The Effect of Liquidity Risk on Stock Returns in Listed Companies in Tehran Stock Exchange

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Abstract: One of the risks associated with company stocks is stock liquidity. Stock companies with high liquidity are attractive for shareholders and investors and increase demand. Increasing the attractiveness and demand for company stocks makes it easy and inexpensive to finance and increase capital for company development. In addition, it reduces the expected returns of the shareholders. Therefore, the purpose of this study is to investigate the effect of liquidity risk on capital asset pricing in companies active in the stock market. In order to achieve this goal, a cross-sectional model has been used for the period of 2009-2014 annually and the effect of liquidity risk on two capital asset pricing models and a modified asset pricing model in 130 listed companies in Tehran Stock Exchange. The non-liquidity criterion has been used by amihud as a liquidity risk agent. Data were analyzed using combination of data and least squares regression. The diagnostic test in combined data (Chow & Hausman) suggests the use of a bound pattern for estimating the regression model. The results of estimating the regression model showed that the liquidity risk with inverse purchasing volume was directly related to stock returns.

Keywords: Capital Asset Pricing Model, Adjusted Model, Capital Asset Pricing, Stock Return, Non-Liquidity Ratio

Introduction
There is a steady principle in the investment culture that capital is risk averse and tends towards profitability. That's why refiners risk refusing to bring their capital to risk and risk or an uncertain horizons against their profits and capital. But can one find that, on the one hand, investors seek to maximize their returns on investment, and on the other hand, they face uncertainty over financial markets. The latter factor encounters uncertainty in the achievement of investment income. Usually, in the economy, and especially in the investment, it is assumed that investors act reasonably. Logical investors prefer confidence to uncertainty, and it is natural that in this case, investors are not interested in risk, in other words, the rebakers are absent (Fallah Shams and Hashemi, 2011).

Theoretical Research Variables and How to Measure it

Independent Variable: Liquidity Risk

How to Calculate Liquidity Risk: Equity Non-Cash Equity (Ci)

One of the new models used to calculate liquidity is the "Amiest Model." The amiest model that measures liquidity is the average ratio of the volume of the transaction to the absolute value of the return. However, given that the purpose of this study is to measure the lack of liquidity (and the risk of non-liquidity), the other (and even newer) criterion, called ILLIQ, will be used, which, in addition to being very similar to the American standard, most of the agents involved in the liquidity, namely the volume of the transaction, the supply and demand gap, and the number of days traded in the stock. ILLIQ, introduced in 2002 by Amihud, is calculated from the following formula:

$$\text{ILLIQ}_{it} = \frac{1}{\text{Days}_{it}} \sum_{d=1}^{\text{Days}_{it}} \left( \frac{R_{id}}{V_{id}} \right)$$

In which $R_{id}$ and $V_{id}$ are equal to the yield and volume of the Rial (to millions) on day d from year t, and Dayti is equal to the number of days traded in stock i in year t (Rahnamay Rudposhti & et al., 2009).

Market Insolvency ($C_m$)

In this research, the amiguity method is used to obtain market liquidity, which is used by the following formula:
ILLIQ_{it}^{m} = \frac{1}{\text{Days}_{it}^{m}} \sum_{d=1}^{\text{Days}_{it}^{m}} \left| \frac{\text{R}_{it}^{m}}{\text{V}_{it}^{m}} \right|

Where Ri and Vi are equal to the yield and volume of the rial (in million) on day d from year t, and Day_{it}^{m} is equal to the number of days traded in stock i in year t (Rahnamay, Rudposhti & et al., 2009).

Dependent Variables
Stock Returns
Calculating Stock Returns: In this research, we use the following methods to calculate stock returns:

Calculating returns using capital asset pricing model
William Sharp has proposed the following relationship to calculate returns in the form of capital asset pricing model:

\[ E(r_i) = r_f + \beta(r_m - r_f) \]

The variables in the above relationship are:
E(ri): asset return i
Rf: risk-free return rate
Rm: market returns
\( \beta \): Systematic Risk Measurement

Calculation of returns using the adjusted capital asset pricing model
Given the new relationship noted in the beta calculation in this paper, the calculation of return on capital asset pricing model is subject to change, in this sense, since this paper intends to examine the effect of liquidity risk on capital asset pricing model, therefore, we should introduce this risk into some kind of model and see its result on the model.

