The Impact of Macroeconomic Indicators on Stocks Returns for the Jordanian Insurance Companies during the Period (2000 – 2012)

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Keywords: macroeconomic indicators, stock returns, jordanian insurance companies.

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THEIMPACTOFMACROECONOMICINDICATORSONSTOCKSRETURNSFORTHEJORDANIANINSURANCECOMPANIESDURINGTHEPERIOD20002012

Strictly as per the compliance and regulations of:

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I. Introduction

There is an importance of financial markets appears through increasing of wealth, which attractive a lot of investors to trade in the markets in order to increase their wealth, also investor interested in this market to study and identify indicators that affecting on returns of shares, the most prominent of these indicators (inflation, unemployment and the budget deficit), and other economic indicators, which are caused some effects on various economic sectors, including the insurance sector. We have seen insurance companies changes and they have rapid developments at the local level, regional and global which make them vulnerable to different challenges, Openness global, easing regulatory, technology developments and customization are the most important current changes that directly affect on the insurance companies in the states of the region and the world. To meet insurance companies challenges. The service has to be adequate and appropriate. Arab markets desperately need to embrace the idea of insurance in order to keep up with the wheel of progress and development.

II. Problem of the Study

Companies in different economic sectors have a lot of risks, that would affect the financial performance has, whether these risks irregular relating to the company directly, such as fluctuations that occur in the production, or order on the external circumstances surrounding the company, such as economic factors. The economic risks a major systemic risks that affect fluctuations occurring in the red zone on the performance of joint stock companies in general, and insurance companies in particular, where the insurance companies in the market Alerdensouka small if compared to the rest of the economic sectors in the Amman Stock Exchange. Accordingly, we find that the problem of the study is the lack of clarity of the impact of some economic indicators on the revenue shares of insurance companies in Jordan.

The problem can be formulated through the study of the following questions:

What is the impact of some macroeconomic indicators on the revenue shares of insurance companies in the Amman Stock Exchange during the period 2000 - 2012?

It is this question of President branching sub-questions of the following:

1. What is the effect of inflation on the revenue shares of insurance companies in the Amman Stock Exchange during the period 2000 to 2012?
2. What is the impact of unemployment on the revenue shares of insurance companies in the Amman Stock Exchange during the period 2000 to 2012?
3. What is the impact of the budget deficit on the revenue shares of insurance companies in the Amman Stock Exchange during the period 2000 to 2012?

III. Objectives of the Study

The aim of this study was to investigate the impact of some macroeconomic indicators returns shares of insurance companies in the Amman Stock Exchange during the period 2000 - 2012, and by the objectives of the study, including the following:

1. Know the impact of inflation on returns shares of insurance companies in the Amman Stock Exchange during the period 2000-2012.

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2. knowledge of the impact of unemployment on revenue shares of insurance companies in the Amman Stock Exchange during the period 2000-2012.

3. to know the impact of the budget deficit on the revenue shares of insurance companies in the Amman Stock Exchange during the period 2000-2012.

IV. Importance of the Study

The importance of the study because they are looking at the economic indicators that affect the revenue shares of insurance companies in the ASE, financial markets play an important role in the economic process of any state, and therefore it is important to look at the economic indicators that affect the revenue shares of insurance companies, and work to improve the sector insurance and increase its contribution to the market, because of its positive effect on raising the level of the local economy, and come to this study contribute to filling the vacuum in studies related to the insurance sector. And therefore it is necessary to know the economic indicators that affect the returns of the sector in order to focus on economic indicators that will impact positively on the size of the returns of the shares of insurance companies.

a) Hypotheses of the study

Ho: no statistically significant effect of inflation on shares revenue for insurance companies in Amman Stock Exchange during 2000-2012   .

Ho: no statistically significant effect of unemployment on shares revenue for insurance companies in Amman Stock Exchange during 2000-2012.

