



SDI Review Form 1.6

Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	2013_BJEMT_6931
Title of the Manuscript:	Are Exchange Rates in Nigeria Useful in Predicting Global Commodity Prices?
Type of the Article	Research Paper

General guideline for Peer Review process:

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.

To know the complete guideline for Peer Review process, reviewers are requested to visit this link:

(<http://www.sciencedomain.org/page.php?id=sdi-general-editorial-policy#Peer-Review-Guideline>)

PART 1: Review Comments

	Reviewer's comment	Author's comment (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)
Compulsory REVISION comments	1. The result needs to be discussed what you have done was a mere interpretation of result. So, discuss your result more comprehensively. Note this is an important issue.	The interpretation of the result is made alongside the table reporting the findings. The section 6.0 is devoted to a comprehensive discussion of the results and the policy implications of each outcome. Check 6.0 section of the



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		manuscript for confirmation of this.
<u>Minor</u> REVISION comments	1. On the methodology, the is advised to also check for instantaneous causation by including in RHS of the model current values of exogenous variable. 2. the was unable to manage his unit root tests. You can use one method and give a more robust analysis. The idea of using a third method would have been justified if the first two gave a contrast results.	1. Kindly check the revised model specification. This is explicit. 2. Each of the methods has individual weaknesses; as such strong analysis requires the concurrent use of the tests for a strong robustness check. The recent of the three is Ng-Perror test which incorporate weaknesses in the previous unitroot tests
<u>Optional/General</u> comments	You advise to use another commodity price since oil price are exogeneously determined. This may not give you better policy prescription because of wrong index or basis used.	In fact, the exogenous nature of the oil price is the major advantage of seeking a possibility of predicting its price through the use of domestic information of variable such as exchange rate of domestic currency. If the price is endogeneously determined, then there may not be a strong need for seeking other variable for its predictability. Going by the findings of this study, the local behavior of Nigeria exchange rate will assist local policy makers to plan against the future behavior of the oil price which is not known through the information on the local exchange rate behavior.



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		If another price is used (in fact other price is used; see non-oil commodity price (COP) in the study), it does not mean the price is endogenously determined. Really, none of the global commodity price could be endogenous to any single country's economy. Remember that each economy is insignificant when the global economy is being considered. However, if an economy is significantly large to influence the behavior of the price of a given commodity, then it is another case entirely. But in the study of global commodity pricing, Nigeria economy is insignificant.
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