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Newspapers' Reportage of the Foreign Exchange (Forex) Market in Nigeria

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Abstract- This paper investigates the Newspaper Reportage of Foreign Exchange (FOREX) Market in Nigeria 2015-2016. Specific objectives of the study are; to ascertain the prominence given by newspapers to the Nigerian FOREX market, to determine the frequency of coverage, to determine the source of stories and most importantly to find out the level of interpretation of foreign exchange stories. This was achieved through a review of related literature. A content analytical method was adopted for the study. Vanguard, The Sun and The Nation newspapers were purposively selected, and a sample size of 84 editions of the chosen newspapers was analyzed. A total of 144 stories issues was derived from the sample size and used to address the research questions. Findings revealed that there was low prominence given to stories of foreign exchange, this was justified by the frequency 131(91%) stories buried inside pages of the selected newspapers, the frequency of publication had a considerable coverage of 144 stories, the source of stories were mostly from the media which had 87(60%) stories, most importantly the level of interpretation was very low as 120(83%) stories were straight news which is a sketchy report. The study recommends that the foreign exchange market should be adequately covered in various columns like editorials, features, special reports, etc, for a detailed interpretation of the story to readers.

Keywords: *newspaper coverage, foreign exchange, market.*

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Anthony Ekwueme [α] & Onah Joy Afomachukwu [σ]

Abstract- This paper investigates the Newspaper Reportage of Foreign Exchange (FOREX) Market in Nigeria 2015-2016. Specific objectives of the study are; to ascertain the prominence given by newspapers to the Nigerian FOREX market, to determine the frequency of coverage, to determine the source of stories and most importantly to find out the level of interpretation of foreign exchange stories. This was achieved through a review of related literature. A content analytical method was adopted for the study. Vanguard, The Sun and The Nation newspapers were purposively selected, and a sample size of 84 editions of the chosen newspapers was analyzed. A total of 144 stories issues was derived from the sample size and used to address the research questions. Findings revealed that there was low prominence given to stories of foreign exchange, this was justified by the frequency 131(91%) stories buried inside pages of the selected newspapers, the frequency of publication had a considerable coverage of 144 stories, the source of stories were mostly from the media which had 87(60%) stories, most importantly the level of interpretation was very low as 120(83%) stories were straight news which is a sketchy report. The study recommends that the foreign exchange market should be adequately covered in various columns like editorials, features, special reports, etc, for a detailed interpretation of the story to readers.

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I. Introduction

The current economic downturn in Nigeria started in 2015 when there was a critical fall in the value of the Naira against the dollar, with the attendant rise and fall in the local currency. The fluctuations of currency have a great influence or impact on the economy of any country, and Nigeria cannot be an exception. B smart (2015) opined that the floating exchange rate of major world economies usually results in currency fluctuation. He also stated that "a common fallacy is to think that a weak local currency can cause a huge overall economic drag which would result in job losses and render business noncompetitive".

The economy of Nigeria was seriously affected in 2015 and 2016 as Nigeria suffered an alarming decline due to insufficient supply of foreign exchange combined with other varying factors like decline in oil price which is the largest source of foreign exchange (forex) earnings in Nigeria, with 80%. In the light of this economic situation, the Central Bank of Nigeria (CBN) introduced monetary policies that imposed certain restrictions on forex which helped in shoring up the value of the Naira.

But the media is not left out as they have a great role because the idea of news depends on what the media places emphasis on. Boulding (1969) cited in Pate (1992) stated that part of "the functions of the media in every country, is to inform the citizens about local and foreign affairs. Because of this role, people come to rely on the media as their major source of news, particularly news of events outside their immediate experience. Based on information obtained from their local media, they acquire knowledge, create images and form opinions about other nations and their institutions".

Newspapers create a general impression of how conducive the market is for investing or for momentarily retaining the investment for fear of loss, this shows that information makes any market work whether stock market or foreign exchange market, this helps and guide marketers to create profitable decisions. According to Schoenbach (2005),

> Printed newspapers are known to widen the range of public topics, events and issues their audience is aware of the way print newspapers are structured and used are supposed to lure readers in treading stories they may not have been interested in beforehand.
>
> Research shows that printed newspapers improve their readers 'knowledge of what is going on around them.... In general, newspaper reading raises awareness of a greater number of public affairs topics than other information channels do, e.g., television.

Newspapers play a significant role in setting agenda for the public, by giving detailed and accurate information of a story, thereby broaden the horizon of knowledge of the public who have either no knowledge or small interest(s) of a particular story of which the foreign exchange market is included.

Thus, the need to check if these newspapers have carried out their agenda-setting role is to be considered with recommended solution to identified shortfalls. And if the newspapers were actually

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concerned about forex development, how often were these stories published, not just publishing but how this tories were presented in the newspaper and interpreted. Based on the foregoing, this study seeks to find out if newspapers in Nigeria reported stories on forex market adequately in 2015 and 2016.

II. Statement of the Problem

Benita and Lauterbach (2004) stated that exchange rate fluctuations have economic costs that impact inflation, firm profitability and economic stability. The internationalization of capital markets has led to greater flows of money between market exchanges and in the cross-listing of firms. The appreciation of a currency reduces its ability to compete for exports; thereby hurting the domestic stock market (Yucel & Kurt, 2003).

