

Impact of Some Stock Exchange Indicators on the Turnover Ratio of the Stocks of Glass and Porcelain Firms at Amman Stock Exchange during the Period (2000-2015)

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Abstract

Stock markets are considered as a measure of the economy, in which the condition of the stock exchange indicates the general development of the production sector. Nowadays, the importance of the stock exchange market is regarded among the most important financial tools, especially on the light of the Globalization and the new world order. Economists consider the exchanges as a mirror which reflects the reality of the conditions of the listed firms. While those exchanges had been the source of wealth for some investors, they had been the source of misery and bankruptcy of others, which can be ascribed to the high volatility at those exchanges (Esam, 2007).

Organized Stock markets play a vital role in the recruitment of resources and savings, and their investment, as well as the role they play in the development of economy, and their contribution to attracting foreign and local investments. It can be said also that the success of economic reform programs depends on the presence of an active stock market, which extends and develops the exchange of stocks within an organized market.

Keywords *Stock Exchange, Indicators, Turnover Ratio*

Problem of the Study

The importance of financial indicators has increased over time, and they have been used in stock markets as tools which reflect the trends and behaviors of the markets. Dow Jones is a stock market index that is considered as one of the most important indices globally, and which reflects the behavior of the market, which witnessed the first exchanges in 1990.

Stock market indicators measure the levels of prices at the market, through a sample of the stocks of the firms exchanged at the organized, non-organized stock markets, or both of them. The sample is usually selected in a way which enables the index to reflect the conditions of the market which the index is intended to measure.

Economists use economic indicators in identifying the economic conditions of a certain country, as well as its development, due to their standardization. Market index is a general measure of its trend, and it reflects the general trend of the prices of securities, and it can be used as an index of performance.

The problem of the present study is related to explaining the impact of some stock market indicators (Trading volume, number of stocks, and the number of contracts) on the turnover ratio of the stocks at the Glass and Porcelain firms at Amman stock Exchange, through the answers of the following questions:

Questions of the Study

- 1) What is the impact of the stock market indicators (trading volume, number of stocks, and number of contracts) on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange?
- 2) What is the impact of the trading volume on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange?
- 3) What is the impact of the number of stocks on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange?
- 4) What is the impact of the number of contracts on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange?

Importance of the Study

The importance of the present study is related to identifying the role of the indicators of the stock markets and their various uses, which are important to investors and other parties who deal with the stock markets. As the performance of the portfolio, in which the investor or the investment manager is able to compare the changes in the revenues of his portfolio (whether positive or negative) to the changes in the index of the market as a whole, which reflects the positively distributed portfolio. When the investments in a certain industry have a particular index, it is better to consider that index. Indices can be used also in measuring the risks facing the portfolio of securities, through the relationship between the return on dangerous assets and the returns on the portfolio consisting of such assets.

Aims of the Study

This study aims to:

- 1) Identify the impact of the stock market indicators (trading volume, number of stocks, and number of contracts) on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange.
- 2) Identify the impact of the trading volume on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange.
- 3) Identify the impact of the number of stocks on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange.
- 4) Identify the impact of the number of contracts on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange.

Hypotheses of the Study

1. There is an impact of the stock market indices (trading volume, number of stocks, and number of contracts) on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange.
2. There is an impact of the trading volume on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange.
3. There is an impact of the number of stocks on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange.
4. There is an impact of the number of contracts on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange.

Advantages of the Study

This study explored the impact of the stock market indicators (trading volume, number of stocks, and number of contracts) on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange, in order to identify various aspects related to the performance of the firms, which is related to the analysis of financial reports. This study is different from the previous studies which measured the change in the prices of stocks at stock markets.

Theoretical Framework and Review of Literature

All economic organizations seek to achieve the highest return, through the best use of their various resources, achieving the highest productivity and decreasing the production costs as far as possible, increasing the quality of production in order to attract the consumers, as well as developing the factors of production and the information systems (Al-Karkhi, 2007).

