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Sentiment News in the Nigerian REIT Market: Source and its Dynamic Nature

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Abstract

Market fundamentals have been replaced by biased news, and sentiment plays a significant role in shaping investment decisions in stock trading, particularly in the developing property stock market. In this study, we assess the source and dynamic nature of sentiment news in the Nigerian REIT market, aimed at providing information on the prominent source of sentiment news and its dynamic effects on the REIT market condition. The study adopts a direct survey method, and Nigerian stockbrokers were surveyed through a close-ended questionnaire instrument. A total of 95 registered stockbrokers were surveyed, out of which a total of 65 valid responses were collected and analysed by weighted mean score and a stepwise regression model. The result showed that the prominent source of biased news in the property stock market is pronouncements/announcements on economic indices and capital markets. The REIT market is more active, with often *buying decision*s during the optimistic market mood driven by good news. The pessimism market condition is characterised by the decision *to sell*, often dominated by pessimistic investors; the optimistic investors take caution, leading to a dull market and a low return on investment. Findings also revealed that sentiment news from pronouncements/announcements significantly explains the dynamic behaviour of investors during the optimistic market condition; the media/press report significantly explains investor behaviour towards property stock in the pessimism market condition. The study concluded that the need to examine irrational

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behaviour attributed to sentiment news is imperative to optimal investment decisions when thinking of investment in the REIT market.

Keywords: *Sentiment News; Real Estate; REIT Market, Nature; Source*.

1. Introduction

Sentiment news is systematically biased information about stock trading in the capital market. The biased news lacks basic market merits, generates noise, causes anomalies, and makes underlying market fundamentals and technical analysis difficult to prove (Mian and Sankaraguruswam, 2012). Small investors, who dominate the capital market and trade on noise as if it were information, are the primary drivers of sentiment news. They engage in herding trading behaviour, capitalise on information availability, demonstrate overconfidence and influence by the whims of other investors' decisions, and exhibit irrational behaviour (Awuor, 2017; Panga et al., 2018). The irrational behaviour of investors creates stock mispricing (undervalue or overvalue). Authors have argued the empirical evidence irrational behaviour of investors, driven by sentiments in the capital market, negates the efficient market hypothesis, which conceptualised that stock price reflects current market information (Xiong et al., 2020; Nguyen and Pham, 2018; Kanwal et al., 2017).

The dimension, diffusion, and impacts of sentiment news vary across the stock market. The variation is linked to the level of market transparency and maturity. An established property stock market is more stable and less asymmetric compared to an emerging market such as Nigeria. The Nigerian Real Estate Investment Trust (REIT) market is one of the oldest on the continent of Africa; its operation is still relatively young in the global REIT market space. Notwithstanding, the property stock market is not free from sentiment shock, and its consequential effects constitute what determines the dynamics in the property stock market. Previous studies have identified various sources of sentiment news in the capital market. Also, authors have reached a consensus on the two major natures of sentiment, namely optimistic and pessimistic (Curatola et al., 2016; Xavier and Machado, 2017).

Curatola et al. (2016) posited that in bullish market sentiment, investors with optimistic moods want to acquire new stocks and increase their trade volume and capital for investment; therefore, the market trend is 'to sell' stock. Meanwhile, Xavier and Machado's (2017) study is indifferent, as the authors report the non-significant relationship between investor optimism/pessimism with the decision to sell in the Brazilian financial market. Park (2015) noted that an optimistic market mood (good news) enhances earning capacity and sustains stock performance. Anusakumar et al. (2017) concluded that investor sentiment is dynamic and varies from country to country.

Literature in behavioural studies on the emerging market, especially the Nigeria property stock market, is underrepresented. The previous study on the Nigerian REIT market used a classical finance approach to assess the market situation (Olanrele et al., 2019; Dabara, 2021; Olanrele et al., 2020). In this paper, we examine the effect of biased (sentiment) news on the trading behaviour of investors, taking into consideration the uniqueness of the Nigerian REIT market. However, the research question addressed by this study is the magnitude and the dynamic implications of sentiment news in the local REIT market. To achieve this, the study investigates the source and dynamic nature of sentiment news in the property stock market.