Newspapers do more than just reporting; newspaper stories should be investigative and interpretative. There is a great need for the change of direction in reporting than ordinarily disseminating information. The inability of newspapers to interpret or proffer solutions especially on economic issues as foreign exchange could be traceable to this fact.

The major function of the press is the dissemination of information in a manner that the audience can understand and relate with what those reports are about. Given the technical nature of the forex market, there is the great need for economic and foreign exchange oriented information to be available and accessible to people at all levels of the society, of which a critical factor to considered is how to translate or interpret this information into increased development for the public through the available channels of public communication, including national dailies.

To ascertain if the press in Nigeria has been living up to this role in line with the agenda-setting theory, this study will examine three national newspapers to find out if issues of foreign exchange were adequately covered and interpreted to readers.

III. Objectives of Study

1. To ascertain if newspapers give prominence to the stories on foreign exchange market
2. To find out the frequency of coverage of developments in the foreign exchange market.
3. To determine the sources of published items on foreign exchange
4. To find out the level of interpretation and focus given to stories on the foreign exchange market.

a) Research Questions

1. What level of prominence is given by newspapers to foreign exchange market stories?
2. What is the frequency of coverage of stories in the foreign exchange market?
3. What is the source of stories published by newspapers on foreign exchange?
4. What is the level of interpretation and focus given to foreign exchange stories?

b) Significance of Study

The study will be relevant to retail investors, local insurance companies or pension funds, or international portfolio managers. The study will be used further to guide them in making more effective investment decisions. Policy makers such as experts in the Federal Ministry of Finance and the various ministries of Finance in the states of the federation also stand to gain from this study.

This study comes as a guide to Financial correspondents and their editors on how the nation's foreign exchange market should be reported. This is as it tasks them to go beyond stating the facts, into leading the average readers through the technicalities contained therein so that he or she can get a good grasp of the issues.

This work will be of immense benefit to the academia as it will be an addition to existing literature, and serve as a basis for future research by academicians and scholars. It will also add to existing knowledge on the subject matter of foreign currency stability and their impact on the market, thereby contributing to academic reference materials. And also serve as a treasure for general reading in the academic communities.

IV. Literature Review

a) Media Reportage of Global Economic Issues/Crises

According to Igbinoba (2009)"Printed newspapers serve as a significant function for the public agenda in that they broaden the knowledge base of the public who have a rather small range of interest (s)."Some of the key findings noted by Adeyanju and Okwori (2006:24) from their review of scholarly writings on the state of Nigerian media were outlined thus:

Training needs to be increased to address the dearth of quality, and to promote ethical journalism.

1. The Freedom of information Bill needs to become law.
2. The American profit-driven model of media is not serving Nigeria's needs.
3. A developmental philosophy is needed among journalists.
4. State interference in media activity must come to an end for the media to play their full democratic and developmental roles.
5. Community-based radios with Internet connectivity could play an important role in democratic development.
6. Television output must respect the needs of the viewer to fulfill its potential.

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7. Citing Gochoco-Bautista (2008:42) in Igbinoba O. A. (2009):

The print media have largely relied on press briefings of officials to report on the measures being contemplated or undertaken by the government. In this respect, they have been able to effectively communicate the position of government and the steps being taken to address specific problems. However, there does not appear to be a broader perspective of the problem, with only sect oral, reporting on monetary policy from the central bank and fiscal policy from the Department of Finance.

While much mainstream media attention is on the details of the financial crisis, and some of its causes, it also needs to be put into context (though not diminishing its severity) (Shah, 2009). Osadolor (200 1:5 1) cited in Orhewere and Kur (2004:62) state that 'the images media men convey, the stories they filter, the angle and direction at which they mirror events, the interpretations and signpost they provide can influence for the better or, the worse.' Orhewere and Kur (2004:54) are of the view that responsible media practice is one in which the media ensure their reports are void of inaccuracies, distortions, confusion, an error of facts, etc. They suggest 'that balance, objectivity, and accuracy, the hallmark of sound journalism, must be observed for any responsible reporting.

b) Foreign Exchange (FOREX)

Foreign exchange (FOREX) has been a major concept in international banking. Without foreign exchange, international banking would be impossible as it represents the financial part of the commercial transactions which was conducted through the payment and settlement systems of the banks (Osundina, Jayeoba, Olayinka & Moses, 2016).

Thus, foreign exchange as defined by the Business Dictionary (2015) "is any currency other than the local currency which is used in settling international transactions and also a system of trading in and converting the currency of one country into that of another." In the same vein, foreign exchange includes monetary authorities' claims on foreigners in the form of bank deposits, treasury bills, short term and long term government securities and other claims usable in the event of a balance of payment deficit, including non-marketable claims arising from inter-central bank and intergovernmental arrangements, without regard to whether the claim is denominated in the currency of the debtor or the creditor. The foreign exchange market was said to have been established due to the large volume of foreign exchange required by banks to make and pay for their transactions (Babazadeh & Farrokhnejad, 2012).