The future markets began in 1970s, when Chicago stock launched the exchange for buying and selling commodities for future delivery. IMM allowed the exchange of future exchange in government securities and short term treasury bills, and Chicago Stock market launched the exchange of USA treasury bills, which became later among the most active tools of future markets. Investors were concerned with the future of share indices, which is called (the share turnover ratio):

Share turnover is among the main considerations, which ought to be considered by investors, in the process of decision making related to investment in securities. It is also considered as a comparison measure between the stocks listed in the market among foreign investors.

Share turnover ratio is a measure of stock liquidity calculated by dividing the total number of shares traded over a period by the average number of shares outstanding for the period. The higher the share turnover, the more liquid the share of the company.

Share turnover helps the investor in making decisions concerning whether to purchase/sell the shares of a particular company over time. In simple terms, it compares the average number of shares of a company with the total number of shares that can be traded over a particular period. To calculate a company's share turnover ratio, the investor needs two values, i.e. the total number of shares of the company traded over a period and its outstanding shares during that period. The first one can be treated as the trading volume that were bought and sold over

a period. The second value is actually the total number of shares held by all the shareholders. These shares can be issued to investors or traders for purchase.

Share turnover ratio indicates a stock's liquidity i.e. how easily can the stocks be converted into cash or how easy it is to sell them. The higher the chances of converting shares into cash, the higher will be the chances of the shares getting sold in the market. Share turnover ratio can help the investor determine how easily he can invest in a company. However, it is not necessary that the ratio will provide the investor or analyst with the exact picture of the performance of a stock. If a smaller number of investors are interested in investing in a stock, this will result in a low turnover. But if there are more traders or investors showing interest in a company's stock/shares, it will give a higher turnover ratio.

Current Ratio

The current ratio is a financial ratio which yields the proportion of current assets to current liabilities. The current ratio is used as an indicator of a company's liquidity. In other words, a large amount of current assets in relationship to a small amount of current liabilities provides some assurance that the obligations coming due will be paid.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

The current ratio is a widely used index in measuring the liquidity of firms, and it is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. To gauge this ability, the current ratio considers the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities (Al-Zubaidi, 2011).

The current ratio which is higher than the standard of comparison is not always an indicator of better liquidity, due to the impact of the following factors which to be considered:

1. Composition of the exchanged assets in terms of the relative importance of their items.
2. Composition of liabilities in terms of due date.
3. The growth or deterioration of the firm.
4. The economic age of the organization and its market reputation.
5. Conditions of crediting and the credit facilities provided to the Organisation.
6. The probabilities related to seasonal factors, fluctuations of prices, fluctuation of demand and their impact on the value of assets.
7. Changes in the various items of the general budget.

The management at any Organisation seeks to improve the current ratio, so that banks and creditors provide it with credit facilities, and this can be achieved through various methods (Lutfi, 2000).

Shares: Shares are units of ownership interest in a corporation or financial asset that provide for an equal distribution in any profits, if any are declared, in the form of dividends (Khasawneh, 2011).

Types and characteristics of Shares:

Shares, of both types, ordinary and preferred, are among the sources of capital in corporations. A share can be defined as an as an interest in the company entitling the owner thereof to receive proportionate part of the profits, if any, and, at the' same time, proportionate part of the assets of the company in case of liquidation.

The two main types of shares are (Lutfi, 2000):

■ **Common shares (Common stocks):** these shares are a securities that represents= ownership in a corporation. Holders of common stock exercise control by electing a board of directors and voting on corporate policy. Common stockholders are on the bottom of the priority ladder for ownership structure; in the case of liquidation, common shareholders have rights to a company's assets only after bondholders, preferred shareholders and other debtholders are paid in full. If a company goes bankrupt, the common stockholders do not receive their money until the creditors and preferred shareholders have received their respective share of the leftover assets. This makes common stock riskier than debt or preferred shares.