First, the paper identifies the source of the sentiment to expose the prominent source(s). In the literature, the source of sentiment has been categorised into three (3) broad factors, such as news from pronouncements, media reports, and market surveys (Zhou, 2018). These sources are analysed in the Nigerian REIT market. Second, we examine the nature of the sentiment news in the REIT market. The sentiment of the news can be optimistic or pessimistic. The former is characterised by up-market, driven by good news, and the return is high. The latter is characterised by dull market events due to the spread of bad information in the stock market. Both the two market conditions are examined, and the major decision taken by the investors as to whether to buy or sell when the market is up or down.

Finally, we assess the relationship between the source and the dynamic nature of the market conditions. This was done to reveal the source of sentiment news that better explains the dynamic decision-making in the optimistic period and which source has a better prediction of market reaction to sentiment in the pessimistic period. Our result will provide novel insight into the importance of investor behaviour for optimal investment decisions, especially in an emerging REIT market such as Nigeria.

2. Literature review

Financial investment decision-making is more complex, with the odds of idiosyncratic risk. In the stock market, investors are faced with a variety of investment options, each with its own unique opportunities and inherent threats. Most importantly, in the face of uncertainty, investors jostle for decisions as to whether to sell, buy, or hold stock. The investment decision-making process is influenced by many factors, and the rationale for the influencing factors is gathering academic research momentum in the finance literature. One of the prominent influencing factors is investor sentiment, and its dynamic implications have been documented in the finance literature. In their study, Luong and Ha (2011) stressed that 'buying' and 'selling' are two major decisions taken in a sentiment-driven capital market.

From the perspective of the general stock market, Ur Rehman et al. (2023) and Deng et al. (2024) posit that the sentiment-based predictive method exhibited high prediction accuracy, characterised by low risk, and was superior to the benchmark model. Li and Ahn (2024) discovered that pessimistic sentiment driven by negative news has a strong impact on stock returns, which is contrary to the prominent positive investor sentiment reported by Xie et al. (2023) and Kamath et al. (2024). Andleeb and Hassan (2024) detect a nonlinear relationship between investor sentiment and conditional volatility in both bear and bull market conditions. Chau et al. (2016) noted that sentiment-induced buying and selling is an important determinant of U.S. stock price variation.

Given the prevalence of the real estate stock market, a good number of studies have examined emerging issues connecting investor sentiment and listed property stock price dynamics. Chiang and Tsai (2023) deploy an error correction model to examine the effect of investor sentiment on the asymmetric price adjustment behaviours of REITs and find that the adjusted price behaviour of REITs shows asymmetric effects under different sentiment regimes. Ruscheinsky et al. (2018) found a significant relationship between media sentiment and future REIT market movement and recommended the incorporation of both positive and negative sentiment in REIT market forecasting.

In a period of market liquidity crisis, Huerta et al. (2016) examined the interconnection among investor sentiment, REIT return, and volatility, and reported that the sentiment of both individuals and institutional investors had a significant impact on REIT return during the liquidity crisis. In a similar study by Huerta-Sanchez and Escobari (2018), the authors evidenced larger impacts of bearish shifts in institutional investors' expectations of future

market conditions on REIT return and volatility, indicating an overreaction to negative news.

Das et al. (2015) investigated the influence of sentiment on the trading behaviour of institutional investors and asset pricing in the REIT market and discovered that sentiment-induced institutional trading behaviour of real estate investors incorporates a non-fundamental component into REIT pricing. In summary, the mixed findings and varying impacts of investor sentiment across different markets indicate the uniqueness and peculiarity of local REIT markets, highlighting the inappropriateness of generalising results.