Ho: No statistically significant effect of the budget deficit on shares revenue for insurance companies in Amman Stock Exchange during 2000-2012.

V. Methodology of the Study

This study took method analytical approach by collecting annual data that required during (2000-2012) and analyzed them by using the following:

First: Financial Analysis. Where it was relying on the analysis method to conduct horizontal financial analysis of the study variables in order to follow the trend of change in the variables during the study period.

Second: Statistical Analysis. Which relying on statistical program E-views in order to test the hypotheses of the study, which was used the following statistical methods

1. Descriptive statistics of the arithmetic means, and the standard deviation.
2. Heterogeneity test data Heteroskedasticity: to make sure there is no problem.
3. Written test duplication Multi Collinearity Test: to make sure there is no duplication between the linear independent variables of the study.

VI. Study Population and Sample

The study population included all insurance companies, which their shares in Amman Stock Exchange (the 25 companies), the study sample was included (16) insurance company, Islamic insurance companies were excluded from the study sample Variables of the study: This study includes the following variables:

First, the independent variables, and economic indicators are:

1. Inflation
2. Unemployment
3. Budget deficit.

Second, the dependent variable, and returns the shares is the insurance companies, and Figure (1) illustrates this:
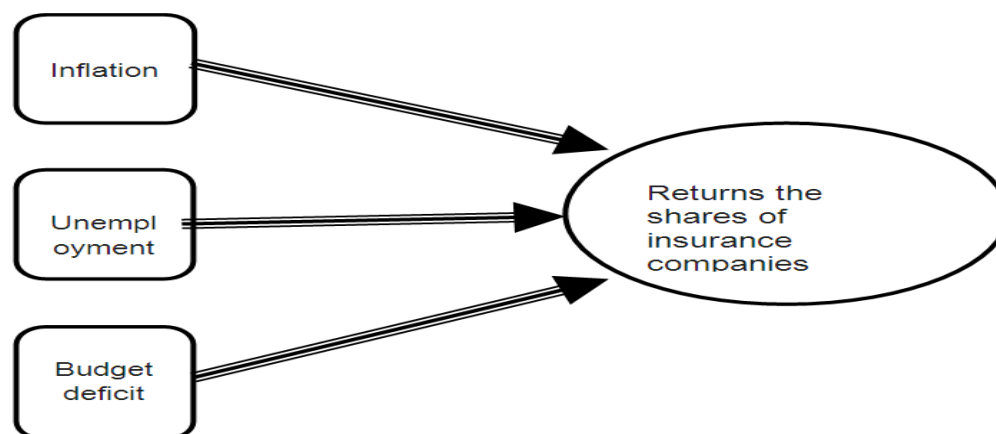

Figure (1)

Independent variables   *dependent variable*

Figure 1 : The formulation of a mathematical model as:

$Rt= B0+B1inft +B2UNPt + B3Deft + ei$

Rt : Stock returns

Inf : Inflation

Unp : Unemployment

Def : The budget deficit

B : Parameters of the standard model

ei: Random error

VII. Definitions For the Study Variables

a) Inflation

An economic phenomenon when the price is rising (Joseph, 2008).
The inflation rate is measured as follows:
(the index number for current year prices - the index number for the past year prices)*100 /(the index number for the past year prices)

b) Unemployment

The number of people who are able to work and do not work, although they are looking for work in earnest (Abdel-Rahman, 2004), The unemployment rate is measured as follows:
Unemployment rate = ((number of unemployed) / (labor force)) x100

c) Budget

The information and data that show the value of public expenditures and revenues of the state, (Joseph, 2008),

d) Budget deficit

The increasing state expenditures to revenues (architecture, 2004), the measured ratio of the budget deficit equati :
The proportion of the budget deficit = (budget deficit) / (gross domestic product) x100%

e) Earnings per share ratio

Earnings per dinar during the specified period of time either monthly or yearly (Al-Zubaidi, 2004), Which expressed by ratio of net profit to number of shares.

f) Sources of data collection

The sources that relied upon this study : secondary sources, which include books, theses, official reports and sites (the Internet), and primary sources : the financial statements relating to the companies that have been obtained from the annual reports of the ASE and the Department of Statistics in addition to the General Budget Department.