■ **Preferred shares:** Preference shares, more commonly referred to as preferred shares, are shares of a company's stock with dividends that are paid out to shareholders before the issuance of common stock dividends are issued. If the company enters bankruptcy, the shareholders with preferred stock are entitled to be paid from company assets first. Most preference shares have a fixed dividend, while common stocks generally do not. Preferred stock shareholders also typically do not hold any voting rights, but common shareholders usually do. Ch guarantees

Number of Contracts:

The expansion of future contracts at the parallel markets required the presence of an organized market that provides the institutional framework for dealings according to a set of rules, and based on a mechanism which guarantees clearance, and the efficiency of transactions. Additionally, stock markets allowed the electronic trading in shares through their electronic websites, 23 hours a day, followed by one hour for the purposes of maintenance, which is carried out also at the weekend (Al-Tamimi, 2010).

Trading Future Contracts:

A futures contract is a type of derivative instrument, or financial contract, in which two parties agree to transact a set of financial instruments or physical commodities for future delivery at a particular price. If you buy a futures contract, you are basically agreeing to buy something that a seller has not yet produced for a set price. Traders are classified according to the strategies applied in the transactions, including brokers who seek benefit based on the expected changes in prices, whereas hedgers, who in buying or selling futures contracts, protect themselves against future price risks (Al-karkhi, 2007).

Modifying the Value of the Contract (Al-Tamimi, 2010):

The clearing house makes settlements in terms of the contract based on the changes in market prices, in which the settlement price is determined based on the mean of prices at the end of workday, upon which the contract value is modified. Thus, when the difference between the current settlement price and the precedent price is positive, the difference is transformed into the margin in behalf of the investor.

Second: Review of Literature

Studies in Arabic:

Jabu (2012) conducted a study titled (Analysing the changes in the Prices of Stocks at the Exchange Market). The study aimed to analyse the changes in exchanging prices at Amman stock Exchange in the period 2001-2010, through the prices of the stocks of firms listed in the Exchange, as well as the variables which affect the prices of shares, and analyzing the change patterns related to the prices of shares for the purposes of predicting the future changes in prices. Results of the study showed that changes in the prices of shares are not random, and that Amman Stock Exchange is sensitive to external impacts, and that its performance was impacted negatively by the recent crises.

Al-Rawashdeh (2010) conducted a study, titled (The Impact of the Market Indices at Amman Stock Exchange), which aimed at identifying the main indices at Amman Stock Exchange (ASE). Results of the study showed that a significant correlation between the series of the return of the general index and the series of the returns of sectorial indices. Results showed also the presence of a significant correlation between the general index of ASE, and the changes at the market level.

Al-Qasem (2009), in a study titled (stock Indices as a Measure of Economic Performance), aimed to examine several indices which impact the economic performance in firms. SPSS software was used in calculating the means and standard deviations. Results of the study showed the exchange market is an important tool for the assessment of firms and enterprises, in that it contributes to raising the awareness of investors in terms of the conditions of firms and enterprises, and that the prices of shares are an important indicator of the level of economic performance.

Al-Hajj and Da'as (2005) conducted a study titled (Effects of Quantitative Components of the Palestine securities Exchange on Al-Quds Index). The goal of this study is to determine the effects of quantitative components of the Palestine securities exchange upon Al-Quds Index –the effect of those quantitative variables individually –and their extent on the Index value. The results of the study indicate that the quantitative components explain approximately the changing value of Index. Some of them indicate negative effect –while the other indicates positive effects. Also, the study indicates that most effects are due to the value of the common capitalized stocks of the listed companies. The findings represent that the thinking methodology of investors will be the same –even the model that depend on pre-intifada financial data. Decrease in investing and dealing values is due to the continuous savings of both investors and community at a whole.