Surprisingly, empirical investigation of investor sentiment and REITs in emerging markets such as Nigeria is lacking and long overdue. Previous studies that have examined the Nigerian REIT market in connection with emerging market fundamentals, including macroeconomic predictors of REIT returns (Fasanya and Adekoya, 2022; Olanrele et al., 2020; Olanrele et al., 2019), REIT market evolution and development (Dabara, 2022; Dabara and Ogunba, 2020), REIT market efficiency (Gil-Alana et al., 2023), and volatility (Fateye and Ajayi, 2023).

It is worthy of note that none of these studies have taken into account the impact of sentiment-induced emotional trading in the Nigerian REIT market, despite its proven significant influence on investor trading patterns and REIT stock price behaviour. This is a pioneering behavioural study of the Nigeria REIT market, focusing on the source and dynamic effects of sentiment news on both bearish and bullish REIT market conditions. The primary objectives of the study include identifying the prominent sources of sentiment news and major investment options in sentiment-induced options.

2.1. Theoretical Framework: Noise Trade Theory (NTT)

The term 'noise' concerning securities trading activities was first expressed in an article by Fischer Black, the president of the American Finance Association, dated back in 1985 (Black, 1986). Black explained noise in different dimensions. The author referred to noise as a causal factor of many small trading activities that are more powerful than a small number of larger events. As a contributor to market inefficiency, it prevents the participants from making good use of the market deficiencies. It is a form of uncertainty about the future, but it resists improvement through government interference. Noise makes fundamental and technical analyses difficult to practically establish, and financial and academic theories are difficult to prove. Hence, noise opposes information. Black (1986) argued that, in some instances, market participants often based their trading activities on noise as if it were information.

However, Noise Trade Theory (NTT) is one of the behavioural economic theories emanating from the field of psychology, which opposes classical economic theories. They advocated that in decision-making, human beings tend to subject themselves to 'cognitive bias' i.e., human beings are more confident in their judgment than empirical fact (Griffin and Tversky, 1992; Tversky and Kahneman, 1975). Madura and Richie (2004) added that individuals prefer considering *the subjective probability* approach to *prior probability* in their assessment when making decisions. Subjective probability is linked to how people preconceive events (trading activities in the market) in making their judgments rather than relying on market-based information. Noise trade theory explains *investors' irrationality in trading on financial stock markets*. The theory posits that investors possess different information-processing skills and may not think in the same direction. In the theory, investors are categorised into two categories: the informed and the noise trader. Informed investors are those whose decisions are based on market fundamentals. Their decision-making is based on an assessment of the basic information available in the market. On the

other hand, noise traders are those who trade on sentiment. The trading activities and decision-making process are formed on noise signals or sentiments that are preconceived to be the same as information (Black, 1986; De Long et al., 1990; Shleifer and Summers, 1990)

Black (1986) identified two major reasons why people trade based on noise in the liquidity market. The first is that people *like to do it,* and the second is that *people think they are trading on the information.* Generally, Cutler et al. (1989) classified the traders into two groups, namely, the *'positive'* and *'negative'* feedback traders. The positive feedback trader buys when stock prices rise, while the negative feedback trader sells. Studies have investigated the characteristics of the noise trader. For example, Sanders et al. (1996) characterised the noise trader as an uninformed trader whose demand largely depends on past prices. The authors added that noise trader demand is driven by the whims of sentiment, fads, and social trends. De Long et al. (1990) expressed that they are sentimental in trading and that their demand is random. Cutler et al. (1989) characterised them as retail or small speculators who trade on news that does not follow market fundamentals. Literature has documented works on the improvement, applications, and implications of noise trader theory (Barber et al., 2009; Bosman et al., 2015; Felix et al., 2018). Felix et al. (2018) studies showed evidence of the effects of noise trading activities on the general stock market.