Acharya and Pedersen achieved the new model by adding non-liquidity costs (Ci) to the aforementioned model. By deducting the cost of non-liquidity from the obtained and expected returns, we will look at a model similar to the one below. If \( \lambda = r_m - c_m - r_f \), we will have:

\[ E(r_i) = r_f + E_t(C_i) + \lambda \frac{\text{cov}(r_i, r_m)}{\text{Var}(r_m)} \]

In the above equation, relationships are:
C_i: Lack of stock liquidity; i
C_m: Lack of market liquidity
E_t(C_i): The average non-liquidity of stock i in year t
Other variables are similar to those of capital asset pricing models.
Systematic Risk Coefficient Calculator (Beta)
Systematic risk factor (beta) is the risk of a financial asset or a set of financial assets that is derived from the market risk of the market. To calculate the systemic risk, the beta index is used, which is the result of the covariance of i and market return on market variance (Kapalan, 2007). The traditional beta is calculated on the Tehran Stock Exchange, but the moderation bet must be obtained by considering the liquidity risk.

The beta is calculated by the formula:

\[ \beta = \frac{\text{cov}(r_i, r_m)}{\text{Var}(r_m)} \]

One of the drawbacks to the traditional beta (standard) is that it does not take into account liquidity. The beta modifier is the only difference with the standard beta that this beta also includes liquidity risk. According to the above, the beta is calculated as follows:

\[ \text{Adj}-\beta = \frac{\text{cov}(r_i, r_m)}{\text{Var}(r_m)} \]

Market Returns
The average yield rate that results from the equity information of the Tehran Stock Exchange. Various indicators such as total price, top 50 companies index, financial index, industry index, cash flow index and cash and cash flow indicator
are discussed. In this research, the whole price index has been used. The market returns have been received from the New Market and Tehran Stock Exchange.

**Purchaser Volume (Dependent Variable):** The number of shares i traded in year t.

**Expected return on equity (dependent variable)**

The return on investment in ordinary shares, based on the first and last price, is derived from the interest and profits derived from ownership. The interests of the owner during the times that the company has held the forum is shared with the shareholder and will be shared with the shareholder during the periods that the assembly has held and the periods not convened by the forum. The interests of ownership will be equal to the queue. In order to calculate the stock return of a company, three different factors of stock price difference at the end of the period relative to the first period, dividend profit per share (DPS) during the period, and the increase in capital of the companies from the place of accumulation or cash inflow in the time period used were used Is. (Campbell & Volteenaho, 2004). Return on investment in stocks is calculated as follows:

$$R = \frac{P_{t+1}}{P_t} + \frac{D}{P_t}$$

Where R is the rate of return, D is the profit or other receivables, $P_{t+1}$ is the asset price at the end of the period and $P_t$ is the asset value at the beginning of the period.

**Control Variables**

**SIZE**: The logarithm of the company's stock market value in year t. This variable controls the size of small and large companies in the sample.

**The ratio of book value to market value (B / M)**: is the logarithm of a plus book value to the market value of the firm in year t. This variable is included in the model to control the effect of growth companies on non-growth companies.

**Leverage (LEV)**: Equal to total debt to total assets.

**Background Research**

Heydari & et al. (2011), investigate the relationship between liquidity risk and price in Tehran Stock Exchange. In this research, considering the importance of the relationship between risk and stock value, the effect of liquidity risk and risk factors, the size of the company, the ratio of book value to market value and P / E on equity pricing was investigated. The non-liquidity criterion of Amihud has been used as a liquidity risk agent. For this purpose, the regression method of the data panel-the GLS model due to the advantages of reducing the coherence between the variables and the prediction of the effects of the effects that can not be identified in cross-sectional and time series data. Was used. The results show that liquidity risk and book value ratio of BM to stock prices have no significant effect on stock prices in Tehran Stock Exchange. But P / E and firm size have a significant effect on price, which indicates the importance of most recent variables in liquidity risk and BM in pricing in Tehran Stock Exchange.

