Global Journal of Management and Business Research: C Finance
Volume 14 Issue 5 Version 1.0 Year 2014
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

The Impact of the Financial Activities of Amman Sock Markets on the Market Stock Value

By Dr. Ahmad Salem Alkhazali
Al Albyat University, Jordan

Abstract- The aim of this study is to recognize the relationship between the financial activities of Amman stock market and the market value of its prices, through identify the nature of weighted market value index and the market value prices, and the nature of the stock trading size and the market value prices beside identify the relationship between the companies numbers listed in the stock market and the market value prices during the period of 1998-2011.

Securities markets get important issue in the world, because it present opportunity place to maximize the wealth by short time but it has high risk, where it needs financial knowledge and culture and economic analysis for the listed companies listed.

Unless investor should get attention according to the main factors which related to the securities market and effects on the market stock value, where the activity of financial market is consider essential determinants of the stocks price , beside that securities market face for many crises which effects on its performance during decline of market sock prices.

GJMBR-C Classification: *JEL Code: N20*

THE IMPACT OF THE FINANCIAL ACTIVITIES OF AMMAN SOCK MARKETS ON THE MARKET STOCK VALUE

Strictly as per the compliance and regulations of:

Research | Diversity | Ethics

© 2014. Dr. Ahmad Salem Alkhazali. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

The Impact of the Financial Activities of Amman Sock Markets on the Market Stock Value

Dr. Ahmad Salem Alkhazali

Abstract- The aim of this study is to recognize the relationship between the financial activities of Amman stock market and the market value of its prices, through identify the nature of weighted market value index and the market value prices, and the nature of the stock trading size and the market value prices beside identify the relationship between the companies numbers listed in the stock market and the market value prices during the period of 1998-2011.

Securities markets get important issue in the world, because it present opportunity place to maximize the wealth by short time but it has high risk, where it needs financial knowledge and culture and economic analysis for the listed companies listed.

Unless investor should get attention according to the main factors which related to the securities market and effects on the market stock value, where the activity of financial market is consider essential determinants of the stocks price , beside that securities market face for many crises which effects on its performance during decline of market sock prices.

Investor needs identify of the factors in the stock market in order to avoid the risk and maximize the profit, where he should use some methods to reach the optimal decision. So this study use descriptive analysis method by implied multiple regression for the variables.

The main results of this study, there is a significant positive relationship between the weighted market value index and the market value prices, and there is a significant positive relationship between the stock trading size and the market value prices beside that there is a significant positive relationship between the companies numbers listed in the stock market and the market prices value.

I. Introduction

Associated with dealing with the financial markets and to know what are the main factors effects, which needs analyze the behavior of the stock prices of those markets and get knowledge about variables and the factors could effects, and get the relationship between markets that enable investors to make appropriate decisions, where financial markets represent source of providing the necessary data and information for investors which help them in making investment decisions at the right time in the right place (Al-Masri 2011).

The stock market has a wide interest in all countries of the world, where any investor need knowledge of the economic analysis of listed companies in this market because of the higher returns that might get but the risk where very high , where the investor can earn more than planned, and can lose all they have The stock market has a significant impact on economic growth, as it aims every investor get a yield estimated risk, the study examines the impact of activity Amman financial market on stock prices listed there, where the establishment of the Amman Financial Market related to 1978, which has successfully clear success in its infancy, where this market id divided into two divisions, market initially is the issuance of shares for the first time and a secondary market in which deal in shares previously issued, and there are several sectors listed in the Amman Financial Market is divided into four sectors (banking sector, the manufacturing sector, the services sector, and the insurance sector), and the investor before the process buy or sell ordinary shares at market prices traded in the stock market make it maintains an appropriate and fair to those prices and the objective of this assessment is to reach the real price paid by the investor in exchange for the stock or bond.

II. Problem of the Study

The price of the stock market is the main indicators to get investment decisions by the dealers or investors in the financial market, where investors get encouragement to invest whenever market prices of stocks predict to increase, but there are many factors which are related and impact on the financial market price which reflects in market value of the shares, and make it back down sometimes related to the activity of financial market determinant of stock prices, in addition to that, we find that financial markets has passed through many crises which have affected the level of performance through the decline of its stock market capitalization, where ASE of emerging considered one of the financial markets which has been affected by the financial crises in the world .