3. Research methods

The study is quantitative, and a questionnaire-based field survey approach was adopted for data collection. The appropriateness of a questionnaire survey (direct approach) has been justified by previous studies (D'Hondt and Roger, 2017; Lux, 2011; Schmeling, 2009; and Fisher and Statman, 2003), especially in a situation where there is insufficient good secondary data. The study population comprises registered and active stockbrokers operating on the Nigerian Exchange Group (NGX). The use of stockbrokers as a proxy for individual investors is considered because they are active and major participants, very familiar with market dynamics, play intermediate roles, and virtually represent all categories of investors (individual, corporate, international, and government) in the capital market. A total of 116 registered and active stockbroker companies were identified across the country (NGX, 2022). The study concentrated on those locations with a higher presence of stockbroker companies, such as Lagos, Abuja, Ogun, Oyo, Port-Harcourt, and Kaduna. A total of 95 stockbroker companies were identified, out of which a total of 68 valid responses were retrieved and analysed, giving a response rate of 70.83%. The data were analysed by weighted mean score, standard deviation, skewness, maximum and minimum statistics, and stepwise regression estimation. The mathematical functions and operationalized input variables of the statistical methods used were explicitly expressed as follows:

3.1. Weighted Mean Score (WMS)

A weighted mean score is used to analyse ordinal variables measured on a scale point of preference (ascending or descending order). The mathematical function of the method is expressed in $Eqn\ 1$

$$MS = \frac{Wn_5 + Wn_4 + Wn_3 + Wn_2 + Wn_1}{N} \quad ---------Eqn\ 1$$

The equation ($Eqn\ 2$) can be re-writing as:

$$MS = \frac{\sum TWF}{N} \quad ----------Eqn\ 2$$

MS - Weighted Mean Score
W – Assigned weight to the scale (1-lowest to 5-highest)
N - Total number of sample
TWF - Total weighted Frequency
For clarity of scale measurement, the range of scales and their corresponding levels of measurement are presented in Table 1.

Table 1: Scale for Weighted Options

Likert Scale	Scale Range	Remarks
5	4.1 ≤ WMS ≤ 5.0	Strongly Agreed
4	3.1 ≤ WMS ≤ 4.0	Agreed
3	2.1 ≤ WMS ≤ 3.0	Neutral
2	1.1 ≤ WMS ≤ 2.0	Disagreed
1	0 ≤ WMS≤ 1.0	Strongly Disagreed

3.2. Regression Analysis

Regression analysis (stepwise) is deployed to measure the effects of the source of sentiment news on the dynamic nature of investor irrational behaviour. The explanatory (dependent) variables were the source of sentiment news, such as news from pronouncements (NP), media reports (MR), and market surveys (MS), while the dependent variables were the nature (optimism and pessimism) of sentiment news. The optimistic nature is driven by good news and is represented by ($G N_y$), while the pessimistic nature, which is induced by bad news is donated by (BN_y). The mathematical expression of the stepwise regression is expressed in Eqn 3 and Eqn 4 as thus:

Optimism market mood(GN_Y)

$$GN_Y = \propto + \beta_1 NP_1 + \beta_2 MR_2 + \beta_3 MS_3 + \varepsilon_t \qquad Eqn\ 3$$

Pessimism market mood(BN_Y)

$$BN_Y = \propto + \beta_1 NP_1 + \beta_2 MR_2 + \beta_3 MS_3 + \varepsilon_t \qquad Eqn\ 4$$

Where $\propto$ is the constant, β_i ($\beta_1, \beta_2, and\ \beta_3$) donates the coefficient of the respective source of sentiment news ($NP_1, MR_2\ and MS_3$) and measures their contribution to the dynamic nature of sentiment news in the optimism and pessimism market condition. ε_t is the error term and the variables are statistically significant at a 5% level of confidence ($p<.05$).

4. Results and discussion of findings

4.1. Profiles of the Respondents

The background profile of the respondents is presented in Table 2. The profiles examined were gender, age, highest educational qualification and relevant work experience in stock trading activities on the NGX floor.