VIII. Previous Studies

Study Saidi (2011) entitled: "Factors Affecting Earnings Market: An Empirical Study on the companies listed on the Palestine Securities Exchange," The aim of this study was to identify the factors that affecting on earnings per share in the market through the application for companies that listed in the Palestine Stock Exchange during the period (2006-2009), data were analyzed by using linear regression analysis that connects the variables of the study, which represented the independent variables: (success rate, percentage distributions to price, book value per share, earnings quality), while the dependent variables: (a yield of stock), study results indicated a positive relationship between the statistical significance of all: the success rate, the rate of distributions to the price, the quality of earnings, and earnings per share of the market.

Also study Balijbalh (2010) entitled: "The impact of inflation on equity returns: An Empirical Study of shares for a group of companies in Amman Stock Exchange during (1996-2006)," The aim of this study was to identify the impact of inflation on equity returns during the period (1996-2006), it has been collecting and analyzing data through correlation coefficients and linear regression analysis, study results showed that the existence of a correlation between inflation and moderate shares returns of insurance companies, also insurance companies are more sensitive to interest rate. While Yoseph Studying (2008) entitled: "identify factors that are affecting the return on equity in the Amman Stock Exchange," The aim of this study was to identify the internal and external factors that affect the return on equity in the Amman Stock Exchange during period 2000 - 2006, it has been using multiple linear regression, also data analysis has represented the independent variables to each of: (inflation, GDP, cost to income ratio, costs to assets, the size of the bank, loans, and liquidity ratio of liquid to total deposits), while the dependent variables are: (return on equity and return on assets, net interest margin), study results indicated that the presence of a statistically significant relationship between: (inflation, interest rates, number of employees, size of the capital) and equity returns, while it did not prove there was no statistically significant relationship between each of: (a deficit or surplus for balance of payments, the budget deficit, and GDP). In a study of Mady (2004), the determinants of return on investment in the Egyptian insurance companies. the purpose of this study was to design a quantitative model to reach a more influential economic variables on the rate of return on investment for each of the direct insurance companies operating in the Egyptian market during the period 1988-2002, He has been using multiple regression method to determine the most influential variables on the rate of return on investment at the Egyptian insurance companies, results indicated that there is a fluctuation in the rate of return on investment to the Egyptian insurance companies, between the rise and fall during the study period. Study Tangjitprom

(2012) entitled: The Review of Macroeconomic Factors and Stock Returns. the aim of this study was to find out the relationship between macroeconomic factors and the equity returns in Thailand, data analyzed using linear regression, which connects between the variables of the study, results showed a relationship with statistical significance between macroeconomic factors and stock returns in Thailand. While the study of Momani (2012) entitled:

Impact of Economic Factors on the Stock Prices at Amman Stock Market The aim of this study was to identify the impact of economic variables on the share prices for companies that listed in Amman Stock Exchange during the period (1992-2010), The study sample consisted of all listed companies in the insurance sector, the banking sector, the manufacturing sector, and the service sector, where it was collected the necessary data and build a model of linear regression analysis, the study results indicated the presence of statistically significant effect of both the interest rate and money supply on the stock prices of insurance companies listed in Amman Stock Exchange. In a study Epetimehin & Fatoki (2011) entitled: The Empirical Analysis of the Impact of Inflation on the Nigeria Insurance Industry. the aim of this study was to analyze the impact of inflation on the shares revenue for insurance companies in Nigeria during the period (2003-2007). To achieve the objective of the study. It relyed on descriptive analytical method through a comparison between inflation and returns of shares for insurance companies by using descriptive statistics, also study results indicated that the presence of a negative impact of inflation on shares returns for insurance companies in Nigeria. study Ajao & Oseymo (2010) entitled: The predictive content of some lending economic indicators on stock prices. The aim of this study is to predict the impact of economic indicators on stock prices in Nigeria, data were analyzed using simple linear regression model, which connects between the variables of the study, it has represented the independent variables (GDP, money supply, inflation, interest rate, price drainage, industrial output indicators, while the dependent variables represented stock prices), the results showed the presence of a great relationship between stock prices and economic indicators. then study Hagnal (2000) entitled: The

Behavior of Inflation and Unemployment in the united states.