The foreign exchange came into existence with the advent of international trade as a result of different communities with different cultures and currencies. External trade or international trade is said to underpin human material existence (Umoren, 2006). This statement has been proved true throughout history by our daily activities, as individuals, organizations, and governments require some form of foreign goods or services for one purpose or the other.

c) The Foreign Exchange Market in Nigeria

The evolution of the foreign exchange market in Nigeria up to its present state is influenced by some factors such as the changing pattern of international trade, institutional changes in the economy and structural shifts in production. Before the establishment of the Central Bank of Nigeria (CBN) in 1958 and the enactment of the Exchange Control Act of 1962, foreign exchange was earned by the private sector and held in balances abroad by commercial banks which acted as agents for local exporters. During this period, agricultural exports contributed the bulk of foreign exchange receipts. The fact that the Nigerian pound was tied to the British pound sterling at par, with easy convertibility, delayed the development of an active foreign exchange market. However, with the establishment of the CBN and the subsequent centralization of foreign exchange authority in the Bank, the need to develop a local foreign exchange market became paramount. (Central Bank of Nigeria CBN)

The increased export of crude oil in the early 1970s, and the sharp rise in its prices, enhanced official foreign exchange receipts. The foreign exchange market experienced a boom during this period, and the management of foreign exchange resources became necessary to ensure that shortages did not arise. However, it was not until 1982 that comprehensive exchange controls were applied as a result of the foreign exchange crisis that set in that year. The increasing demand for foreign exchange at a time when the supply was shrinking encouraged the development of a flourishing parallel market for foreign exchange. (Central Bank of Nigeria CBN)

The exchange control system was unable to evolve an appropriate mechanism for foreign exchange allocation in consonance with the goal of internal balance. This led to the introduction of the Second-tier Foreign Exchange Market (SFEM) in September 1986. Under SFEM, the determination of the Naira exchange rate and allocation of foreign exchange were based on market forces to enlarge the scope of the Foreign Exchange Market. Bureau de Change was introduced in 1989 for dealing in privately sourced foreign exchange. (Central Bank of Nigeria CBN)

As a result of volatility in rates, further reforms were introduced in the Foreign Exchange Market in 1994. These includes the formal pegging of the naira exchange rate, the centralization of foreign exchange in the CBN, the restriction of Bureau de Change to buy foreign exchange as agents of the CBN, the

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reaffirmation of the illegality of the parallel market and the discontinuation of open accounts and bills for collection as means of payments sectors. (Central Bank of Nigeria CBN).

The Foreign Exchange Market was liberalized in 1995 with the introduction of an Autonomous Foreign Exchange Market (AFEM) for the sale of foreign exchange to end-users by the CBN through selected authorized dealers at market-determined the exchange rate. In addition, Bureau de Change was once more accorded the status of authorized buyers and sellers of foreign exchange. The Foreign Exchange Market was further liberalized in October 1999 with the introduction of an Inter-bank Foreign Exchange Market (IFEM). (Central Bank of Nigeria CBN)

d) Foreign Exchange Management

According to Central Bank of Nigeria Annual Report (2015),the Bank employed the Retail Dutch Auction System (RDAS) as the mechanism for foreign exchange management until February 18, 2015, when the window was closed, and all eligible demands for foreign exchange moved to the interbank segment. Measures were taken to curb the demand pressure in the foreign exchange market, as well as conserve the external reserves and unwholesome practices by authorized dealers. The continued fall in the price of crude oil since the last quarter of 2014 weakened the external sector in 2015. The external reserves fell from US$34.24 billion at end-December 2014 to US$28.28 billion at end-December 2015. As a result, there was severe pressure on the exchange rate and the premium at the interbank and BDC rates widened, fuelling arbitrage activities in the market. The Bank also excluded 41 items from the list of goods valid for foreign exchange at the official window and limited the usage of naira-denominated cards overseas to US$300 per person, per day. Also, the weekly foreign exchange cash sale to BDCs was reviewed from US$15,000.00 to US$10,000.00 per BDC in December 2015. The minimum capital requirement of N35.0 million for BDCs was maintained and ownership of multiple BDCs prohibited.

e) Foreign Exchange Flows

Available data showed that total foreign exchange inflow into the economy decreased by 36.3 percent to US$99.76 billion from the level in 2014. A disaggregation of the inflow showed that the CBN accounted for US$33.53 billion or 33.6 percent, while autonomous sources accounted for the balance of US$66.23 billion or 66.4 percent.

Aggregate foreign exchange outflow through the economy during the review period fell by 26.4 percent to US$41.40 billion. A breakdown showed that the outflow through the CBN was US$38.35 billion, indicating 30.1 percent below the level in the preceding year. The outflow through autonomous sources, however, raised two-folds above the level in the preceding year, to US$3.05 billion accounting for 7.4 percent of the total. The economy recorded a net inflow of US$58.36 billion, compared with US$100.27 billion in 2014. This development was due, largely, to the decline in inflow through the CBN and autonomous sources during the review period.

A disaggregation of inflow through autonomous sources showed that invisible purchases, non-oil export receipts by banks, and capital inflow, accounted for US$61.78 billion, US$4.37 billion and US$0.08 billion, respectively. Invisible purchases comprised over-the-counter (OTC) and ordinary domiciliary account purchases, each of which amounted to US$32.10 billion (52.0%) and US$29.68 billion (48.0%), respectively. A further breakdown of OTC purchases indicated that oil companies, capital importation, home remittances, and other OTC purchases accounted for 29.5, 30.2, 2.6 and 37.7 percent of the total, respectively. Similarly, at US$3.05 billion, total outflow through autonomous sources consisted mainly of payments for imports and invisible at US$0.69 billion and US$2.36 billion, respectively.