Table 2: Profiles of the Respondents

Profile	Category	Frequency	Percentage (%)
Gender	Male	40	58.8
	Female	28	41.2
	Total	***68***	***100.0***
Age (in years)	18-25	1	1.5
	26-35	5	7.4
	36-45	28	41.2
	46-55	24	35.3
	56-65	7	10.3
	Over 65	3	4.4
	Total	***68***	***100.0***
Highest educational level	B. Sc./HND	37	54.4
	M.Sc./MBA	27	39.7
	Ph.D.	4	5.9
	Total	***68***	***100.0***
Relevant work experience in trading activities NGX	Below 5yrs	10	14.7
	5-10yrs	19	27.9
	11-15yrs	21	30.9
	16-20yrs	6	8.8
	Above 20yrs	12	17.6
	Total	***68***	***100.0***

Source: Field Survey (2022)

The results show that the survey exercise had more male (58.8%) participation than their female counterpart (41.2%). The categories of dominating age brackets were '36-45 years' and '46- 55 years' and the age categories account for 41.2 and 35.3%, respectively. For educational status, 54.4% had first-degree certificates (B.Sc./HND), 39.7% had obtained M.Sc. certificates, while the remaining set of respondents (5.9%) had attained PhD level in their academic pursuit. Also, the analysis of relevant work experience on stock trading activities on the NGX floor reveals that those with less than 5 years were very view (14.7%), while stock brokers with minimum relevant work experience in stock trading activities of 6 years and above account for 85.3%.

In summary, the profile statistics show that about 90% of respondents were aged 36 years and above. This age bracket represents the labour force and is expected to be dominant. All respondents (100%) had a minimum of a first-degree certificate, with about 85% having a minimum of 5 years of relevant work experience or more. This reflects the technicalities involved in stock brokerage, which requires a high level of qualifications and certification. The substantial number indicates that the study is well representative of both genders; the majority of respondents are well-educated, mature, and have relevant work experience in stock trading activities in the Nigerian capital market. Their background information suggests that their informed opinions are relevant and reliable to the subject matter of the study.

4.2. Prominent Source of Investor Sentiment News in the Nigerian REIT Market

The study examines the sources of sentiment news in the Nigerian REIT market, and the result is presented in Table 3. In the pronouncement/announcement category, news on the general economy has a mean score of 4.1176 and took 1st position, followed by news concerning the general stock market and capital market regulations/structures with both having mean scores of 3.9265 and 3.9118, respectively. Meanwhile, news on other securities, such as bonds (3.1471), was the least prominent source. For the analysis of the media/press report category, the prominent sources were reports on economic statistical bulletins, newspapers, and ratio/virtual transmission with respective mean scores of 3.8088, 3.6471, and 3.5441 and ranked 1st, 2nd, and 3rd in order of prominence.

The media report on the international market was the least source of sentiment news in that category. For the market survey, the outcomes of the market survey bulletin on Nigeria's capital market (3.8382), global REIT market index (3.8382), and Nigeria REIT market (3.7941) occupied the 1st, 2nd, and 3rd, respectively as the most prominent sources. However, the opinion survey of individuals/market participants with a mean score value of 3.3526 was the least prominent in that category. In addition, based on the average mean score statistics, pronouncement/announcement scored the highest (3.6848), followed by market survey (3.6407) and media/press report (3.5588) in that order of prominence as a source of sentiment news in the Nigeria REIT market. The result showed the presence of sentiment news in the property stock market and the potential of the broad sources at varying degrees of prominence.