This study aimed to find out the relationship between unemployment and inflation in the United States, during the period 1960-2000, He has been using the style Stepwise multiple linear regression, he has found some results as the existence of a relationship is statistically significant at the impact of the unemployment rate and inflation for the current period, he has also been reached the decline in the unemployment rate was not a reason to explain the relationship between them.

IX. What Distinguishes the Current Study From Previous Studies

What distinguishes this study from the studies of previous Arab it is alone in dealing with the impact of some macroeconomic indicators on the shares revenue of insurance companies during the period between 2000 -2012, while dealt with previous studies that the impact of economic indicators on industrial sectors, companies and commercial banks have addressed this study, some of the indicators economic (such as inflation, budget deficit, unemployment) and its impact on stock returns in the insurance sector.

a) Statistical analysis
This chapter reviews the practical side for the study, which will be dealt with financial and statistical methods that were used in the analysis, in addition to the presentation of the graphs for the variables of the study, and to test the hypotheses of the study, finally comparing the results reached by the results of previous studies.

b) The results of the financial analysis
Financial analysis was performed to study variables (the dependent and independent) which related to the Jordanian insurance companies during the study period (2000-2012), the results were as follows: To conduct a financial analysis of the data yields the average Jordanian insurance companies have been using horizontal analysis of the data during the period (2000-2012), where it was regarded as the year (2000) is the base year and the results were as follows:

Table1: Horizontal Analysis of the average returns

Year	Average of Return
2000	0.000
2001	-0.261
2002	0.791
2003	1.455
2004	3.493
2005	5.888

2006	-1.597
2007	-0.254
2008	-0.545
2009	-0.728
2010	-0.194
2011	-1.127
2012	-1.284

Table (1) shows us that the average returns of insurance companies .it has increased from (26.1-%) in 2001 to (79.1%) (145.5%) (349.3%), (588.8%) during the years 2002, 2003, 2004 and 2005, respectively, relative to the base year 2000., but in 2006, we find that there is a significant drop and a surprise in the average returns of insurance companies to become negative (159.7 -%), and increased the ratio gradually in 2007 to become (25.4 -%), but it remained negative, and resumed this ratio to decline to become (54.5 -%) (72.8%) in 2008 and 2009, respectively, then in 2010 rose to become (19.4 -%) but still negative, in 2011 and 2012 resumed this ratio to decline further to become (112.7 -%), and (128.4%), respectively, it may be attributed this decline to the average returns of insurance companies to decline in the demand for insurance services for the insurance market that was affected by the Jordanian economic crisis due to its small size compared with the rest of the financial sectors and other economic in Amman Stock Exchange.

c) *Financial Analysis Of Economic Data*

Table (2) horizontal analysis of economic data

Table 2: Horizontal analysis of economic data

Year	Budget deficit	unemployment	Inflation
2000	-	0.000	0.000
2001	0.000	20.000	1.571
2002	-0.086	20.857	1.571
2003	-0.229	19.714	1.286
2004	-0.229	16.857	3.857
2005	0.514	20.143	4.000
2006	0.200	19.000	8.000
2007	0.457	17.714	5.714
2008	-0.371	17.143	18.857
2009	1.486	17.429	-2.000
2010	0.543	16.857	6.143
2011	1.257	17.429	5.286
2012	1.343	16.429	5.857

Table 2. Shows us the following:

1. *Inflation:* Inflation rose relative to the base year 2000 (15.71%) in 2001 and 2002 to become (12.86%) (3.857%) (4.00%), and (8.00%) during the past 2003, 2004, 2005 and 2006, respectively, it has been indicating a high demand for a particular type of goods or services without the corresponding production covers the demand gap. In 2007, the inflation rate fell to (5.714%), to indicate a decline in demand for goods and services as a result of the decline in the purchasing power of consumers, or the low cash available due to the inability of the central bank to pump more money trading, This decrease may be the result for intense competition among manufacturers and producers of goods and services in their desire to increase the volume of sales to their products by reducing their prices, in 2008 the inflation rate rose significantly to become (18.857%), and attributed the cause of the increase to the affected Jordan by higher oil prices and do the lifting of fuel subsidies , then dropped a surprise to become negative (2.00 -%) in 2009, but during the years 2010.2011, and 2012 came back to become a positive value this rate (6.143%) (5.286%), and (5.857% respectively).

2. *Unemployment:* The unemployment rate rose relative to the base year 2000 (20.0%) in 2001, to (20.8857%) in 2002, which shows the increasing size of the unemployed in Jordan, in years 2003, and 2004, the rate fell to (19.714%), and (16.857%), respectively, which suggests increasing the size of

operating the National Jordanian labor. However, this rate has reverted to rise in 2005 to become (20.143%), then continued to fall from (19.0%) in 2006 to become (16.857%) in 2010, and remained this rate a close ratio even in 2001 and 2012.

3. *Budget deficit:* The highest value for the average budget deficit relative to the base year 2000 (14.86%) in 2009, this increasing may be as a result of high oil prices, while the lowest value for this rate was negative (37.1 -%) in 2008, that may indicated that the increased size of the costs relative to the size of the revenue.

X. Statistical Analysis and Hypothesis Testing

To test the hypotheses of the study, it was conducted statistical analysis of the study variables (the

dependent and independent) for insurance companies related in Jordan during period (2000-2012), and the results were as follows:

It was relying on the annual reports of insurance companies, in addition to the annual reports of the Amman Stock Exchange, Department of Statistics, the General Budget Department, to collect data for the variables of the study, and Table. 3 below shows a summary of the results of descriptive statistics for the variables of the study, during the period (2000-2011).

Table 3 : Summary of descriptive statistic

Min. value	Max. value	Standard deviation	Arithmetic mean	Variable
-0.19	0.56	0.1740387	0.1198317	R
-0.7	13.9	3.456515	3.938462	Inf
0.7	15.3	3.563238	12.52308	Unp
-8.7	-2.2	2.186728	-4.925	Def

Source: prepared by the researcher based on the results of statistical analysis.

Table (3) shows us the following:

Returns (R): The average returns for insurance companies (12%) and a standard deviation of approximately (17.40%), this ratio has ranged between (-19%) and minimum (56%) max almost, this indicates that there is great variation in size of returns to insurance companies (the study sample), this discrepancy may be due to variation in the performance of the insurance companies and the disparity in their sizes.

Inflation (Inf): The inflation rate is about (8%) and a standard deviation of approximately (5.6%), this rate has ranged between (7.0 -%) and minimum (9%) max, this indicates that There is great variation in the rate of prices for goods and services, this disparity may be due to variation in the demand for goods and services, on the contrast of cash, along with the change in fuel prices.

Unemployment (Unp): Unemployment averaged about (12.5%) and a standard deviation of approximately (6.3%), this ratio has ranged between (7.0%) and minimum (5.3%) max, this indicates that there is great variation in level of unemployed individuals, this disparity may be due to variation in size of investment projects that need to labor or it may be a result of reliance on foreign workers because of low wages.

Budget deficit (Def): The average budget deficit (5 -%) and a standard deviation of approximately (8.6%), this

ratio has ranged between (7.0 -%) and minimum (2.0 -%) max, this indicates that there is great variation in the level of budget, this disparity may be due to variation in the volume of exports and imports, and the size of subsidies and grants.