Further analysis showed that inflow and outflow through the CBN were US$33.53 billion and US$38.35 billion, respectively, in 2015, compared with US$46.59 billion and US$54.83 billion, respectively, in 2014. Consequently, the foreign exchange flow through the CBN was a lower net outflow of US$4.82 billion in the review year, compared with the net outflow of US$8.24 billion in the preceding year. A breakdown of foreign exchange inflow through the CBN indicated that crude oil export receipts decreased by 50.1 percent to US$19.27 billion, from the level in 2014, due mainly to the slump in crude oil prices since the last quarter of 2014.

However, the non-oil component of the inflow through the Bank rose substantially by 79.0 percent to US$14.26 billion in 2015, over the level in the preceding year. This was attributed, largely, to increased swap contracts and other official receipts, which grew by 43.1 and 149.4 per cent, respectively, above the levels in 2014. The reduction in foreign exchange outflow through the CBN was due, mainly, to the reduced interventions at the inter-bank segment by the Bank, by 30.1 per cent to US$38.35 billion, from US$54.83 billion in the preceding year.

Aggregate outflow through foreign exchange utilization in 2015 comprised: RDAS sales, US$3.18 billion; RDAS forwards, US$2.94 billion; inter-bank sales, US$18.31 billion; BDC sales, US$3.94 billion; and swaps, US$4.95 billion. The decline in RDAS sales of 90.2 per cent below the level in 2014 was due to the closure of the official spot segment on February 18, 2015. Similarly, sales in the BDC segment fell by 11.4 per cent, from US$4.45 billion in the preceding year, due to the downward review of the weekly foreign exchange

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sales per BDC from US$15,000.00 to US$10,000.00. At the RDAS forwards segment, disbursement of foreign contracts fell by 11.1 per cent below the US$3.31 billion recorded in 2014.

The outflow of foreign exchange for payment of external debt service and National Independent Priority Projects (NIPP) rose by 1.2 and 81.8 per cent to US$0.37 billion and US$0.12 billion, respectively, from the levels in the preceding year. Other official payments and drawings on letters of credit (L/Cs), however, fell by 35.8 and 27.6 per cent from the respective levels in the preceding year, to US$3.62 billion and US$0.25 billion. The decrease in other official payments was attributed, largely, to the contraction in the disbursement of foreign exchange to parastatals and estacode, and miscellaneous payments. Also, payments for the Nigeria National Petroleum Corporation/Joint Venture Cash (NNPC/JVC) calls and international organizations and embassies fell respectively by 74.7 and 22.2 percent to US$0.86 billion and US$0.31 billion below the levels in 2014.

Foreign exchange inflow and outflow through the CBN fell by 35.8 and 18.5 percent, respectively, and resulted in a net outflow of US$0.62 billion in Q4 of 2015.Autonomous inflow into the economy fell by 18.9 percent in Q4 2015.

Channels Television (2017) reported that the total Foreign Exchange inflows into Nigeria fall at 46.86% in 2016, the lowest value since the series started in 2007, and a new set of data released on Wednesday by the statistics office. The report shows that Nigeria receives capital importation totaling 5.12 billion Dollars in 2016 lower than 9.64 billion Dollars inflow in 2015.The decline cuts across direct portfolio and other investments into Africa's largest economy in 2016 when the economy went into recession and the value of the local currency became lower than 40%.The report says that the total portfolio investment was down by 69.81%, but the Foreign Direct Investments was 27.83% between 2015 and 2016.Meanwhile, other investments portfolio increased by a mere 3.48% in 2016 was due to increase in loans.

f) Currency Effects

Vanguard (2015) reported that currency fluctuations impact heavily on the economy of any nation but the majority of times, Individual and businesses that operate only locally are unaware of these consequences. Floating exchange rates of major world economies usually result in currency fluctuation. A common fallacy is to think that a strong local currency is better than a weak one. However, an exceedingly strong currency can cause a huge overall economic drag which would result in job losses and render businesses noncompetitive.

Although domestic consumers suffer in a weaker economy due to increase in the prices of imported goods and higher costs of overseas travel; in reality, a weak economy is more beneficial economically. The worth of the domestic currency in the forex market is a significant instrument for every central bank and forms the foundation for the nation's monetary policy. (Vanguard Dec 25, 2015).

g) Foreign exchange investments

A lot of factors like relative supply and demand of the currency pairs, economic outlook and inflation stance, differences in interest rates, cash flows and so on determine the exchange rate of one currency against another. The constant fluctuations of these factors from time to time results to the change of currency values. As these factors are generally in a state of perpetual fluctuation, currency values fluctuate from one moment to the other. (Vanguard Dec 25, 2015).

Despite the fact that a nation's currency rate ought to be determined by the primary economy, most times, the reverse is the case, because massive flow of a currency can determine the wealth and growth of a nation's economy. Investing in foreign countries involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in monetary and taxation policies in foreign countries can improve or reduce returns. (Vanguard Dec 25, 2015).

h) Nigerian forex market and currency effects

Vanguard (2015) still reported that the economy of Nigeria was badly hit this year. Nigeria has suffered a shocking downturn in 2015 due to insufficient supply of foreign exchange occasioned among other factors by the sharp decline in the global price of oil. Nigeria is ranked as the 12th and 8th global largest producer and exporter of crude oil respectively with petroleum accounting for the largest chunk of the country's foreign exchange earnings. Crude oil accounts for 80% percent of total government revenue and about 40% of the nation's GDP.