Table 3: Source of Sentiment News in the REIT Market

Sources	News	Mean	Std. Dev.	Skew	Min.	Max.	Mean Rating
Pronouncement/ Announcement	General economy (FGN, CBN, NBS)	4.1176	.72337	-.182	3.00	5.00	1
	General stock market	3.9265	.63047	-.313	2.00	5.00	2
	Capital market regulations/structures	3.9118	.74784	-.295	2.00	5.00	3
	RES industry	3.5882	.71728	-1.195	2.00	5.00	4
	Terms and conditions of the trading	3.5735	.86931	-.022	2.00	5.00	5
	REIT specific	3.5294	.50285	-.121	3.00	4.00	6
	Other trading securities such as bonds, etc.	3.1471	.75833	-.254	2.00	4.00	7
	Average	***3.6848***					***Agreed***
Media/press report	Economic Statistical Report/Bulletins	3.8088	.69663	-.813	2.00	5.00	1
	Printing media (Newspaper)	3.6471	.61728	.394	3.00	5.00	2
	Radio/Virtual Transmission media	3.5441	.81833	-.819	1.00	5.00	3

	Parallel/Black Market Report	3.4853	.83742	-.188	2.00	5.00	4
	Experts FX Report /Statement	3.4706	.92188	-.147	2.00	5.00	5
	International stock market reporting	3.3971	.73586	.136	2.00	5.00	6
	Average	***3.5588***					***Agreed***
Market survey	Nigeria Capital Market bulletin	3.8382	.53561	-.139	3.00	5.00	1
	Global REIT market index	3.8382	.68263	-.075	2.00	5.00	1
	Nigeria REIT market bulletin	3.7941	.56142	-.032	3.00	5.00	3
	Corporate Institutions Opinion Survey	3.6912	.49648	-1.218	2.00	4.00	4
	FX expert survey	3.5147	.78213	.336	2.00	5.00	5
	Speculations	3.4559	.67876	.017	2.00	5.00	6
	Individual/Market participant opinion survey	3.3529	.72821	-.900	1.00	4.00	7
	Average	***3.6407***					***Agreed***

Source: Field Survey (2022)

The prominence of some sources of sentiment news can be attributed to many reasons. The unstable economic outlook and inconsistent regulations of capital market trading activities can create sentiment in a capital market. Investors are very sensitive to any pronouncement or announcement emanating from the exchange floor. This could cause overreactions among market participants, create biased trading, and trigger irrational investor behaviour. In addition, empirical evidence of the effect of the macroeconomic index, especially the local economic indicators such as interest, exchange, and inflation rates, has been reported by Olanrele et al. (2020). Also, breaking biased news on the REIT industry, such as the conduct, structure, management, opportunities and threats characterised by the REIT, may induce irrational trading behaviour (Dabara, 2022)

4.3. The Nature of Sentiment News in the Nigerian REIT Market

In Table 4, the study examines the dynamic nature of sentiment, namely optimism (good news) and pessimism (bad news), and the result shows that the REIT market is driven by good news (4.1912), and investors react sharply in optimistic market conditions. While the property stock market is less active in a pessimism period, bad news (2.9412).

Table 4: The Nature of Sentiment News in the Nigerian REIT Market

Nature	Mean	Std. Dev.	Skew	Min.	Max.	Mean Rank
Optimism (good news)	4.1912	.62908	-.536	2.00	5.00	1
Pessimism (bad news)	2.9412	1.27995	.113	1.00	5.00	2

Source: Field Survey (Fateye, 2022)

The result is a reflection of how the dynamic nature of sentiment news explains the reactions of market participants to property stock trading. The reason for the quick response to good

news is noted by Xiong et al. (2020). The authors explained that the stock market driven by good news is dominated by optimistic investors, and their trading activities increase the volume traded and return on investment. Park (2015) added that an optimistic market mood (good news) enhances earning capacity and sustains stock performance. On the other hand, the relatively low reactions of investors to REIT trading in a pessimistic market mood are a result of the fact that investors take caution when the market is down and dominated by pessimistic investors. The argument is supported by the findings of Nguyen and Pham (2018) and Curatola et al. (2016), who discovered that, in a bearish market caused by the overreactions of pessimistic investors, optimistic investors deployed delay tactics in taking investment action.