Hamad and Abu-Nassar (2013) carried out a study titled (The Effect of the Income Smoothing on the Market Return of Listed Companies in Amman Stock Exchange). The study aimed to identify the effect of the income smoothing on the market return of the industrial and service companies listed on Amman Stock Exchange. The study also investigated the effect of firm size and type of sector on the income smoothing process. The sample of the study comprises 44 industrial companies and 26 service companies listed on the Amman stock exchange during the period of (1996-2005). Eckel, (1981) model was used to classify the companies into smoothers and non-smoother. Four measures of income were used to achieve the objective of the study which are gross profit, net operating income, income before tax and net income. Three measures for size are used in the study: average of sales, average of total assets, and average of total market value. Descriptive measures, Person Test, Multiple Regression and T-Test are used to analyze the data of the study. The findings of the study revealed that some Jordanian companies practiced income smoothing, where the income smoothing appeared in all four measures of income in both sectors and in different proportions. It also indicated that there is no significant difference between the type of sector and income smoothing behavior by using different income measures except gross profit as a measure of smooth. Also, there is no significant difference occurred between the size of smoothing companies and non-smooth companies concerning their income by using three size measures (average of sales, average of total assets, and average of total market value) with an exception to the difference between the size smooth companies and non-smooth companies in case of using average sales when both sectors are tested at the same time. Finally, the findings indicated that there is a significant statistical impact of income smoothing behavior on abnormal market return.

Awwad (2011) conducted a study titled (Effect of Earnings Management on Dividend Policy and Its Reflection on Corporation Market Value). The study aimed at examining the phenomenon of earnings management, and discovering the extent of its use by industrial public shareholding Jordanian companies listed in the Amman Stock Exchange, and its effect on dividend policy and its reflection on the market value during the period from 2001 to 2006, in order to contribute to the awareness of investors in making wise investment decisions, and recognize the ability of these companies in maintaining a balance between one of the most important financial policies (dividend policy) as an indicator of financial performance and market value as an indicator of the decisions of investors, shareholders and stakeholders in assessing the performance of the company. This study was conducted on a sample of (32) industrial shareholding companies, a time-series data, nature cross-sectional data of the group of years. The Modified Jones Model 1995 was used in order to determine to what extent industrial companies use earnings management, and then test it's the effect of earnings management on the market value in light of dividend policy. To achieve the objectives of the study the researcher used a number of statistical methods that suit the nature of the data of this study. Results of the study showed that firms practice the management of profits (44%), and that this management has no impact on the policy related to the distribution of profits. Results showed also a significant impact of the management of profits on the market value, which is moderated by the policy related to the distribution of profits.

Studies in English:

Alper, Fendoglu & Saltoglu (2008) conducted a study titled (), in which he explored the relative weekly stock market volatility forecasting performance of the linear univariate MIDAS regression model based on squared daily returns vis-a-vis the benchmark model of GARCH(1,1) for a set of four developed and ten emerging market economies. The researcher first estimated the two models for the 2002-2007 period and compare their in-sample properties. Next, he estimated the two models using the data on 2002-2005 period and then compared their out-of-sample forecasting performance for the 2006-2007 period, based on the corresponding mean squared prediction errors following the testing procedure suggested by West (2006). The findings showed that the MIDAS squared daily return regression model outperforms the GARCH model significantly in four of the emerging markets. Moreover, the GARCH model failed to outperform the MIDAS regression model in any of the emerging markets significantly. The results are slightly less conclusive for the developed economies. These results may imply superior performance of MIDAS in relatively more volatile environments.

Al-Refa'ee (2012) conducted a study titled (The extent of applying the activity based costing system (abc) in the field of iron and steel industry in Jordan). This study sought to identify the extent of applying the Activity Based Costing System (ABC) in the field of iron and steel industry in Jordan. The study aimed also at estimating the viable accrued revenue as a result of implementing this system as well as at detecting crucial obstacles encountering the execution of the ABC system in iron and steel industry in Jordan. In order to achieve the goals of this study, a questionnaire was designed and distributed among the body social consisting of nine iron and steel industrial companies in Jordan. Descriptive Statistics was the basis of analyzing the feedback. The construed results showed that (71.4%) of the selected body social does not employ the Activity Based Costing System (ABC). The main reason for abstaining from applying the system is a firm conviction of the upper management that conventional systems are proficiently sufficient to their immediate needs and that there is no need to implement alternative new systems. However, another equally important reason lies in the lack of tentative application in the field of iron and steel industry in Jordan. The study concluded that iron and steel companies in Jordan ought to renovate and to restructure their systems in order to comply with Activity Based Costing System (ABC). This study also recommends to insistently promoting the (ABC) system within the upper management of these companies, as the system comprises strategic edge upon other available systems. Finally, the study also sponsors the idea of introducing and orienting these companies with the system and to explain the benefits of implementing it.