XI. Test Hypotheses

To test the hypotheses of the study, it was depending on Multi regression analysis to treat with the impact of Random Effect and Fixed Effect, in addition to conducting a series of tests to make sure that the health of the model results, which will be chosen and relied upon in hypothesis testing. The results were as follows:

First, test the heterogeneity of the data (Heteroskedasticity: To make sure there is no problem of heterogeneity of variance), Heteroskedasticity test was used by Breuch - Pagan to homogeneity of the residuum, and does this to test the null hypothesis which states that the variation errors variables are all equal, while it provides an alternative hypothesis that the variation of errors increases with the increasing value of the dependent variable, also increasing the value of the dependent variable lead to increase the value of error, which has been shown not to be a problem in the homogeneity of the data. Table (4) below shows the result of this test.

Table 4 : Heterogeneity of the test data

Value's Probability	Chi² Value
0.2741	1.305184

Source: prepared by the researcher

Through table (4) shows that the study model does not suffer from the problem of heterogeneity where it was not for the distribution of Chi-square distribution for any statistical significance, at level (5%), as the value of probability (0.2741), so accepted zero hypotheses that said error variance is homogeneous.

Second, to test MultiCollinearity. Test to make sure there is no duplication between the linear variables of the study, the test was used MultiCollinearity Test, and the results shown there is no duplication between linear variables used in the analysis.
The Table (5) below shows the results of this test:

Table 5 : Duplication test

Variable	VIF
Inf	2.03
Unp	0.0002
Def	5.37

Source: prepared by the researcher

From conditions to use linear regression analysis, there is no duplication in writing between the variables which used in the analysis, and depended on table (5) shows that the value of (VIF) for all variables of the study less than (10), which indicates the lack of duplication in linear between the variables of the study.

Third, Results of Regression Analysis:

After making sure there is no problem with the linear duplicity, and the homogeneity of data, it was analyzed the study data by using the synthesis model

(Pooled Model) for regression analysis, along with using of Random Effect, and Fixed Effect, also used of Breuch - Pagan test that aim to comparison between the results of the model synthesis (Pooled model) for the regression analysis, and the results of model random Effect, has been using the test (Hausman Test) the aim to trade-off between test fixid random (Random effect) and test the (Fixed effect), so that if the value of ($\alpha \geq$ 5%) a form of least squares is normal (OLS) and better, but if the value of values ($\alpha \leq$ 5%) the random effect model (Random effect model) is better. The results were as follows in Table 6:

Table 6 : Test results Breuch – Pagan

Value's Probability	chi² Value
0.0006	10.59

Source: prepared by the researcher

Through Table (6) shows that the value of the previous probabilistic reached (0.0006), so it is accepted test results of random effect model (Random effect model), and rejected the results of the synthesis method (Pooled Model) for regression analysis.

Table 7 : Results of Hausman Test

Value's Probability	Chi² Value
1	0

Source: prepared by the researcher

Through Table (7) which shows us that the value of the probabilistic to test Hausman has amounted to (1) so it is not statistically significant ($\alpha \leq$ 5%), therefore the results of the random effect model (Random Effect Model) is the best.

Table 8 : Results of using regression analysis model (REM) and (FEM) *

FEM		REM		Variable
(β)	(Sig.)	(β)	(Sig.)	
-0.0133	0.0021***	-0.0133	0.0021***	In
0.005318	0.7218	0.005318	0.7217	Up
0.028671	0.0001***	0.028671	0.0001***	Def.
0.246664	0.296	0.246664	0.2967	α
0.295831		0.160726		R-Squared
0.000001***		0.000***		Value(a)to F test
(%10) *		(%5) **		(%1) ***

Source: prepared by the researcher.