III. Importance of the Study

Financial markets Representing investment opportunity and attractive importance role for domestic capital and foreign, where recent years have seen efforts in most developing countries of the world to improve the investment climate through the creation of appropriate conditions for encourage investments, and, the countries could not get the financial resources available that its need to develop economic activities without those markets, and the efficiency, beside The

Author: *Al Albyat University Finance and Banking Section.*
e-mail: Ahmadkhzl@yahoo.com

© 2014 Global Journals Inc. (US)

effectiveness of the market reflects positively on the economic situation.

This study contributes to identify of the Amman Stock Exchange determinants which affect on the market value of the shares, so as to assist to determine the statement of the factors that could increase the market value of the shares

IV. Objectives of the Study

The study aims to try to detect the possible relationship between the activities of Amman Stock Exchange and the stock market prices of listed therein, through the questions below

1. To identify the nature of the relationship between the weighted index at par value, and the market price of the stock in the Amman Stock Exchange during the period (1998-2011)
2. Understand the nature of the relationship between the volume of stock trading and stock market prices during the period (1998-2011)
3. Identify the nature of the relationship between the number of listed companies and stock market prices during the period (1998-2011)

V. Hypotheses of the Study

H1: There is a direct correlation statistically significant between index weighted by market value and the market price of the stock

H2: There is a direct correlation between the statistically significant trading volume in the stock market and stock market prices

H3: There is a direct correlation between a statistically significant number of listed companies on the one hand and the market price of the stock

VI. Previous Studies

The following are a number of previous studies on the subject of this study, has been divided into studies of Arab and other foreign countries

a) *The Arabic Studies*

1. The purpose of the study Saidi (2011) to identify the factors affecting the rate of return on the stock market during the period 2006-2009. The study sample consisted of companies listed on the Stock Exchange Palestine Securities Exchange. The study found a range of important results, which reached that a positive relationship between the success of performance and the rate of return the market share, and the existence of a positive relationship between the rate of distributions (the price at the beginning of the perio) and the rate of return the market share, and also its found a positive relationship statistically significant between the quality of earnings and the rate of return of market share , while the study recommended the need for the companies that do not distribute dividends to adopt a dividend policy and work to increase the percentage of the distribution.
2. The Shawawrah (2008) study regarding the statement following which represent the effects of efficiency factors of Market Stock Exchange and intrinsic motivation for investors and financial performance indicators for public companies of Jordan on the average market price of ordinary shares.

In order to evaluate and try to take them off price equilibrium at which the market price represents the true value of the shares, and through measure the impact of the three-dimensional variables on the average market price of the time series stretches during the period between the years (1996-2002). The study found results that the degree of response to market prices for all of the information available in the stock market was high, and that the variables of subjective factors to investors did not have a clear impact on the price of the stock market and financial performance indicators for the stock companies of liquidity and profitability and capital structure have had a strong impact on the Average market prices.

3. study of Moses and Safi (2009) which explain the impact of the size of company size with total assets to equity returns in industrial companies listed on the Amman Stock Exchange , and the impact it on the risks of these companies , whether these risks represent systematic or in systematic , where the study cover the period from 1999 to 2006.this study Consists sample of 20 industrial company divided into ten companies represent small and ten large companies scale, the study results indicated a positive relationship between return and risk in the shares of large-sized companies , as study proved that the overall risk in small-scale enterprises is greater than the overall risk in large-sized companies.
4. The aim of the study Al moed (2005) is to try to identify the factors affecting the stock prices of the companies listed on the Amman Stock Exchange during the period between 1998 and 2003, the study sample consisted of 42 companies representing all sectors and contain the most important companies in terms of market value and volume Trading in the market , and the study has been findings of many result that the rate of turnover of the stock affects the share price directly and strong, and the interest rate affects the stock price adversely and strong while the study did not prove the existence of a relationship between earnings per share and dividend per share of cash distributions also could not approve a correlation between the rate of inflation and the stock price.