Yahya Zade Far & et al. (2010), examined the relationship between liquidity and stock returns in Tehran Stock Exchange. In this research, the relationship between stock exchange rate as a liquidity criterion and return on equity in Tehran Stock Exchange during the period from 2002 to 2008 has been investigated. The time series data are collected annually through a combination of data (panel) and analyzed by Eviews software. In this regard, after testing the relationship between the two variables, the size and book value variables into the market value as the control variables entered into the model. This may be due to an increase in the attractiveness of the cash-settled stock and an increase in demand for such stocks.

Bidgoli and Sarang (2007), research on porcelain selection using three criteria of average return, standard deviation of return and liquidity in Tehran Stock Exchange. The two tried to integrate the liquidity criterion as one of the most important criteria for investors in the portfolio creation process. In this regard, they used two liquidity filtering approaches and liquidity constraints to integrate liquidity. The research has shown that in many cases, even simple forms of liquidity-based portfolio optimization can have great benefits in reducing the risk of liquidity of a portfolio of investors (and without losing a significant amount of expected returns per unit of risk ). The comparison between these two approaches showed that, overall, the results of the liquidity limitation approach are much more attractive and better than liquidity filtering approach. In other words, high-level liquidity is effective on investor decisions and thus affects the boundaries of work.

Bagher Zadeh (2003), conducted a study entitled "Investigating Factors Affecting Expected Returns of Shares Acquired by Tehran Stock Exchange". He investigated the relationship between the risk and expected returns of the shares of the companies admitted to Tehran Stock Exchange through the CAPM test in the period from 1993 to 2002 and identified the factors affecting the expected returns of these companies. To this end, the impact of beta variables, firm size, book value to market price, profit / profit ratio, although the CAPM axis predicts. But they did not match the results of similar studies in countries with developed capital markets.
Lashoski and Veronkova (2012), examined whether stock liquidity along with company size and value was one of the important factors influencing stock returns. The results of their studies show that, unlike what is expected, stock liquidity is not significantly affected by stock returns compared to stock value and size of the company.

Lam and Tom (2011), examined the effect of stock liquidity on capital asset pricing. Their results indicate that stock liquidity can be considered as another factor in capital asset pricing models. In their view, the best model for evaluating the risk associated with stock returns is market share, firm size, book value to stock market value, and stock liquidity. Narayan and Zheng (2010), have conducted research as the market liquidity risk factor and financial market anomalies. The results indicate that the Fama and French models are not only able to capture the efficiency of the past four of the four factors.

Chorida and et al (2008), in a study, showed that stock liquidity creates a high degree of information efficiency, Shareholders are turning to markets that have high market liquidity and are motivated to buy shares in companies with a high share of their free float. These two characteristics of the market will help attract investors and increase their satisfaction, as a result of market growth and development (Ahmad Pour and Baghban, 2014).

Fujimoto and Watanab (2006), found a positive relationship between the lack of liquidity and fluctuations in stock returns at the level of each company as well as the overall level of companies in their sample. The liquidity criteria used in their research are stock fluctuations and the difference in bid prices of relative share purchases. Their sample also includes 100 shares of the largest shares of the New York Stock Exchange and 100 shares of the largest shares of the Nasdaq index at the end of 2000. Their research results show that the determining variable is 75% of the tested shares, the difference in the price of purchase and sale. The greater the lack of liquidity of the stock, the more fluctuations in stock returns (Mehrani and Resaeian, 2009).

Acharya and Pedersen (2005), presented a capital asset pricing model in which the relationship between expected market returns and the expected liquidity of a share was investigated. They believe that a low-liquidity share has a small simultaneous impact on the return on equity, as well as its impact on its foreseeable future returns. Also, if the shares have high current returns but high foreseeable future returns, they have stable liquidity.