Through Table (8) shows us the following:

1. *The results that related to the first hypothesis:* There is a negative effect of inflation is unacceptable statistically on shares returns for insurance companies in Amman Stock Exchange during period 2000-2102. There is a negative impact statistically significant for inflation on return of Jordanian insurance companies at level of significance (α ≤ 5%), where the value of significance to test of random (Random effect) (0,0021), it means that an increasing in the rate of inflation leads to lower return on the stock in the insurance companies. This may indicate that investors do not want to invest in financial assets in insurance companies in the event of rising prices and rising inflation, this result agreed with the study of Joseph (2008), and the study of Balijblah (2010), also agreed with the study Epetimehin & Fatoki (2011), which showed the presence of impact negative inflation on shares returns of insurance companies in Nigeria.

2. *Results related to the second hypothesis:* No effect of unemployment on revenue shares of insurance companies in Amman Stock Exchange during period 2000-2012. No statistically significant effect of unemployment on earnings in the Jordanian insurance companies at the level of significance (α ≤ 5%), as the value of significance to test the effect of random (Random effect) (0, 7217) this is not statistically significant. This may indicate that the demand for insurance services provided by insurance companies is not affected in case of low unemployment or high, which varied this result with the study (Joseph, 2008), that showed a statistically significant relationship between number of employees and equity returns in Amman Stock Exchange during period (2000-2006).

3. *Results related to the third hypothesis:* There is a positive effect of the budget deficit on the shares revenue of insurance companies in Amman Stock Exchange during period 2000-2012.There is a positive effect statistically significant for the budget deficit on the yield in the Jordanian insurance companies at level of significance (α ≤ 5%), as the value of significance to test of random (Random effect) (0, 0001), in sense that an increase in the budget deficit leads to increased yield on stock of insurance companies. It means that the shares returns of insurance companies affected by the value in the absence of the Jordanian government's ability to cover its expenses. This may indicate a trend toward government borrowing from the insurance sector, this result has differed with the study of Joseph (2008), which explained the lack of impact of the budget deficit on equity returns in Amman Stock Exchange during period (2000-2006).

XII. RESULTS

This study aimed to identify the impact of some economic variables on Jordan Insurance companies' shares returns during the period (2000-2012), has been reached the following conclusions:

1. No negative impact of inflation on shares returns of insurance companies in Amman Stock Exchange during the period 2000-2012. The value of coefficient of inflation is about 1%, which meaning that an increasing in the inflation rate of (1%) lead to a decline in earnings per share for the insurance companies by (1%). This may indicate that investors care about the rise or fall in the price level in order to direct their investments in financial assets in insurance companies.

2. No effect of budget deficit on the shares revenue of insurance companies in Amman Stock Exchange during the period 2000 - 2012, the value of coefficient of budget deficit about 3%, which meaning that an increasing in budget deficit at a rate of (1%) lead to a decline in earnings per share for insurance companies by nearly 3%, may indicate a trend toward government borrowing from the insurance sector.

3. No shares returns on insurance companies in Amman Stock Exchange during the period 2000 - 2012, that has been attributed to demand for insurance services which provided by insurance companies in Jordan is not affected in the event of unemployment or low volume high.

XIII. RECOMMENDATIONS

Based on what has been reached from the results of the study recommends the following:

1. The requirement to ensure that Jordanian insurance companies attention for all factors affecting inflation in order to take appropriate action to reduce the increase.

2. The requirement to be concerned with the Jordanian insurance companies to follow up the state budget and work to provide a reduced lending interest rate in order to encourage the government to increase to borrow and take advantage of insurance services.

3. Conduct such a study, but through the addition of new economic variables, and the application on other economic sectors so that a comparison is made between the various sectors regarding the impact of economic variables on stock returns, and to identify whether there are statistically significant differences among them.

4. conduct such a study, but the application of Islamic insurance companies in Jordan, so that a comparison is made between them and the commercial insurance companies regarding the impact of economic variables on stock returns.

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