© 2014 Global Journals Inc. (US)

b) Foreign Studies

1. The purpose of the study Aghdaei & Ghasemi (2012) is to identify the nature of the relationship between the debt and the market value of the shares during the period (2003-2008) in Iran. The data were collected and analyzed using the necessary linear regression analysis. The results indicated the presence of a statistically significant relationship between the debt and the market value of companies in the financial market in Tehran, Iran.
2. The aim of the study Abadi et al (2012) to find out the impact of financial factors on stock prices in the financial market of Tehran during the period (2005-2009). To achieve the objective of the study was to build a model of linear regression linking the variables of the study. The results indicated the presence of a statistically significant relationship between the volume of sales and return on investment between stock prices and, while it did not prove the existence of a statistically significant relationship between profit margins and stock prices.
3. The study Menaje (2012) has looked at the impact of some factors on the stock prices of financial companies in the public sector in the Philippines in 2009. Study sample consisted of 50 companies have been collecting data and building a model of linear regression linking variables. Results of the study showed a positive relationship between earning per share and stock market prices, while showing a weak negative relationship between the return on assets and stock market prices.
4. A study Al-Halalmeh & Sayah (2010), which dealt with the impact of foreign direct investment on the stock prices in the Amman Stock Exchange. Where this study followed the method of descriptive analytical approach through the design and distribution of a questionnaire to a sample study of which distributed to (100) individuals where that have been selected at random from individuals working in the Amman Stock Exchange. Results of the study refers to a positive impact statistically significant between direct foreign investments and the stock prices at the Amman Stock Exchange.

VII. The Theoretical Framework

Securities considers the item's stock basis of the financial markets, and that as the only commodity traded in those markets, where the stock prices represent the most important ingredients upon which the investor to determine the nature of the investment, which will be presented to him whether this investment in the company or in the stock market, and thereby the study address the nature of the Amman Stock Exchange and the most important indicators that depend on them in the dissemination of information in the financial market and its impact on the combined effect on stock prices of companies listed on the Amman Stock Exchange. (Hindi, 1992, p 3)

VIII. The First Topic: The Stock Exchange

a) The nature of the stock market

The place which used to buy and sell the securities Financial market, usually the name of the stock exchange, with a view to conducting commercial transactions without providing or transporting goods. The Stock Exchange Amsterdam, Netherlands, Considers historical the first regulated market for securities and then followed by other markets in Western Europe, where the first of the Paris Stock Exchange established, where is the Stock Exchange of New York's consider the largest and most global markets. www.dfm.co.ae

b) Electronic Stock Exchange

According to the globalization and the development in financial services most institution adopt modern financial services to achieve their objectives where one of these institution is stock exchange which adopt trading and exchange of securities electronically through the Internet, all the securities and traffic circulation are trading on a computer screen., And each broker site on the Internet can a buyer or seller to contact him immediately for the purchase, sale and added or spot discount from his account, and are these deals for a fee of less much of the commission mediator in the absence of the electronic stock market, where will get many benefits through reduce the expenses when use the Internet and the commission and administrative expenses due to the transparency and knowledge of the sale price and the purchase (Shrap, 2006, p 29)

There are several conditions for the formation of the stock market as,

1. stable investment climate in the context of a fair distribution of wealth.
2. awareness of the economic and financial , which helps to spread awareness of the economic, financial and mechanisms of action of the stock exchanges.
3. traditional and innovative tools (stocks and bonds of all kinds and all kinds of other convertible), especially those tools that fit the low-income.
4. Offices specializes in modern management of securities portfolios.
5. Openness to international markets through advanced communications technology and keep up with modern output in those markets. (Shrap, 2006, p 30)

© 2014 Global Journals Inc. (US)

IX. Types of Exchanges

There are several exchanges diversity of economic activities in each country, according to the degree of economic progress, because the stock markets reflect the degree of social and economic well-being of the state. And free societies characterized by the diversity of the stock exchanges and spread to different aspects and areas of economic life, and in the following types of exchanges (Sharap, 2006, p 30).