The steady fall in the price of crude oil and the corresponding decline in the supply of forex resulted to a depreciation of naira against US dollars given that the Nigerian economy is currently crude oil dependent. The lowered supply of forex (dollar) and increase in the demand for dollar caused the official rate of a dollar to reach 198 naira in the official market and 280 naira at the street market on the 18th of December, 2015.(Vanguard Dec 25, 2015).

To tackle the precarious financial situation of the country, CBN introduced monetary policies that imposed certain restrictions on forex. These, forced businesses to resort to the street market for access to forex, and this led to massive December 18, dollar exchange rate. Bureau De Change operators said that the sharp decline in the value of naira to dollar was due to the further drop in the broadsheet sales of the dollar by CBN. (Vanguard Dec. 25, 2015).

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i) Overview of Nigerian Forex Market

The Forex market is the most traded Nigerian financial markets and officially operates under three sections:

1. The Central Bank (CBN) which is the Primary Market,
2. The OTC which is Secondary Market and;
3. The Bureau-de-Change which is the street Market/ black market.

The CBN is the largest dealer and leader in the Nigerian Forex market while the OTC market is the most influential and decisive market. The currencies that are being traded in Nigeria Forex market are: the USD, Canadian Dollars (CAD), Swiss Francs (CHF), Euros (EUR), Pound Sterling (GBP), Japanese Yen (JPY) and South African Rand (ZAR) while the most traded currency pair is the USD/NGN. This explains the upward trend of dollar rate against naira in forex market given the global fall in oil price. (Vanguard Dec 25, 2015).

j) 2015 Forex Market Analysis

Vanguard (2015) reports that the Nigerian forex market analysis by FMDQ OTC securities illustrated in the figure below shows that forex transaction between member-client exerted a dominant effect consisting of 67.43% total volume of trade. Member- member trade volume accounted for 14.13% trade volume while member-CBN trade accounted for 18.25% trade participation within the year. The index also shows that trade participation in the Forex market YTD amounts to a total of 279,309 trades implying a daily trade volume of 1,390.

Nigeria's foreign Forex reserves fell 3.14 percent to $30.48 billion by September 23 from $31.47 billion in August, according to data published by Central Bank of Nigeria. This trend of insufficient supply of forex by the greenback in the Nigeria foreign exchange market is adversely affecting businesses in Nigeria who want to use or transfer US dollars abroad.(Vanguard Dec. 25, 2015).

Few factors that have contributed to the distortion in the Nigeria forex market are:

1. Huge drop in foreign exchange inflow due to anxiety over the election year.
2. The significant fall in the price of oil and the fact that Nigeria is oil-dominated economy.
3. A rise in interest rates: The US Federal Reserve also raised interest rates for federal funds by 0.25 percent to 0.5 percent. This as well contributed to a further strengthening of the dollar.

k) The 2015 downward trend of Nigeria economy and fall of the value of Naira

The year 2015 started with the depreciation of naira against the US dollar at the rate of N202 per a dollar at the street market in January. This downward trend continued throughout the year and hit its worst this December. Brent crude which averaged $52 per barrel in January dropped to $37 per barrel on 18th of December, 2015. The economic tension of 2015 forced the CBN to devalue Naira two times, and although many foreign investors and financial analyst advocated for further devaluation of the Naira, the Federal Government and CBN has remained adamant to the call.

CBN hopes that the tight monetary policies and measures taken to minimize liquidities will reduce inflation, increase reserve and strengthen naira. The benchmark interest rate was left for the major part of the year at 13 percent and finally reduced to 11 percent, the lowest since 2009. There is a significant drop in the trade volume of NGN/USD this year from what it was the last year 2014.The present inflation in the country is the greatest since 1999 as a result of almost total dependence on oil which is by and large determined by the global market. (Vanguard Dec. 25, 2015).

l) Empirical Review

Findings in the study by Gayatri (1993) entitled: "A Content Analysis of International News in India Today and Time Magazine from 1992 To May 1993" showed that there was an imbalance in international news coverage by both magazines as many topics are never reported. Though this study was not conducted in Nigeria, it reflects the fact that most media either newspaper or magazine have low coverage of stories that are important to the economy of a country.

In another study entitled: "The Impact of Public Information on the Stock Market" by Mitchell and Mulherin(1994),it was stated that the relationship between the number of news announcements reported daily by Dow Jones and Co. and the aggregate measures and stock market activity including trading volume and returns. This research found out that the number of Dow Jones announcements and market activity were directly related. Likewise, *New York Times* headlines and major macroeconomic announcements and information sources such as dividend capture and triple switching rating were found to influence the financial markets. The study, however, admitted that news and market activity did not have a strong correlation and the analysis of the study confirms the difficulty of linking volume and volatility to observed measures of information.

Percival (2013) in his study "How Newspaper-Article-Events, Other Stock Market Indices, And The Foreign Currency Rate Affect The Philippine Stock Market" the research found out that the bunch or bundles of information with varied subjects or those concentrated on certain political or economic issues are significantly correlated and, they possess the tendency to affect the movement of the stocks or currency market.

