- Egbaheze, T. S. (1990). *Foreign Exchange and Financing of Foreign Trade*. (London: Harper and Row Publishers Inc.)
- Gropelli, A. A. and Nikbatht E. (1990) *Finance*, (2<sup>nd</sup> edition) (USA: Barrons Educational Services Incorporated).
- Haugen, R. A. (1990) *Modern Investment Theory*. (2<sup>nd</sup> edition) (New Jersey, Prentice Hall Inc.)
- Henderson, M. J. (1988). *Banking Operations: The Complete Course Text*. (London: DP Publication Ltd).
- Lukett D.G (1984). *Money and Banking* (USA: McGraw-Hill Inc.)
- Ubom, A. U. (2004). "The Dutch Auction System: How Realistic?" *The Enterprises, International Research Journal for Development*. Vol. 6 Vol. 2 pp. 18-26. April –June.
- Ubom, A. U. (2010). "Foreign Exchange Flows and Economics Development in Nigeria. A paper presented during the 2<sup>nd</sup> Annual International Conference on Business and Public Policy Organised by CED, Uniuyo, Nigeria in Collaboration with the University of Northern Virginia, Annandale, VA, USA.
- Ubom, A. U. (2010). "Impact of Financial Crisis on Foreign Exchange Flows in Nigeria" *Journal of Administrative Sciences*, Vol. 1, No. 1 pp. 218-231.
- Weisweiller, R. (1972). *Foreign Exchange*. (London: George Allen and Urwin Limited).
- Wood, D. and Bryne, J. (1981). *International Business Finance*. (London: Macmillan Press Limited).