a) In terms of traded products

1. Commodity Exchange, refers to a group of exchanges in which the trading of certain goods , such as exchanges of agricultural commodities (cotton - coffee - tea) and metal goods (gold - silver - copper - oil) and commodity exchanges of special nature such as real estate and land exchanges.
2. stock exchanges services, a variety of the most important tourism, hotels, insurance exchanges, transport and chartering of vessels, and exchanges of export contracts and trade debt.
3. exchanges of ideas , the latest types of exchanges and related to the supply and sale of patent rights and know-how, trademarks, and information systems.

b) The stock exchange in terms of the time period

1. Stock Products present: contracted and received and delivered and capture value immediately.
2. the Futures exchange: which refers to be agreed upon without delivery or receipt of the products, and it is only speculation on the price.

c) The stock market in terms of geographic deal

1. exchange, which operates at the local level and does not extend to transactions at the international level and is characterized by limited activity and presence in the newly emerging economies.
2. exchange, which operates at the international level and extends to transactions various international exchanges, a large and medium-sized.

d) The stock exchange in terms of registration and recognition of Government

1. Stock Exchange official: Established in accordance with the laws and rules governing and where there are a representative of the government is watching and following the transactions and intervene in time to prevent risk and maintains the stability of work.
2. non-official exchange: which operate to the working on an informal basis and in accordance with the rules and procedures of their own, where not recognized by the government and does not deal with them because they involve risks inevitable.

Among the most important developments in the Amman Financial Market, developments that seek to globalization and opening up to the outside world is to use electronic trading systems and strengthen market supervision and remove all obstacles to investment to reach high levels of transparency. The issuance of the Securities Act of temporary important turning point in the Jordanian capital market, which included the restructuring of the market and the separation of the oversight role of the legislature from the executive and the replacement of the Amman Financial Market with three new institutions, namely: . (Jasser, 2006, p 48).

- Securities Commission
- ASE / stock market
- Securities Depository Center

X. The Amman Stock Exchange

Amman stock exchange began to exchange their work as a civil society with the independence of the administrative and financial dated 1999, where it is a non-profit, and it is the only entity in Jordan authorized to make transactions as a market systems for securities trading under the supervision of the Securities Commission, according to the Securities Law No. 23 of 1997, then allowed to create more than a market for the trading of securities in Jordan under the new Securities Law No. 76 of 2002. most important goals, create an attractive investment environment and safe, and the development of processes and methods of trading securities.

Financial, and applying the latest international standards, and dissemination of trading information to the largest possible number of dealers and interested, and increase the awareness of all segments of society and, in particular securities dealers, relying on the credibility and transparency in the dealings of the exchange.

XI. Securities Traded on the Amman Stock Exchange

There are many securities traded on the Amman Stock Exchange and can be summarized thus (AL_Shawawrah.2008, p 164).

Corporate bonds, which is a securities with a face value of tradable and issued by public shareholding companies and posed for public subscription or private for a loan of at least one to five years and the company undertakes under this attribution to repay this loan and its benefits, according to the terms of release, public debt instruments which is about treasury bills and bonds Treasury issued by the government to obtain loans from the public, Muqarada bonds, a tool of financing, according to the rules of Islamic economics is a relationship lending between the source and the subscriber take meaningful participation,

© 2014 Global Journals Inc. (US)

common stock, a cash shares and may be in kind and paid at once or in installments of no more than four years ago, the stock certificates they document issued by the company in favor of the shareholder which recognizes the company's ownership of these shares .

XII. The Second Topic: The Stock Market Prices

a) What is the value or price

Price of stock is the key advantage of good or service, estimated by those who use them or they own, or the resulting price of the security which advertise during the session, was registered in the table after the meeting (Samira 0.2010, p 179).

The price of the securities, which changes depending on the market conditions change, according to supply and demand for the securities, under the efficient market is supposed to equal the price of the securities with their true value, which the value that compensates the investor for the risk of investing in, but are rarely equal the real value of the paper Finance with market value. (Samira 0.2010, p 180).