4.4. Dynamic Nature of Sentiment News and Decision-Making on Nigerian Estate Stock

In Table 5, the study analysed the investment decisions often taken on REIT under a sentiment-driven (good/bad news) capital market condition. The study discovers that during the optimistic market mood, 64.7% of investors often make the decision 'to buy' REIT. The percentage is relatively higher than those that take the decision either 'to hold' (17.6%), to remain 'passive' (8.8%), or 'to sell' (8.8%). Whereas, during the pessimism period, very few investors (5.9%) made the decision to buy REIT.

Table 5: Investment Decisions on REIT in Sentiment Market Condition

Market Condition	Category	Frequency	Percentage (%)
Optimism mood	Sell Stock	6	8.8
	Hold Stock	12	17.6
	Buy Stock	44	64.7
	Passive	6	8.8
Pessimism mood	Sell Stock	42	61.8
	Hold Stock	13	19.1
	Buy Stock	4	5.9
	Passive	9	13.2
Balanced	Sell Stock	-	-
	Hold Stock	55	80.9
	Buy Stock	10	14.7
	Passive	3	4.4

Source: Field Survey (2022)

A significant proportion of investors (61.8%) prefer the decision to sell REIT to either hold or remain passive, as the investment decision accounts for 19.1 and 13.2%, respectively. Whereas, in a balanced (normal) market condition, 80.9% of the investors prefer to hold REIT against the decision to buy (14.7%) and to remain passive (4.4%), while none of them indicate a decision to sell. The result, however, implies that the decision to buy or sell remains the major investment decision that is often taken under an imbalanced capital market attributed to sentiment news. This is because, under normal circumstances (balanced market conditions), most investors (about 80%) indicate their interest in holding the stock against buying or selling decisions. Luong and Ha (2011) have earlier reported that 'buying' and 'selling' are two major decisions taken in a sentiment-driven capital market. Curatola et al. (2016) posited that in bullish market sentiment, investors with optimistic moods want to acquire new stocks and increase their trade volume and capital for investment; therefore the market trend is 'to sell' stock. Whereas, Xavier and Machado's (2017) study is indifferent, as the authors report the non-significant relationship between investor optimism/pessimism

and the decision to sell in the Brazilian financial market. However, the disparity in the findings is attributable to the peculiarities associated with the capital market in terms of physical, political, social, and economic development, which vary across the globe. This assertion is supported by Anusakumar et al.'s (2017) study, which concluded that investor sentiment is dynamic and varies from country to country.

4.5. The Causal Relationship between the Source and the Dynamic Nature of Sentiment News in the Nigerian REIT Market

To determine the causal relationship, this study deployed a stepwise regression model, and the analysis returned six (6) cases altogether (3 cases each) of the different market periods (optimism and pessimism). The result is presented in Table 6. In the optimism period, the statistically significant contribution of pronouncement/announcement sentiment news was evidenced (Sig. F. Change: $p < .05$), as shown in model case 1. In model case 2, the addition of media/press reports to the model has a less statistically significant contributory effect ($p > .05$), meaning that news from media/press has little influence on REIT market dynamics in a bullish period.

However, the combined effects of the predators (pronouncement/announcement and media/press report sentiment news) were statistically significant (ANOVA Sig. F. Change: $p < .05$). In model case 3, a statistically significant effect of a market survey was recorded (Sig. F. Change: $p < .05$), and the combined effects of the model are also significant (ANOVA F-statistics $p < .05$). The result implies that news from pronouncements/announcements and market surveys, especially those concerning the economy, capital market regulations, and the REIT industry, were observed to be major drivers in the optimistic period. This means that investors respond sharply to positive news from pronouncements and are stimulated to buy more REITs.