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V. Theoretical Framework

a) Agenda-Setting Theory

The agenda-setting theory was propounded by Maxwell McCombs and Donald Shaw in the 1970s. As defined by McCombs M and Reynolds A (2002) the agenda-setting theory describes the "ability [of the news media] to influence the salience of topics on the public agenda." This signifies that when news article is promoted in regards to frequency and prominence and coverage, the more the audiences will give importance to it. Citing Shaw E.F. (1979):

> The agenda-setting theory says that because of newspapers, television, and other news media, people are aware or not aware, pay attention to or neglect, play up or downgrade specific features of the public scene. People tend to include or exclude from their cognitions what the media include or exclude from their content. People also tend to assign an importance to what they include that closely resembles the emphasis given to events, issues, and persons by the mass media. The agenda-setting function of the mass media implies a potentially massive influence whose full dimensions and consequences have yet to be investigated and appreciated. The media's role in a nation's political, economic, social, and intellectual life and their influence on a person's cultural and religious values, sexual and leisure norms, work and play behavior may be far greater than the agenda-setting theory presently defines it. For the basic claim of agenda-setting theory is that people's understanding of much of social reality is copied from the media.

The import of this theory is that there is a close relationship between the manner in which the news media present issues and the importance accorded by those exposed to the news. (Antigha 2005: 150).It implies that the mass media predetermine what issues are regarded as important at a given time in a given society. (Folarin 1998: 68). Given this, Wogu (2008) believes that people consider those things reported in the media and that major issues discussed by the society are introduced by the media.

Therefore, applying the agenda-setting theory to this study implies that frequent selection and projection of stories on economic issues such as foreign exchange will rouse public discussion on it which may prompt or influence government reaction and alignment to economic policies appropriately.

VI. Research Method

a) Research Design

Since this study seeks to examine and analyze newspapers, the content analysis technique is more appropriate and applicable to the study.

b) Population of Study

These include the entire national newspapers in the country. According to the Nigerian Press Council (NPC), there are 267 (two hundred and seven) registered newspapers in Nigeria (NPC, library 2016). But, it is difficult and probably impossible to study all the publications. Hence need for sampling.

c) Sample Size

It is difficult to deal with an entire population in a research study, especially when the population is large and scattered across a large expanse of territory spanning across Nigeria, hence the need for a sample size. Three national dailies were purposively selected. These include: Vanguard newspapers, The Sun newspapers and, The Nation newspapers. This is because they cover national issues, have a wide readership and wide circulation. A total of 84 editions of the three selected newspapers were used as the sample size for this study.

d) Sampling Technique

The multi-staged sampling was adopted for this study.

First, three newspapers were purposively selected for this study, namely: The Vanguard, Daily Sun and The Nations newspaper. The three were chosen because of their wide readership and circulation.

Then, the simple random sampling was also used to choose the number of editions to be analyzed. This was necessary to avoid making the work clumsy by using all editions of the three newspapers published within the period of study. A period of two years was chosen, January 2015 to December 2016. The continuous and constructed weeks sampling was used for both 2015 and 2016 to determine the dates and editions to be studied.

For continuous weeks, one week was randomly selected for 2015 from the 52 weeks of the year another one week was randomly selected for 2016 from the 52 weeks represented in a ballot box.

For the constructed weeks for both 2015 and 2016, the researcher picked seven times randomly from the 52 weeks in a box. The first week picked, the Sunday which is the beginning of the week was studied to represent that week, the second week Monday, the third week Tuesday, fourth week Wednesday, fifth week Thursday, sixth week Friday, and the seventh week Saturday. The same procedure of sampling is applied for both years.

VII. Instrument of Data Collection

The coding sheet is used here. It is used to collect quantitative data from the content analyzed in the newspapers.

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Table 1: Content categories guide for the study

Unit Analysis	Content Category	Code Number
(A) Newspaper	Vanguard Daily Sun The Nation	01 02 03
(B) Interpretation	Straight news Editorial Feature story Interview Opinion/columnist Pictures Cartoon	01 02 03 04 05 06 07
(C) Prominence	Front page Back page Center spread Inside page	01 02 03 04
(D) Source	Government official Media Citizen Bank	01 02 03 04

The coding categories and unit of analysis were formed to cover all the variables and answer the research question.

VIII. Data Presentation and Analysis

a) Method of Data Analysis

Results were obtained by analyzing the coded data from the sample frames of three selected newspapers during the study period. The results presented addresses the four research questions raised to content analyze the foreign exchange market in Nigeria by three newspapers from January 2015 to December 2016. (2years). Decisions and conclusions were drawn based on table, frequencies, percentage, and charts.

b) Data Presentation and Analysis

A total of 84 copies of newspapers were content analyzed, that is 28 editions of each of the three. In these, a total 144 foreign exchange stories were published. This was made up of 62(43%) stories in the Vanguard, 39(27%) in The Sun and 43(30%) in The Nation. A total 28 editions were published without the story on forex. This was made up of six editions in Vanguard, 11 in Daily Sun and 11 in The Nation.