XIII. Factors Affecting the Stock Price

There are a range of factors affecting the stock price, among them (Samira 0.2010, p 180)

a) Factors related to the capital market and the general economic situation

Such as the direction of stock prices upward or downward, or other uses of capital, and the large international movements of capital.

i. *The direction of stock prices upward or downward*

This situation is related to the stock prices moving upward or downward, this trend is controlled by a combination of factors, the bulk of the cash allocated for investment in securities, if the volume of funds allocated for investment in stock, we'll record the emergence of a trend of rising stock prices as a result of increased demand and vice versa true.

ii. *Compete with other uses of capital*

The competition between the different areas that can be invested in capital significant impact on trends in stock prices, especially if the competitive strength for the rest of the largest areas of competitive strength in the field of investment securities.

iii. *Large international movements of capital*

May play some big moves to the capital to exercise their role in investing in securities or in any other area of investment.

b) Factors related to the financial paper

Issued securities at a certain price, which is known as the nominal value or par value and change this value later when dealing with buying and selling, and this is due to several factors related to the financial paper in itself and these factors the degree of return, and the importance of savings.

c) Technical factors related to the mechanisms of a private stock exchange

Among the technical factors specific mechanisms of action for the stock market psychology related to the stock exchange, the degree of market width, recipe holders of the securities, futures operations. Including psychology related to the stock exchange, the degree of market width, recipe holders of the securities and futures operations.

XIV. Determinants of the Market Value of Shares

The stock price is determined by the size of the cash flows expected to be generated from the operations of the facility and the rate at which it deducted these flows to reach its current value, which is equivalent in the aggregate market value of the property (Hindi, 1992, p 211).

There are many information that affect the market value of the shares, such as, global affairs, such as information available from wars or tensions potential in an area, or local economic conditions and is in the degree of economic growth in the state and the level of inflation, and the conditions of industry, such as general economic conditions in the state that affect all industries. (Hindi, 1992, p 214).

XV. The Third Topics: Indicators and Their Relationship to the Ase Securities

a) Stock index

The investor identifies the performance level of investment in the stock market, not to be a basis or standard, but should compare his or measuring it, thus making the procedure precautionary too, which guarantees achieving the best returns at the lowest risk possible, through rate prices or the so-called index of the stock exchange, which represent the value of all stocks in a given time, and it is one of the most important tools that can predict future trends in the ups and downs , and these indicators are of course vary according to the foundations upon which to build these indicators in each stock. (Al-Shawawra.2008, p 62)

To ensure the building is a good indicator reflects the stock market objectively take a sample representative of all shares listed and traded, and in which it has treated at the same time must include this sample all economic sectors, with the development of the relative weights of the shares of the sample or calculated by dividing the market value of the shares on the market value of the shares of the sample in every day, in order to lead the index intended purpose must

© 2014 Global Journals Inc. (US)

be clear and understandable to all its clients. (Al-Shawawra .2008, p 63)

b) The main ways to calculate the index

There are two main methods for calculating market indices (Al-Shawawra.2008, p 63)

i. *Average price*

It is a quotient of total stock prices of the selected sample of the market at a certain date on the total number, and the indicators are calculated on this method, the Dow Jones industrial average

ii. *The market value*

The index is calculated on this basis, through the collection of multiplying the number of shares in the market price per share of the shares of the sample. Indicators are calculated on capital market Most countries in emerging of capital market

c) Indicators Amman Stock Exchange

Index figures is considered the most important standard of the financial markets indicators that indicate the levels of stock prices and determine the general direction of prices, and these used to measure changes in stock prices during a certain period, compared with the other period.

indicators traded in the Amman Stock Exchange Securities are Known as follows

(Jasser, 2006, p 54)

i. *The weighted index*

This figure Is calculated by the method of market value of the companies sample, so that gives each company's weight as much as what constitutes a market value of the market value of the sample as a whole, and constitute a market value of companies to the sample 90 % of the total market capitalization was adopted in 1991, the base year with a record of 100 point, then the value of the foundation was changed to 1000 points in 2004

ii. *Float Index Free*

This figure is calculated based on the market value of the weighting of the free shares available for trading in the companies and not the total number of shares listed for each companies, and supports this method a large number of international institutions, which calculates the record for most countries of the world such as the Foundation Stander & Poor's

