

Review Form 3

Journal Name:	Asian Journal of Probability and Statistics
Manuscript Number:	Ms_AJPAS_124685
Title of the Manuscript:	The Role of Central Bank of Nigeria in Exchange Rate Stabilization
Type of the Article	

Review Form 3

PART 1: Review Comments

Compulsory REVISION comments	Reviewer's comment	Author's Feedback(Please correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
Please write a few sentences regarding the importance of this manuscript for the scientific community. Why do you like (or dislike) this manuscript? A minimumof 3-4 sentences may be required for this part.	This paper provides a valuable contribution to understanding the role of the Central Bank of Nigeria in exchange rate stabilization. The use of the GARCH model is appropriate, and the results offer useful insights for policymakers. However, improvements can be made in the clarity of the theoretical framework, the robustness of the methodology, and the depth of the discussion.	Noted
Is the title of the article suitable? (If not please suggest an alternative title)	yes	Thanks
Is the abstract of the article comprehensive? Do you suggest the addition (or deletion) of some points in this section? Please write your suggestions here.	<ul style="list-style-type: none">• The abstract could be more concise. Some phrases, such as "the exact impact on the volatility variable (conditional variance)," can be simplified without losing meaning.• The conclusion could be sharper in stating the significance and implications of the findings for policy recommendations. For instance, briefly mention how CBN can improve its monetary interventions.	Revision made
Are subsections and structure of the manuscript appropriate?	yes	
Please write a few sentences regarding the scientific correctness of this manuscript. Why do you think that this manuscript is scientifically robust and technically sound? A minimumof 3-4 sentences may be required for this part.	By addressing the following comments, the paper's contribution to the literature and policy will be enhanced significantly.	OK
Are the references sufficient and recent? If you have suggestions of additional references, please mention them in the review form. =	<ul style="list-style-type: none">• The references must be updated Ensure that all references are up-to-date and relevant to the topic. Additionally, check for consistency in citation style throughout the paper.	Effectuated

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<div>Minor REVISION comments</div> <div>Is the language/English quality of the article suitable for scholarly communications?</div>	<div><ul style="list-style-type: none">The paper contains a few grammatical and stylistic issues that should be addressed. A language edit would improve clarity and readability.</div>	
<div>Optional/General comments</div>	<div>Reviewer's comment</div> <div><div>2. Introduction</div><div><ul style="list-style-type: none">Some sections are overly descriptive, such as the historical discussion of global financial systems. Consider tightening this discussion to maintain focus on Nigeria's specific context.The introduction could benefit from a clearer articulation of the research gap. The mention of existing studies on exchange rate fluctuation is good, but it would help to explicitly state how this paper contributes uniquely to the literature.</div></div> <div><div>3. Literature Review</div><div><ul style="list-style-type: none">The literature review could be better structured. Consider grouping the literature into sub-themes, such as "Monetary Policy and Exchange Rate" and "Volatility Models in Exchange Rate Analysis."More critical engagement with the literature is needed. For instance, while existing studies are mentioned, there is little discussion of how they compare or contradict each other.Incorporate more recent studies (post-2017) to reflect current developments in monetary policy and exchange rate stability.</div></div> <div><div>4. Theoretical Framework</div><div><ul style="list-style-type: none">The paper does not fully explain why these theories are particularly applicable to Nigeria's context. Consider providing more discussion on the relevance of these models in light of Nigeria's specific economic conditions.While the Mundell-Fleming model is well-established, it might help to briefly discuss other competing theories that could also explain exchange rate fluctuations, such as the interest rate parity theory.</div></div> <div><div>5. Methodology</div><div><ul style="list-style-type: none">The selection of variables, such as policy interest rate (PIR), money supply (MS), and CBN foreign exchange intervention (FXI), is reasonable. However, a stronger justification for these choices would improve the methodology. Why were these specific proxies chosen over alternatives, and are there any limitations?More detailed discussion on the data collection process is needed. For instance, were there any data limitations or periods where data quality was compromised?The GARCH model specification is clear, but additional robustness checks, such as testing alternative lags in the model, would enhance the credibility of the results.</div></div> <div><div>6. Empirical Results</div><div><ul style="list-style-type: none">While the coefficients are statistically significant, the paper could provide more detailed interpretation of the economic significance of these results. For instance, explain more clearly why money supply has a negative impact on exchange rate stability.The empirical results should be compared more explicitly to findings from other studies. Do the results align with or contradict existing literature on exchange rate stability in Nigeria?The inclusion of residuals and standard residual graphs is useful. However, adding graphical representations of the volatility (e.g., a volatility clustering graph) would make the results more accessible.</div></div> <div><div>7. Discussion</div><div><ul style="list-style-type: none">The discussion could be expanded to provide more concrete policy recommendations. For instance, how should the CBN adjust its interventions in light of persistent exchange rate volatility?</div></div>	

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	<ul style="list-style-type: none">The discussion should more explicitly address the limitations of the study. For example, are there any potential biases in the data or limitations in the GARCH model that may have affected the results? <hr/> 8. Conclusion <ul style="list-style-type: none">The conclusion could be strengthened by offering specific suggestions for future research. For instance, the paper could recommend further exploration into the effects of fiscal policy or external shocks (e.g., oil price fluctuations) on Nigeria's exchange rate.The conclusion should highlight the broader implications of these findings beyond Nigeria. How could other developing countries learn from Nigeria's experience in managing exchange rate stability? <hr/>	
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PART 2:

	Reviewer's comment	Author's comment <i>(if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)</i>
Are there ethical issues in this manuscript?	<i>(If yes, Kindly please write down the ethical issues here in details)</i>	