Table I

S/N	Newspapers	No of Editions	No of Editions With Story	No of Editions Without Story	No of Stories	%
1	Vanguard	28	22	6	62	43
2	The Sun	28	17	11	39	27
3	The Nation	28	17	11	43	30
	Total	84	56	28	144	100

This table shows the number of the edition of newspapers studied for this research. It also shows the number of stories gotten from the 84 editions.

Table II: Research Question One: What level of prominence is given by newspapers to foreign exchange market stories?

s/n	Story Genre	Vanguard		The Sun		The Nation		Total	
		Frequency	%	Frequency	%	Frequency	%	Frequency	%
1	Front page	6	10	1	3	4	9	11	8
2	Back page	-	-	-	-	-	-	-	-
3	Centre spread	-	-	1	3	1	2	2	1
4	Inside page	56	90	37	94	38	89	131	91
Total		62	100	39	100	43	100	144	100

Source: Vanguard, The Sun, The Nation content 2015 & 2016

The table above is a representation of the level of prominence of foreign exchange market stories by the selected newspapers. It revealed that stories on forex market were not given prominence by the three newspapers as most of the stories with an average of 91% were only published in the inside pages.

Table III: Research Question Two: What is the frequency of coverage of stories in the foreign exchange market?

s/n	Newspaper	Frequency	%
1	Vanguard	62	43
2	The Sun	39	27
3	The Nation	43	30
Total		144	100

Source: Vanguard, The Sun, The Nation content 2015 & 2016

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Table 3 shows the frequency of 144 stories published by the three newspapers on forex market in Nigeria. Vanguard published more stories on forex than other.

Table V: Research Question Three: What is the source of stories published by newspapers on foreign exchange?

s/n	Story Genre								
		Frequency	%	Frequency	%	Frequency	%	Frequency	%
1	Government	9	15	6	15	4	9	19	13
2	Citizen	1	1	3	8	3	7	7	5
3	Media	31	50	26	67	30	70	87	60
4	Bank	21	34	4	10	6	14	31	22
Total		62	100	39	100	43	100	144	100
Source: Vanguard, The Sun, The Nation content 2015 & 2016									

The table above is a representation of the source of stories of foreign exchange market by the selected newspapers. The media with 87(60%) sources indicates that the selected newspaper had a considerable coverage of the story.

Table VII: Research Question Four: What is the level of interpretation and focus given to foreign exchange stories?

s/n	Story Genre	Vanguard		The Sun		The Nation		Total	
		Frequency	%	Frequency	%	Frequency	%	Frequency	%
1	Straight news	57	91	28	71	35	82	120	83
2	Editorial	1	2	4	10	1	2	6	5
3	Feature	2	3	1	3	2	5	5	3
4	Pictures	0	0	1	3	1	2	2	1
5	Interviews	0	0	3	7	0	0	3	2
6	Opinions/column	1	2	1	3	4	9	6	5
7	Cartoon	1	2	1	3	0	0	2	1
Total		62	100	39	100	43	100	144	100

Source: Vanguard, The Sun & The Nation Content 2015 & 2016

Tables 5 above indicate that most of the stories were straight news stories with a frequency of 120 that is 80% of 144 stories published were purely straight news which is poor. The implication of this is that the level of interpretation and analysis related to foreign exchange market is poor.

IX. Discussion of Findings

a) *Research Question One: What level of prominence is given by newspapers to foreign exchange market stories?*

The findings of the study show that stories on the foreign exchange market were given low prominence. This owes to the fact that most of the stories were buried inside the pages of the three newspapers studied. Out of the 144 stories published, 11(8%) stories were published in the front page, 2(1%) in the center spread page of the newspapers; no story was published at the back page, 131(90%) stories were published in the inside page of the newspapers. In placement of these stories of the 11 stories on the front pages, Vanguard had 6(10%) stories, The Sun 1(2%) stories, and The Nation 4(9%) stories. In the center spread Vanguard had no story, The Sun 1(3%), and The Nation 2(1%) which is very poor. The back page of the three newspapers had no story on foreign exchange that means no prominence at all was given on the back page. On the inside pages which had most of the stories, Vanguard published 56(90%) which is the highest, The Sun 37(94%) and The Nation 38(89%). Based on this findings the selected newspapers did not consider issues on foreign exchange significant to the public, out of 144 stories published only 11 stories which are 8 percent(%) was published in front page and 131 stories which are 90 percent(%), that most of the stories were in the inside pages of the selected newspaper which is very poor as foreign exchange is an economic issue therefore should be given more prominence either on the back page, front page or center spread of the newspapers.

Ohaja (2003, p.16) pointed out that, "…. a story displayed on the front page is more prominent than one tucked into the inside page. The ranking usually descends from (4) front page, to (3) back page, then (2) centre spread and the least score (1) goes to inside pages." going by these ranking is obvious that with most stories on the inside page of the selected newspapers shows that a very low prominence was given to stories on foreign exchange in 2015 and 2016.

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b) *Research Question Two: What is the frequency of coverage of stories in the foreign exchange market?*

The frequency table shows that 84 editions of the selected newspapers were analyzed, 56 editions had stories on foreign exchange and 28 editions without stories, out of the 56 editions analyzed 144 stories were on foreign exchange market in Nigeria. Vanguard had 62(43%) stories on foreign exchange, The Sun 39(27%) stories, and The Nation 43(30%) stories. Vanguard had the highest story followed by The Nation and lastly The Sun.