iii. *Number of listed companies*

This indicator measures the extent of the size of the market, as an increase in the number of listed companies is working to increase investment, which contributes to increasing the efficiency of the stock market, while the decline in the number of registered companies or negative growth rate in the number of companies registered, means out companies that do not enjoy efficient, that the number of companies listed on the Amman Stock Exchange 150 company, and then rise up to 247 in 2011(Samira 0.2010, p 256)

iv. *Volume in the stock market*

Volume in the stock market of an item Known by the liquidity of securities, and it is intended liquidity " that buyer and seller can to conclude the deal quickly and at a price close to the price at which concluded last deal on the same paper, the liquidity required in addition to the ease of marketing, provides a feature regularity any attribute erratic prices, which are intended with price stability not exposed to any significant changes from the deal to the other " (Hindi, 1992, p 557)

XVI. Methodology of the Study

This study was followed descriptive analytical method by building a model of the linear relationship linking the variables of the study, where the data of study has represented time-series data. The following sample shows the relationship between the variables of the study

$$MV = \alpha + \beta 1\ WIN + \beta 4\ VOL + \beta 5\ NO + e \ldots\ldots\ldots\ldots 1$$

Where

MV: the market value of the shares

WIN: weighted index in nominal terms

VOL: trading volume of the stock

NO: number of listed companies

e: random error , which represents the change in market prices wildly as a result of other factors not included in the study model

α: Fixed regression equation

β1, β2, β3: slope of regression equation, which reflects the sensitivity of the change in the market prices of the change in the independent factors under study, according to their ranking

a) Sources of data collection

This study has been depending on the collection of data on the survey office, books and financial periodicals specializing in subject (stock market indicators, the Amman Stock Exchange indicators) as well as some of the literature and studies of Arab and foreign countries and some financial reports published on the Internet and location of the ASE and the annual reports of the Amman Stock Exchange

XVII. Methods of Data Analysis

Data were collected regarding the financial impact of the Amman Stock Exchange Securities on the stock prices of the companies market the study sample, and the statistical analysis was performed using SPSS program to answer the hypotheses of the study, which has been relying on linear regression analysis (Regression)

© 2014 Global Journals Inc. (US)

XVIII. Results of the Study

a) ASE financial indicators during the study period

Table (1) is shown Indicators of the Amman Stock Exchange during the period of study (size of stock trading, market value, number of listed companies, , stock price index weighted by market value) during the period (1998 -2011).

Table 1 : The activities of the Amman Stock Exchange during the study period (1998-2011)

Years	size of stock trading	stock price index weighted by market value	number of listed companies	Market value
1998	464374.268	1701.3	150	4156558,122
1999	389476.334	1673.5	151	4137711,690
2000	334724.633	1330.5	163	3509640,709
2001	668652.674	1727.2	161	4476364,817
2002	950272.995	1700.2	158	5028953,990
2003	1855176.028	2615.0	161	7772750,866
2004	3793251.050	4245.6	192	13033833,515
2005	16871051.948	8191.5	201	26667097,118
2006	14209870.592	5518.1	227	21078237,222
2007	12348101.910	7519.3	245	29214202,327
2008	20318312.547	6243.1	262	25406265,528
2009	9665312.327	5520.1	272	22526919,428
2010	6689987.155	5318.0	277	21858181,603
2011	2850252.628	4648.4	247	19272757,327
Average	652917993	4139		14867105304

Prepared by researcher

b) The dependent variable (market value)

Table (1) is shown the fluctuation in market value during the study period with higher until the year 2007, amounting to (29,214,202,327), and then declined to be reached in the year 2011 to (19,272,757,327) where the overall average market value during the study period (14,867,105,304)

c) Independent variables

Table (1) is shown the fluctuation in the volume of shares traded during the period of study with very high for the year 2008, amounting to (20,318,014,547), and then declined to be reached in the year 2011 to (2,850,252,628)

The index weighted by market value rose to the top of the rise in 2005, reaching (8191.5) and then decreased until it reached in 2001 (4648.4)

