



**DETERMINANTS OF BEAR MARKET PERFORMANCE AT THE NAIROBI
SECURITIES EXCHANGE IN KENYA**

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Abstract

This study sought to establish the determinants of bear market performance by taking a survey of investors at the Nairobi Securities Exchange. Convenient sampling technique was used to administer questionnaires to respondents. Data was analyzed by the use of descriptive statistics and correlation analysis was carried out to determine the relationship between the variables. A logit regression model was employed to analyze the independent variables and their effect on bear market performance. The Pearson Moment correlation analysis showed that bear market performance was weakly associated with transaction costs and financial literacy while the relationship between bear market performance and mobilization of resources by retail investors as well as cultural values was largely insignificant. The study recommends that further research should be carried out on the economic cycle and its influence on bear market performance.

Key Words: *Bear Market, Transaction cost; Mobilization of resources; Retail Investors; Cultural values*



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Introduction

The concept of bear market can be traced back to the time of Charles Dow (1851-1929) when he made an analysis of trends in the Dow Jones Stock Market. The security trend may either be increasing or decreasing. Gann (2010) explained the concept of bear market as a situation when the stock prices exhibits a continuous downward trend, the opposite of the bear market is a bull market whereby the stock prices exhibits a continuous increasing trend. Gann (2010) noted that the bear market shows three clear cut peaks: Each peak is lower than the previous peak; the bottoms are also lower than the previous bottoms. In vindicating this concept, Robert and Pretcher (2009) also in an analysis of Dow Theory noted that there are three principal phases of a bear market. They are: the abandonment of hopes, selling due to decreased business and earnings, and finally, distress selling of sound securities regardless of value.

Gomez and Perez (2011) by basing their argument on technical analysis theory found out that stock market volatility is higher during bear markets. Jones (2012) provided two possible explanations for the higher volatility during bear markets. First the increased uncertainty and risk observed in the bear market may generate a decline in equity values. Also in the context of increased uncertainty investors react to bad news more quickly, adding then more volatility to the market. Further, Chordia (2011) also suggest that the different behaviour observed in the stock market liquidity in bear markets may be related with volatility. Thus, bear markets could be subject to falling liquidity.

The Nairobi Securities Exchange has been hit by a number of governance issues as was observed by Okoth (2009). The collapse of Nyaga Stock Brokers became public and this played a big role in eroding public confidence in investing in stocks. Okoth (2009) further adds that after the collapse of Nyaga Stock Brokers, Discount Securities followed suit due to reduced business and sharp decrease in revenues. Preceding the two securities firms was Francis Thuo and partners which had collapsed earlier with millions of shillings. Such governance issues can weigh heavily on stock prices at the bourse and lead to a continuous decrease in their trading prices. Gay and Dae (2010) found out that there is frequent underpricing of futures during periods of downward market trends. They attributed this to unique restrictions on short sales and accounting conventions in the securities market.

Problem Statement

Kim and Zumwalt (2009) did an analysis of risk in bull and bear markets but they did not analyze the determinants of the bear market performance. Maheu *et al.* (2009) studied how to extract bull and bear markets from stock returns but they did not document the determinants of bear market performance. Klauss (2012) analyzed whether bull and bear markets have changed overtime by using empirical evidence from the U.S.-stock market but he did not find out the determinants of the bear market performance. Bradford and Barsky (2009) studied why stock markets fluctuate by using United States stock market index such as S & P stock market index, he however, did not establish the determinants of the bear market performance. These studies done overseas clearly indicate a literature gap in the determinants of the bear market performance. In Kenya, Kalui (2010) identified a list of factors including payout ratio, leverage, size, and growth in assets as some of the factors that cause share price fluctuations at the NSE. In his analysis, he however pointed out that there are other factors that may affect share price fluctuations with a specific recommendation on the study of dividend policy on stock price fluctuation.

Kiptoo (2011) found out that there is significant relationship between NSE 20 share index and inflation and NSE 20 share index and exchange rate. Kibetet *al.* (2013) did a study on the effect of capital structure on share prices on listed firms in Kenya and found out that equity and gearing ratio are significant determinants of share prices. Simiyuet *al.* (2013) also established that dividend is the major determinant of share price volatility, on the other hand Ndugaet *al.* (2014) studied the impact of macroeconomic variables on stock market returns in Kenya and found out that money supply, exchange rates and inflation affect stock market returns in Kenya. The above studies done in Kenya mainly address factors affecting share price fluctuations; however, these studies fail to address the determinants of bear market performance at the Nairobi Securities Exchange. It is also clear from the above analysis that there are few studies available that analyze structural changes in bear markets overtime while figuring out potential implications for investors who maximize their utilities. This study therefore attempted to address this gap existing in the finance research and therefore fill it in the literature. The study sought to examine transaction cost, mobilization of resources by retail investors, financial literacy and cultural values as possible factors affecting the bear market performance at the Nairobi Securities Exchange in Kenya.