Based on this findings, the study revealed that stories on foreign exchange market was represented to an average extent, vanguard had the highest content published on foreign exchange with 62 stories and a percentage of 43% The Nation and The Sun had a low frequency on foreign exchange stories, this is because most contents on the newspaper pages are commercials, rather than economic news stories or stories that are beneficiary to the public. Most pages of the selected newspapers were filled with advertisements, obituaries this shows that newspapers place more priority and target at the profit which should not be a primary reason for publication. In line with these findings Gayatri (1993) in his study "A Content Analysis of International News in India Today and Time Magazine from 1992 To May 1993" the findings also showed that there was an imbalance in international news coverage by both magazines as many topics were never reported. Though this study was not in Nigeria, it reflects the fact that most media either newspaper or magazine have low coverage on stories that are important to the economy of a country.

The media are viewed and perceived as agenda-setters and development advocates, the role of the media in development lies in the ability to educate, inform and mobilize people through information dissemination, they should be able to carry out these functions as they are socially responsible to the society. This study, therefore, does not disprove earlier studies on high coverage of economic issues in Nigeria; rather this study maintains that the frequency given to foreign exchange stories in Nigeria as at the time of study is low as only Vanguard had up to 62(43%) stories out of the 144 stories.

c) *Research Question Three: What is the source of stories published by newspapers on foreign exchange?*

From table 5 and figure 3 above revealed that the sources of most stories analyzed were from the media which is a positive one. Out of the 144 stories analyzed 87(60%) of the stories were from the media, 19(13%) from the government, 7(5%) from citizens, and 31(22%) from the bank. Out of the 62 stories published Vanguard 31(50%) of the stories were from a media source, from 39 stories 26(67%) stories in The Sun were media source, and the Nation had 30(70%) stories from a media source. Vanguard and The Nation had just a difference of 1, but Vanguard still had the highest stories from the media source. With a total of 87 and a percentage of 60%, it shows that the media did well to cover most stories though as straight news stories but the agenda was set.

Though they were other sources of stories on foreign exchange especially the bank, it is important that the media investigate and publish these stories either as editorial or straight news stories for better interpretation of the stories and avoid being biased. Therefore, based on findings of this study the stories from media sources were more, which is a positive result.

Research Question four: What is the level of interpretation and focus given to foreign exchange stories?

Findings show that the level of interpretation and analysis by the selected newspapers was poor because most of the stories were published as straight news stories as shown in table 6 above 120(83%) stories were straight news, Vanguard had 57(91%) stories as straight news, The Sun 28(71%), and The Nation 35(82%). Story genre like editorial which should have more economic stories had only 6(5%) stories in the three newspapers analyzed which is very poor, feature stories were only 5(3%) from the selected newspapers.

Gabriel(2012) stated "we as media-consumers are not just consuming the quantity of information but we are actually consuming the interpretation of the information-supplier" this study goes against this statement because news stories were given more attention by the selected newspaper signifying a very poor interpretation and analysis because news stories are mostly sketchy information unlike feature stories. And for a topic like foreign exchange which is an economic issue that has to do with figures should be fully interpreted and analyzed for full understanding by the public to know how and when the forex market is favourable, also interpret some government polices based on foreign exchange market in Nigeria.

X. Conclusion

This study has taken a critical look at newspapers' coverage of the foreign exchange market in Nigeria. Three national dailies were selected and analyzed. From the analysis of a sample size of 84 editions, 56 editions had stories on foreign exchange while 28 editions had no story, a total of 144 stories published from the 56 editions of the selected newspapers were studied.

In the findings, it was discovered that the selected newspapers did not give considerable prominence to issues on the foreign exchange market in Nigeria. The research also revealed that only Vanguard gave a considerable frequency to issues on forex,

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therefore, the frequency given by the selected newspapers was poor. Most of the stories were from media sources signifying that the selected newspapers covered stories on forex but failed to give a considerable interpretation to these stories. These findings dispute the statement of Gabriel (2012) who revealed that "we as media-consumers are not just consuming the quantity of information but we are actually consuming the interpretation of the information-supplier"

The implication of these findings is that the selected newspapers representing the total population gave considerable attention to issues on the foreign exchange market but failed to attach more prominence and interpretation to these stories to the benefit of the average reader.

XI. Recommendations

1. Further research should be done to reexamine the coverage of foreign exchange market in Nigeria from different years and observe the change over a period to show if there are any significant differences in the sample period.
2. Foreign exchange matters should be covered adequately not just as a straight news but in other forms such as business, editorial, feature, education, etc. This is expected for enhancement and interpretation of forex market being an economic and development issues in Nigeria.
3. To achieve this objective, reporters and editors of newspapers should be trained in reporting and editing economic, financial and development issues respectively, because it is a field that requires special skills.
4. Newspapers should not only concentrate on political and commercials, advertisements etc as major issues in reporting, but should also cater for the needs of those who want to be kept abreast of developments in the forex market.
5. The practice of `participatory' and 'investigative journalism' should be supported by journalists, who report from the field.
6. Granted that financial reporters may not have the intellectual capacity to effectively interpret issues in the forex market to readers, newspapers should hire financial experts who would be required to make inputs by way of explanations on every story that has to do with the forex market.

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