As for the number of companies are on the rise from 1998 to 2010, but in 2011, note down the number of companies in the Amman Stock Exchange Securities to become the (247), a joint stock company after it was (277), a joint stock company in 2010, has been attributed to mergers or liquidation that occurs in the stock market

d) Test hypotheses

To test the hypotheses of the study has been conducted linear regression analysis to determine the presence of a statistically significant relationship at the level of significance

($\alpha \leq 0.05$), and the results were as follows

The first hypothesis: There is a direct correlation statistically significant differences between index weighted by market value and the market price of the stock

Table 2 : The results of the regression analysis to test the first hypothesis

Result	F(table)	F	R	R2	sig
Accept	4.74	37.167	0.869	0.756	0.00

The level of significance R2

(Coefficient of determination) R

(Relational) F

The calculated F

e) Spreadsheet as a result of the hypothesis acceptance

The table (2) refers to the relationship between the index weighted by market value and the price of the stock market as statistical analysis results showed the

© 2014 Global Journals Inc. (US)

presence of statistically significant relationship , with a correlation coefficient R (0.869) at the level of statistical significance ($\alpha \leq 0.05$), the coefficient of determination R2 has reached (0.756), a significant relationship as the value of f calculated, which amounted to (37.167) which is higher than Tabulated value (4.74), and on the level of statistical significance was (0.00) which is less than the specified value 0.05, and therefore we reject the hypothesis negative and accept the alternative hypothesis, and this means that there is a direct correlation statistically significant differences between index weighted by market value and the market price of the stock

The second hypothesis: There is a direct relationship between the statistically significant trading volume in the stock market and stock market prices

Table 3 : The results of the regression analysis to test the hypothesis of the second

Result	F(table)	F	R	R2	sig
Accept	4.74	37.167	0.869	0.756	0.00

The table (3) the relationship between the volume of the stock market on the one hand and the prices of the stock market on the other hand, as statistical analysis results showed the presence of statistically significant relationship, with a correlation coefficient R (0.869) at the level of statistical significance ($\alpha \leq 0.05$), while the coefficient of determination R2 has reached (0.756), a significant relationship as the value of f calculated, which amounted to (37.167) which is higher than Tabulated value (4.74), and on the level of statistical significance was (0.00) which is less than the specified value 0.05, and therefore we reject the hypothesis nihilism and accept the alternative hypothesis, this means that there is a direct correlation between the statistically significant trading volume in the stock market on the one hand and the prices of the stock market on the other

The third assumption: There is a direct relationship between a statistically significant number of listed companies on the one hand and the market price of the stock

Table 4 : The results of the regression analysis to test the hypothesis of the third

The results of the regression analysis to test the hypothesis of the second

Result	F(table)	F	R	R2	sig
Accept	4.74	37.225	0.870	0.756	0.00

The table (4) the relationship between the number of listed companies on the one hand , and stock prices the market on the other hand , as statistical analysis results showed the presence of statistically significant relationship , with a correlation coefficient R (0.870) at the level of statistical significance ($\alpha \leq 0.05$), the coefficient of determination R2 has reached (0.756), a significant relationship as the value of f calculated, which amounted to (37.225) which is higher than Tabulated value (4.74), and on the level of statistical significance was (0.00) which is less than the specified value 0.05, and therefore we reject the hypothesis negative and accept the hypothesis alternative, and this means that there is a direct correlation between a statistically significant number of listed companies on the one hand and the market price of the stock on the other hand.

XIX. Results

This study aimed to investigate the effect of the Amman Stock Exchange Securities financial activities on the stock market priced-listed, and after analyzing the data and testing hypotheses this study was reached the following conclusions.

First, the study showed a positive relationship between the statistical significance index weighted by market value and the market price of the stock, as the interpretation that the index reflects the performance of the Amman Stock Exchange Securities as reflected in the index first.

Second: The study showed a positive relationship statistically significant differences between the size of stock trading and stock prices the market, explain this relationship is that the high volume of stock trading is accompanied by a rise in the share prices of the companies the more trading in the financial market works to increase stock prices for all companies significantly.

Third, the study revealed a positive relationship statistically significant differences between the number of companies and stock prices the market, and explain this relationship that the more companies listed on the Amman Stock Exchange Securities increased stock prices of companies to all companies This increase is attributable to the increase in the scale financial market, which works to increase turnout investors so that it described this market as an active market.