Boritiz and Liu (2006) conducted a study titled (Determinants of the Timeliness of Quarterly Reporting Evidence). This study examined the determinants of the timeliness of quarterly reporting in Canada. Based on prior research, the study hypothesized that interim financial statements are released more promptly by companies with a high transparency of information environment than firms with a low transparency of information environment. The study also hypothesized that firms with more agency problems are more likely to delay the disclosure of their interim financial statements than firms with less agency problems. Results provided evidence that firms' information environment and agency problems are related to the

timeliness of quarterly reporting. More interestingly, results showed that firms that do not have their interim financial statements reviewed by their auditors are less timely in releasing their interim financial statements than firms having their interim financial statements reviewed, suggesting that firms may perceive the disclosure of no audit review as a negative signal to market participants and thus intentionally delay that disclosure.

Mensah and Werner (2006) conducted a study (The Capital Market Implication of the Frequency of Interim Financial Reporting: An International Analysis) which aimed to examine empirically the extent to which the frequency of interim financial reporting affects stock price volatility over the course of the fiscal year in four countries with different interim reporting regimes: the United States and Canada with quarterly reporting, and Great Britain and Australia with semi-annual interim reporting. The study hypothesized that, in the tradeoff between timeliness and predictive value of the interim reports, semi-annual interim reporting will lead to lesser price volatility after accounting for other potential influences. These expectations were supported in the results found. Moreover, additional tests conducted on American ADRs of British and Australian companies showed that those firms have higher volatility than comparable purely domestic firms on their home stock exchanges.

Maysami, Howe and Hamzah (2004) conducted a study titled (Relationship between Macroeconomic Variables and Stock Market Indices: Co-integration Evidence from Stock Exchange of Singapore's All-S Sector Indices), which aimed to examine the long-term equilibrium relationships between selected macroeconomic variables and the Singapore stock market index (STI), as well as with various Singapore Exchange Sector indices—the finance index, the property index, and the hotel index. The study concluded that the Singapore's stock market and the property index form co-integrating relationship with changes in the short and long-term interest rates, industrial production, price levels, exchange rate and money supply. Implications of the study and suggestions for future research are provided.

Bauman and Shaw (2002) conducted a study titled (Interim Income Tax Data and Earnings Prediction), which aimed to examine the usefulness of interim income tax disclosures in predicting future earnings and analysts' forecast errors. The integral view of interim financial reporting requires managers to make their best estimate of the effective income tax rate expected to be in effect for the year. Thus, the effective tax rate disclosed in the first quarter's Form 10-Q potentially provides some private information regarding management's expectations for forthcoming earnings. The analyses showed that these interim tax rate disclosures are useful in predicting future earnings and, in addition, are positively related to analysts' forecast errors. The results suggested that analysts underutilize effective tax rate information in interim disclosures that could be used to improve the accuracy of their earnings forecasts.

Analysis and Results .This chapter provides the procedures and methods of the present study, which were used for the purposes of achieving the aims of the study. This chapter provides the population and sample of the study, as well as the tool used for data collection required for answering the questions of the study.

Methods of the Study: This study employs the descriptive analytical method in order to explore the impact of some stock market indicators (Trading volume, number of stocks, and the number of contracts) on the turnover ratio of the stocks at Glass and Porcelain firms at Amman stock Exchange. Review of theoretical literature and previous research was carried out, and financial indicators were used for the purposes of achieving the results of the study.