**Research Method**

The research methodology is a set of authoritative (reliable) and systematic rules, tools and paths for investigating facts, identifying uncertainties and finding solutions to problems. Based on the nature and method, scientific research can be divided into five groups of historical research, descriptive, correlation or consistency, (post-event) and experimental (experimental) (Hafeznia, 2006). The methodology of this research is as follows:

**Research method from the perspective of the target**

This research is, in terms of purpose, of applied research. Applied research is an attempt to find an answer to solve a problem and practical problem that exists in the real world. In fact, it is a research applied research, which is real information, and various statistical methods are used to reject or not reject the hypotheses and are in the field of theoretical theory. And its results can be useful for different groups of accountants and experts and users of financial statements. The data are analytical and quasi-experimental-post-event. Because it analyzes the actual data. The data of this research is of a quantitative nature because of the financial statements published in the Stock Exchange database. This research is based on the deductive-inductive arithmetic (induction from partial to total reach) the present study is a time-series cross-sectional study. Because sample companies are being investigated at different times.

**Society, Statistical Sample and Sampling Method**

The statistical population of this research is composed of all companies accepted in Tehran Stock Exchange in the period from March 2009 to March 29, 2015. The total number of these companies was 495 companies. In this research, the sample of companies was selected by systematic elimination method of 130 companies.

**Research Hypotheses**

**First hypothesis:** Liquidity risk affects the pricing of capital assets.

**Sub-Hypothesis 1-1:** Liquidity risk affects the pricing of capital assets based on the equity returns model of capm method.

**Sub-Hypothesis 1-2:** Liquidity risk affects the pricing of capital assets based on the return on equity model by the Adj-Capm method.

**Test of Research Hypotheses**

**First Hypothesis:** Liquidity risk influences capital asset pricing.

**Sub-Hypothesis 1-1:** Liquidity risk affects the pricing of capital assets based on the stock returns model of capm method.

\[
\text{CAPMI}_t = \alpha_t + \beta_1 \text{ILLIQI}_t + \beta_2 \text{SIZEI}_t + \beta_3 \text{BM}_t + \beta_4 \text{LEV}_t
\]
Table 1. Jarke Bravo Test

<table>
<thead>
<tr>
<th>Result</th>
<th>PROB</th>
<th>Jarcobras amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&gt;0.05</td>
<td>0.058</td>
<td>4.05828</td>
<td>EXPRET</td>
</tr>
<tr>
<td>P&gt;0.05</td>
<td>0.587</td>
<td>0.368</td>
<td>SIZE</td>
</tr>
<tr>
<td>P&gt;0.05</td>
<td>0.389</td>
<td>0.825</td>
<td>BM</td>
</tr>
<tr>
<td>P&gt;0.05</td>
<td>0.258</td>
<td>0.985</td>
<td>LEV</td>
</tr>
</tbody>
</table>

The results of Table (1) show that in this hypothesis, the data has been sorted in a composite method. Also, the results of the Hausman test have been used to estimate the model of this hypothesis using a fixed cross-sectional method.

The results of the Watson camera (1.94) indicate that the errors of the variables are independent of each other. In this table, we see that the value of the coefficient of determination is 0.764, which suggests that the model is based on independent variables of 76%. On the other hand, the significance level of the Fisher test shows that the model in general is meaningful in this hypothesis. It is seen in this table that the t-test for the liquidity risk variable is greater than 0.05 (0.794), which indicates that the dependent variable (returns) is not affected. Therefore, the assumption H0 is confirmed and the assumption of H1 is rejected. As a result, it can be said that the liquidity risk on capital asset pricing is not affected by the CAPM method based on stock returns model.

Sub-hypothesis 1-2: Liquidity risk affects the pricing of capital assets based on the return on equity model by the Adj-Capm method.

\[ \text{EXPRET}_{i,t} = \alpha_0 + \beta_1 \text{ILLIQ}_{i,t} + \beta_2 \text{SIZE}_{i,t} + \beta_3 \text{B/M}_{i,t} + \beta_4 \text{LEV}_{i,t} \]