© 2014 Global Journals Inc. (US)

XX. Recommendations

In light of what has been reached from the results of the study recommends the following recommendations

1. Paying attention to indicators by investors of the activity ASE because of its relationship with the strong stock market prices, as these indicators reflect the state of the stock market prices up or decline.
2. Paying attention to the stock market department of its indicators and calculated by the credibility and transparency way and the publication of reports which include historical information and current, in order to reflect the performance efficient market.
3. The need to do promotional campaigns by the stock market department to encourage individuals to save in order to invest and improve the market awareness of saving and investing
4. The need f government role and stock market department to encourage foreign investment in the Amman Stock Exchange during the international economic conferences, so that the preparation of the stock market reports show the advantages of investing in the stock market of Jordan, it would increase investment awareness among foreign investors and What is an ASE and the mechanism to deal with the foreign investor, which leads to attract foreign capital to support of economic development in Jordan.
5. the need to reduce the cost of trading by the Department of stocks listed on the stock exchange where, by adopt of electronic trading.

Bibliography

a) First: Arabic references

1. Ahmed, Mafwag , Khodeir, and Hala Sami (2010) , foreign investment and its impact on the economic environment, " look for the calendar Iraqi investment law," Journal of Husbandry and Economics, Issue 80.
2. Jasser, Amaal Abdel-Hamid (2006), the impact of e-commerce on the index of stock prices in the Amman Financial Market , Master Thesis, University of Jordan
3. Rania, Droubi (2011), the impact of economic changes in the volume of foreign investment in the Amman Stock Exchange, Damascus University, Damascus University Journal of Science economic, legal, Journal 27, No. 4.
4. Samira, Ltoush (2010), the efficiency of the capital market and its impact on the market value of the shares, " a case study of a group of Arab Capital Markets " , Ph.D. thesis, University Mentouri
5. Shrap, Sbah Osama (2006), the effect of the announcement of the dividend on the stock prices of companies listed on the Palestine Securities Exchange, Master Thesis, the Islamic University
6. Shawawrah, Faisal Mahmood (2008), investing in the stock market, Dar Wael for publication, first edition
7. Saidi, Jameel Ismail (2011), the factors affecting the rate of return on the stock market Empirical Study on companies listed on the Palestine Securities Exchange), Master Thesis , University of Al-Azhar.
8. Moses, Nouri Shgairy, Safi, and Waleed Ahmed (2009), measuring the efficiency of the Amman Financial Market through the influence of the size of the company in return and risk a study published, Baghdad College of Economic Sciences, No. 19.
9. Almoed, Mahmoud Abdullah (2005), the factors affecting stock prices applied on the Amman Stock Exchange, Master Thesis, University of Sudan for Science and Technology.
10. Hindi, Munir (1992), securities and capital markets, Delta Center for printing, distribution facility Knowledge of Egept.

b) Second, foreign references

1. Abadi, H., Fathi, S., and Alikhani, M., (2012), "Analyze the impact of financial variables on stock pricesof Tehran Stock Exchange companies", Interdisciplinary Journal of Contemporary Research in Business, Vol. 3, No. 11, pp. 151-157.
2. Aghdaei, S., and Ghasemi, K., (2012), "Studying the Effect of Debt Ratio on Market Value of Stock Firms by Using the Liquidity", International Conference on Economics, vol.36, pp. 105-110.
3. Al-Halalmeh, M., and Sayah, A., (2010), "Impact of foreign Direct Investment on Shares Market Value in Amman Exchange Market", American Journal of Economics and Business Administration, 2 (1), pp. 35-38.
4. Menaje, P., (2012), "Impact of Selected Financial Variables on Share Price of Publicly Listed Firms in the Philippines", American International Journal of Contemporary Research, Vol. 2 No. 9, pp. 98-104

Websites

- http://www.ase.com.jo/ar
- http://www.ase.com.jo/ar/node/820
- www.dfm.co.ae

© 2014 Global Journals Inc. (US)

This page is intentionally left blank

© 2014 Global Journals Inc. (US)