Population of the Study: The population of the present study consists of the glass and porcelain firms listed in Amman Stock Exchange (ASE).

Sample of the Study: The sample of the present study consists of the glass and porcelain firms listed in Amman Stock Exchange (ASE) during the period (2000-2012).

Data collection Methods: The following sources were used for collecting the study data:

Primary sources: the data collected from the population of the study, which were analysed through the use of (SPSS) software for statistical analyses, in order to calculate the means and the standard deviations required for answering the questions of the study.

Secondary sources: the official website of Amman Stock Exchange and the Department of Statistics.

Variables of the Study:

The independent Variables: Trading volume, number of stocks, and the number of contracts.

The dependent Variable: turnover ratio of the stocks at Glass and Porcelain firms at Amman stock Exchange.

Statistical Analysis: (SPSS) software was used for the analysis of data, and the following statistics were used:

- Means and standard deviations.
- Coefficients of correlations between the independent and dependent variables of the study.
- Multiple regression analysis in order to examine the relationship between the independent variables and the dependent variable.

Findings of the Study and Testing the Hypotheses

This section provides the findings of the study which aimed to explore the impact of some indicators on the turnover ratio of the stocks of Glass and Porcelain firms listed in Amman Stock Exchange in the period (2000-2012). The following paragraphs shows the results of the study in terms of its hypotheses.

The Descriptive Statistics: Means and Standard Deviations which measure the level of the stock market indicators (Trading volume, number of stocks, and the number of contracts) on the turnover ratio of the stocks:

Table (1) Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Trading volume	30	.00	63668935.71	10330645.5870	17352239.57132
Number of stocks exchange	30	.00	115240196.00	14234869.1667	28155465.76041
Number of contracts	30	.00	26651.00	6563.0667	7809.20611
Turnover ratio	30	.00	3073.07	260.9116	600.85683
Valid N (listwise)	30				

The table shows that the means which measure the level of the stock market indicators ranged between (26651.00 -115240196.00), with the highest mean (115240196.00) for the indicator of the number of stocks exchanged, followed by the indicator of trading volume (63668935.71), while the lowest mean was (26651.00) for the indicator of the number of contracts. The mean for the variable of turnover ratio was at (260.9116).

Testing the Hypotheses of the Study:

The Main Hypothesis of the Study: There is an impact of the stock market indices (trading volume, number of stocks, and number of contracts) on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$).

The following are the minor hypotheses of the study, which are derived from the main hypothesis:

First Minor Hypothesis: There is an impact of the trading volume on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$).

Second Minor Hypothesis: There is an impact of the number of stocks on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$).

Third Minor Hypothesis: There is an impact of the number of contracts on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$).

In order to test the main and minor hypotheses, Pearson correlation coefficients between the independent variables (trading volume, number of stocks exchanged, and the number of

contracts) and the dependent variable (turnover ratio) were calculated, and multiple regression analysis was applied. The following table shows the results:

Pearson correlation coefficients between the independent variables and the

Table (2) dependent variable

		Turnover Ratio
Trading Volume	Pearson Correlation	.832(**)
	Sig. (2-tailed)	.000
	N	30
Number of Stocks Exchanged	Pearson Correlation	.940(**)
	Sig. (2-tailed)	.000
	N	30
Number of Contracts	Pearson Correlation	.791(**)
	Sig. (2-tailed)	.000
	N	30

** Correlation is significant at the 0.01 level (2-tailed).

The table shows that the most significant correlation was for the indicator of (number of stocks exchanged) at (0.940), followed by the indicator of (trading volume) at (0.832). The lowest correlation Coefficient was (0.791) for the indicator of (number of contracts), and all the correlations were significant at the level (0.05).

Table (3) Results of Multiple Regression:

Std. Error of the Estimate	Adjusted R Square	R Square	R	Model
186.15171	.904	.914	.956(a)	1

Predictors: (Constant), Trading volume, Number of Stocks, Number of Contracts.