Table 2. Regression test results using fixed effects method

<table>
<thead>
<tr>
<th>Sig.</th>
<th>T</th>
<th>The standard error</th>
<th>Coefficient</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.001</td>
<td>3.3</td>
<td>0.086</td>
<td>0.286</td>
<td>ILLIQ</td>
</tr>
<tr>
<td>0.011</td>
<td>-2.52</td>
<td>2.399</td>
<td>-6.063</td>
<td>SIZE</td>
</tr>
<tr>
<td>0.00</td>
<td>-7.61</td>
<td>2.016</td>
<td>-15.36</td>
<td>B/M</td>
</tr>
<tr>
<td>0.00</td>
<td>-4.54</td>
<td>0.888</td>
<td>-4.036</td>
<td>LEV</td>
</tr>
<tr>
<td>0.001</td>
<td>3.18</td>
<td>6.037</td>
<td>19.25</td>
<td>C</td>
</tr>
<tr>
<td>0.185</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.118</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.011</td>
<td>5.1</td>
<td>F(F-statistic)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.05</td>
<td></td>
<td>Watson Camera Test</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of table (2) show that in this hypothesis, as in the previous hypothesis, the data has been sorted in a composite method. Also, the results of the Hausman test have been used to estimate the model of this hypothesis using a fixed cross-sectional method.

The results of the Durbin Watson (2.05) show that the errors of the variables are independent. In this table, we see that the coefficient of determination is equal to 0.185, which indicates that the model is independent of the independent variables of 5 / 18 percent is preferred. On the other hand, the significance level of the Fisher test shows that the model in general is meaningful in this hypothesis. In this table it is seen that the t-test for the liquidity risk variable is less than 0.05 (0.00), which indicates that the dependent variable (expected return on equity) is affected. Therefore, the assumption H0 is rejected and the assumption H1 is verified. As a result, liquidity risk is affected by expected stock returns.

Relationship (3) Estimated model of the third main hypothesis

\[ \text{EXPRET}_{i,t} = 19.25 + 0.286 \text{ILLIQ}_{i,t} - 6.063 \text{SIZE}_{i,t} - 15.36 \text{B/M}_{i,t} + 4.036 \text{LEV}_{i,t} \]

The Second Main Hypothesis: Liquidity risk affects stock purchasing.

\[ \text{SOLD STOCK}_{i,t} = \alpha_0 + \beta_1 \text{ILLIQ}_{i,t} + \beta_2 \text{SIZE}_{i,t} + \beta_3 \text{B/M}_{i,t} + \beta_4 \text{LEV}_{i,t} \]

70
Table 3. The results of the regression test using fixed effects method

<table>
<thead>
<tr>
<th>Sig.</th>
<th>T</th>
<th>The standard error</th>
<th>Coefficient</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>-14.28</td>
<td>0.053</td>
<td>-0.758</td>
<td>IILLIQ</td>
</tr>
<tr>
<td>0.00</td>
<td>11.87</td>
<td>1.46</td>
<td>17.44</td>
<td>SIZE</td>
</tr>
<tr>
<td>0.00</td>
<td>-3.92</td>
<td>1.23</td>
<td>-4.85</td>
<td>B/M</td>
</tr>
<tr>
<td>0.00</td>
<td>-3.589</td>
<td>0.543</td>
<td>-1.95</td>
<td>LEV</td>
</tr>
<tr>
<td>0.00</td>
<td>-6.56</td>
<td>3.69</td>
<td>-24.26</td>
<td>C</td>
</tr>
<tr>
<td>0.831</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The coefficient of determination 0.831

Adjusted coefficient 0.796

F statistics (F-statistic) 23.96

Watson Camera Test 1.86

The results of Table 2 show that in this hypothesis, as in the previous hypothesis, the data has been sorted in combination. Also, the results of the Hausman test have been used to estimate the model of this hypothesis using a fixed cross-sectional method.

The results of the Watson camera (1.86) indicate that the errors of the variables are independent of each other. In this table we see that the coefficient of determination is equal to 0.831, which indicates that the model is preferred by independent variables of 83%. On the other hand, the significance level of the Fisher test shows that the model in general is meaningful in this hypothesis. It is seen in this table that the t-test for the liquidity risk variable is less than 0.05 (0.00), which indicates that the dependent variable (stock purchasing volume) has been affected. Therefore, the assumption H0 is rejected and the assumption H1 is verified. As a result, liquidity risk affects the shareholder's purchasing power.

Relationship (2): Estimated model of the second main hypothesis

\[
\text{SOLD STOCK}_{i,t} = -0.758 + 17.44 \text{ IILLIQ}_{i,t} + 17.44 \text{ SIZE}_{i,t} - 4.85 \text{ B/M}_{i,t} - 1.95 \text{ LEV}_{i,t}
\]

The third main hypothesis: Liquidity risk influences stock returns.