Table 6: Effects of Sentiment towards REIT in the Nigerian Capital Market

Case	Model	Coefficient			Model Summary			ANOVA	
		Beta	t-Stats	Sig.	R Square	R Square Change	Sig. F Change	F	Sig.
	Optimism market condition (*Good News)*								
1	Pronouncement/Announcement News	.304	2.281	.041	.254	.005	.360	4.120	.041
	Pronouncement/Announcement News	-.263	-1.995	.050					
2	Media/Press Report	.397	3.008	.004	.258	.122	9.050	4.727	.012
	Pronouncement/Announcement News	-.268	-2.069	.043					
	Media/Press Report	.183	1.068	.290	.348	.047	3.619	4.485	.006
3	Market Survey	.306	1.902	.062					
	Pessimism market condition (*Bad News)*								
1	Pronouncement/Announcement News	-.073	-.595	.554	.073	.005	.354	.354	.554
	Pronouncement/Announcement News	-.291	-2.259	.027	.166	.161	.001	6.484	.003
2	Media/Press Report	.457	3.543	.001					
	Pronouncement/Announcement News	-.292	-2.246	.028					
	Media/Press Report	.433	2.518	.014	.167	.011	.836	4.273	.008
3	Market Survey	.033	.208	.836					

Source: Field Survey (2022)

Meanwhile, during the pessimistic period, pronouncement/announcement news had less significance (Sig. F. Change: $p > .05$) in model case 1. When media/press reports are added in model 2, the contributory effects of pronouncement and media/press were statistically significant individually ($p < .05$) as well as in the model (Sig. F. Change: $p > .05$). In model case 3, the addition of market survey makes the model a statistically significant predictor (Sig. F. Change: $p > .05$). Individually, except for the less statistically significant contribution of the market survey ($p > .05$), the contributory effects of pronouncements and media/press news were statistically significant ($p < .05$). The significant effect of media/press news was noted across the models, indicating its ability to explain the REIT market during bearish market conditions. Negative news spreads easily and quickly, creating panic, especially when the basis of the information is unknown (Li and Ahn, The media's insensitive ways of reporting negative news about the country, whether in hardcopy or electronic formats, have adverse effects on the REIT market.

Overall, the analysis shows that the significant effect of individual sources of sentiment news, such as pronouncements, media/press, and market surveys, may be insufficient to explain dynamics in the Nigerian REIT market, both in optimistic and pessimistic market conditions. However, their combined effects play a more robust and significant role. This is because investor confidence concerning the information on trading activities in the bull period is generally high but low when the market is down (bear period) The high/low confidence is caused by news from every available source, such as pronouncements/announcements, media/press reports, and market surveys.

5. Conclusion and practical implications

The prominent source, dynamic nature, and implication of sentiment news on decision-making in the Nigerian REIT market were assessed in this study. The results of the analysis showed that sentiment news through pronouncement/announcement was prominent. Specifically, biased news/reports general economy, stock market, newspaper and property stock were top-rated sources. Good news and sharp responses largely drive the real estate market. This further signals that the Nigerian REIT is more active, experiencing an increase in volume traded and a higher return. The sentiment news creates an optimistic market condition, the pessimistic market mood is dominated by pessimistic investors, and the property stock market saw a low turnout of trading activities, resulting in a low return on investment. However, the dynamic nature of sentiment news influences decision-making- towards REIT. Under the property stock market driven by good news, investors acquired more property stock; the often taken decision is 'to buy'. However, investors are willing to sell more property stock in a pessimistic market condition.

In a sentiment-free stock market, the majority of the investors expressed their options 'to hold' property stock against the 'buying' and 'selling' decisions. This situation signals the potential of sentiment news to create overreactions and influence the irrational behaviour of investors in the real estate market. In addition, the study noticed the consistency of pronouncement/announcement source of sentiment news to significantly explain investors' behaviour in an optimistic market mood and the reactions of investors to REIT in the pessimistic market condition.

The study concluded that the Nigerian stock market is not free from sentiment shock, as evidenced globally. The trading activities in the property stock market are largely driven by good news rather than bad news. This signals the need for investors, investment analysts, and fund managers to critically consider potential sentiment news and its dynamic nature when thinking of investment in the property stock market.

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