The table above shows that the value of R was (0.956), and the value of (²R) was (0.914), which indicates the significance of the impact of correlation between the indicators of the stock market (Trading volume, Number of Stocks, Number of Contracts) on the turnover ratio of the stocks of the Glass and Porcelain firms listed in Amman Stock Exchange.

Table (4) ANOVA (b)

Sig.	F	Mean Square	df.	Sum of Squares		Model
.000(a)	92.046	3189625.005	3	9568875.015	Regression	1
		34652.459	26	900963.945	Residual	
			29	10469838.960	Total	

a- Predictors: (Constant), Trading volume, Number of Stocks, Number of Contracts.

b- Dependent Variable: Turnover Ratio.

The table above shows that the value of F is (92.046), with a sig. level at (0.00), which indicates the presence of a significant impact of the indicators of the stock market (Trading volume, Number of Stocks, Number of Contracts) on the turnover ratio of the stocks of the Glass and Porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha= 0.05$).

Table (5) Coefficients (a)

Sig.	t	Standardied Coefficients Beta	Unstandardized Coefficients		Model
			Std. Error	B	
.520	.653		48.863	31.906	(Const ant)
.037	2.193	-.440	.000	-1.525E-05	Tradin g Volum e
.000	8.115	1.454	.000	3.102E-05	Numb er of Stocks Excha nged
.475	.726	-.109	.012	-.008	Numb er of Contra cts

a - Dependent Variable: turnover ratio.

The table above shows that the impact of the independent variable on the dependent variable, which is indicated by the value of (β) is (-0.440), (1.454), and (-0.109), respectively, which indicates also the presence of an impact of the indicators of the stock market on the turnover ratio of the stocks of the glass and porcelain firms listed in Amman Stock Exchange, the value of (t) is (+8.115), with a sig. level of (0.00). This suggests a positive impact of the number of stocks exchanged on the turnover ratio of the stocks of the firms at ASE. The value of (t) for the trading volume is (-2.193), with a sig. level of (0.03), which indicates the negative impact of the number of stocks exchanged on the turnover ratio of the stocks of glass and porcelain firms listed in Amman Stock Exchange. Concerning the number of contracts, the value of (t) is (+0.726), which is not statistically significant, which indicates the lack of a significant impact of the number of contracts on the turnover ratio of the stocks of glass and porcelain firms listed in Amman Stock Exchange.

The complete model which is indicated by the value of (F), was at (92.046), with a sig. level at (0.00), which indicates the acceptance of the main hypothesis of the study, which states that "There is an impact of the stock market indices (trading volume, number of stocks, and number

of contracts) on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$)".

and the acceptance of the First Minor Hypothesis, which states that: "There is an impact of the trading volume on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$)".

Additionally, the Second Minor Hypothesis which states that: "There is an impact of the number of stocks on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$)" was accepted.

The Third Minor Hypothesis was rejected, and the following null hypothesis was accepted: There is no impact of the number of contracts on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$).

Results of the Study:

Through the statistical analysis and testing the hypotheses of the study, the researcher provides the following results:

- There is a statistically significant negative impact of the trading volume on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$).
- There is a statistically significant positive impact of the number of stocks on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$).
- There isn't an impact of the number of contracts on the turnover rate of the stocks at the glass and porcelain firms listed in Amman Stock Exchange at the sig. level ($\alpha=0.05$).

Recommendations of the Study:

Based on the results of the study, the researcher recommends:

- Focusing on the trading volumes of stocks, which increase the liquidity of shares when the trading volume increase, which provides investors with opportunities for trading and exiting.
- Seeking to increase the number of stocks exchanged in order to avoid the impacts of the negative events and cases of emergency which might be encountered by the firm which has low levels of turnover ratio.
- Seeking to achieve stability in the prices of shares, which decreases the risks related to investments, because the liquidity provides opportunities for buying and selling, and increases the attractiveness of investments. Additionally, the liquidity contributes to the stability of prices at the market.

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