Table 4. Summary of hypothesis testing results

<table>
<thead>
<tr>
<th>Result</th>
<th>Phrase</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmation</td>
<td>Liquidity risk affects shareholder purchases.</td>
<td>The third hypothesis</td>
</tr>
</tbody>
</table>

Analysis of test results of hypotheses

In this research, before testing the hypotheses, first, the status of normal, consistency of variance and data sorting method were tested. The results showed that the data are not normal distribution. And the variables are stable and there is no inconsistency of variance. The panel method was tested by constant assumptions.

To estimate the model of the third hypothesis, which states that liquidity risk affects the shareholder's purchasing power, considering the meaningfulness of the Lymer test and the lack of significance of the Hausman test, the panel method is estimated with the constant effects of this hypothesis model. In table 2, liquidity risk was able to influence the purchasing power of stockholders, so that the results of this hypothesis showed that liquidity risk could have a negative and significant relationship with the shareholder's purchasing volume. This means that with increasing liquidity risk, the shareholder's purchases will decrease. It can be said that one of the factors that investors are considering when buying assets is the ability to buy and sell (review) it; this is a crystallization of the risk of asset liquidity in the mind of the buyer, which can lead to the investor's withdrawal from investment. So as a result of the more general liquidity of a share, the share for investment is less attractive, but it yields more returns. To estimate the model of the fourth hypothesis, which states that liquidity risk influences the expected returns of the stock, considering the meaningfulness of the Lymer test and the lack of significance of the Hausman test, the panel method is estimated with the constant effects of this hypothesis model. In table 3, liquidity risk was able to influence the expected returns of the stock, so that the results of this hypothesis showed that liquidity risk could directly and significantly affect the expected return on equity. In other words, with increasing liquidity risk, the expected returns of the stock will increase. Because expected stock returns are in addition to the risk-bearing compensatory indicator for the effect of the anticipated lack of liquidity, and therefore an increasing function of expected market imbalances. This is because the higher real non-liquidity leads to a higher expectation of non-liquidity, which in turn increases the expected returns. It is logical that
many investors expect higher yields than those with a higher sensitivity to liquidity. The results of the third trials of research, in accordance with the results of Fujimoto and Atanab (2006); Pastur and Staabaf (2003) Amhuhd (2002); Jun and et al (2002); Zare (2002); Tehrani and Blue (2009); Yahya Zadeh Far & et al. (2010). However, according to research conducted by Hue (1997), Duskar (2006) Yahya Zadeh Far and Khoramdin (2008).

Table 4. Comparison of the results of the research with similar research

<table>
<thead>
<tr>
<th>Conjoined / Non-Converged</th>
<th>Result</th>
<th>Phrase</th>
<th>Hypothesis</th>
</tr>
</thead>
</table>

Total Resulting

With regard to all the materials mentioned and the tests conducted on the main hypothesis of this research that the effect of liquidity risk on the pricing of capital assets can be concluded that this assumption was assured with a confidence of 95%. That is, liquidity risk affects the pricing of capital assets. Meanwhile, the results of the tests with 95% indicate that the performance of the adjusted capital asset pricing model in which the lack of liquidity of the assets is taken into account. In other words, the Adjusted-CAPM model has a higher predictive power compared to the CAPM model. According to the tests, liquidity risk has a negative and significant relationship with shareholder purchases. That is, with the increase in the liquidity risk of stock, the amount of stock trading decreases. Also, according to the results of liquidity risk, there is a direct relationship with the expected return on equity. This means that a higher real non-liquidity leads to higher expected returns, which in turn increases the expected return rate. Stock liquidity creates a high degree of information efficiency, shareholders are moving into markets that have high market liquidity and are motivated to buy stocks of companies with a high share of their free float. These two characteristics of the market help attract investors and increase their satisfaction, as a result of market growth and development. Therefore, one of the criteria for deciding on investing in general securities is the liquidity of those bonds, with the tangible significance of this criterion increasing the value of dealing with it.

References

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