Research Objectives

The general objective of the study was to investigate the determinants of bear market performance at the Nairobi Securities Exchange in Kenya.

Specific objectives

The following were the specific objectives in line with the research problem:

1. To determine the influence of transaction cost on bear market performance at the Nairobi Securities Exchange in Kenya.
2. To establish the influence of mobilization of resources by retail investors on bear market performance at the Nairobi Securities Exchange in Kenya.
3. To establish the influence of financial literacy on bear market performance at the Nairobi Securities Exchange in Kenya.
4. To establish the influence of cultural values on bear market performance at the Nairobi Securities Exchange in Kenya.

Research questions

The following were the research questions that were used to achieve the research objectives:

1. Does transaction cost determine bear market performance at the Nairobi Securities Exchange in Kenya?
2. Does mobilization of resources by retail investors determine bear market performance at the Nairobi Securities Exchange in Kenya?
3. Does financial literacy determine bear market performance at the Nairobi Securities Exchange in Kenya?
4. Do cultural values determine bear market performance at the Nairobi Securities Exchange in Kenya?

Research Hypotheses

This study was guided by the following research hypotheses:

H₀1: Transaction cost has no significant influence on bear market performance at the Nairobi Securities Exchange in Kenya.

H₀2: Mobilization of resources by retail investors has no significant influence on bear market performance at the Nairobi Securities Exchange in Kenya.

H₀3: Financial literacy has no significant influence on bear market performance at the Nairobi Securities Exchange in Kenya.

H₀4: Cultural values have no significant influence on bear market performance at the Nairobi Securities Exchange in Kenya.

Justification of the Study

The study will add to the scant local literature on the bear market performance at the Nairobi Securities Exchange; additionally, it will add value to the conceptual understanding of the phenomena of the bear market. It will also serve as basis of future research in the area by using different approaches to further explore this area or attempt to demystify the determinants of the bear market.

Scope of the Study

The study targeted retail investors transacting business at the Nairobi Securities Exchange through stock broking companies operating in Kenya and which are actively involved in trading big volumes at the Nairobi Securities Exchange.

Literature Review

Introduction

This chapter analyses the theoretical ground for this study, it reviews the current theories in the area of financial investments and the resultant trends and how the action of investors have resulted into these trends.

Theoretical Review

Sarbapriya (2012) stated that the Dow Theory holds that there are three components in the movement of stock prices: The primary trend, the secondary trend, minor trend or tertiary and that daily fluctuation in the stock market are meaningless and contain no useful information. Richard *et al.* (2009) also noted that Dow (1920) editorials provided the basis for the underlying tenets of Dow Theory and also the technical analysis of trends. These tenets includes: The averages discount everything; the averages consist of three price movements and; both averages must confirm the trends.

Fama (1970) explained that asset prices arising from efficient capital markets fully reflect all of the information in some relevant information set. He distinguished three versions of market efficiency depending on the particular specification of the information set. These are weak form efficiency, semi strong form efficiency and strong form efficiency corresponding to information sets which contain respectively only past prices and returns, all information, both publicly available as well as insider or private information. Efficient Market Hypothesis (EMH)

postulates that all information relevant to determining the intrinsic value of an asset will, by virtue of the actions of rational, profit maximising traders, be embodied in the actual market price (Fama, 1970). As a consequence, asset prices will fully reflect all relevant information, and will move only upon the receipt of new information (Taylor, 2008).

Ross *et al.* (2008) also found out that agency cost is the implicit cost of the conflict of interest that exists between shareholders and management; this arises when management acts in their own interest rather than on behalf of the shareholders who own the firm. This could be direct or indirect. This is contrary to the assumptions of Miller and Modigliani (1961) who assumed that managers are perfect agents for shareholders and no conflict of interest exists between them. Managers are bound to conduct some activities, which could be costly to shareholders, such as undertaking unprofitable investments that would yield excessive returns to them, and unnecessarily high management compensation (Al-Malkawi, 2007).

Conceptual Framework

The variables that were investigated consisted of; transaction cost, mobilization of resources by retail investors, financial literacy, and cultural values. The variables are relevant in the Kenyan situation and data for their analysis can readily be collected. In view of the literature review and the research gaps identified, there is need to investigate the Kenyan situation further with the aim of finding out the effect of the selected variables on the bear market performance at the NSE.

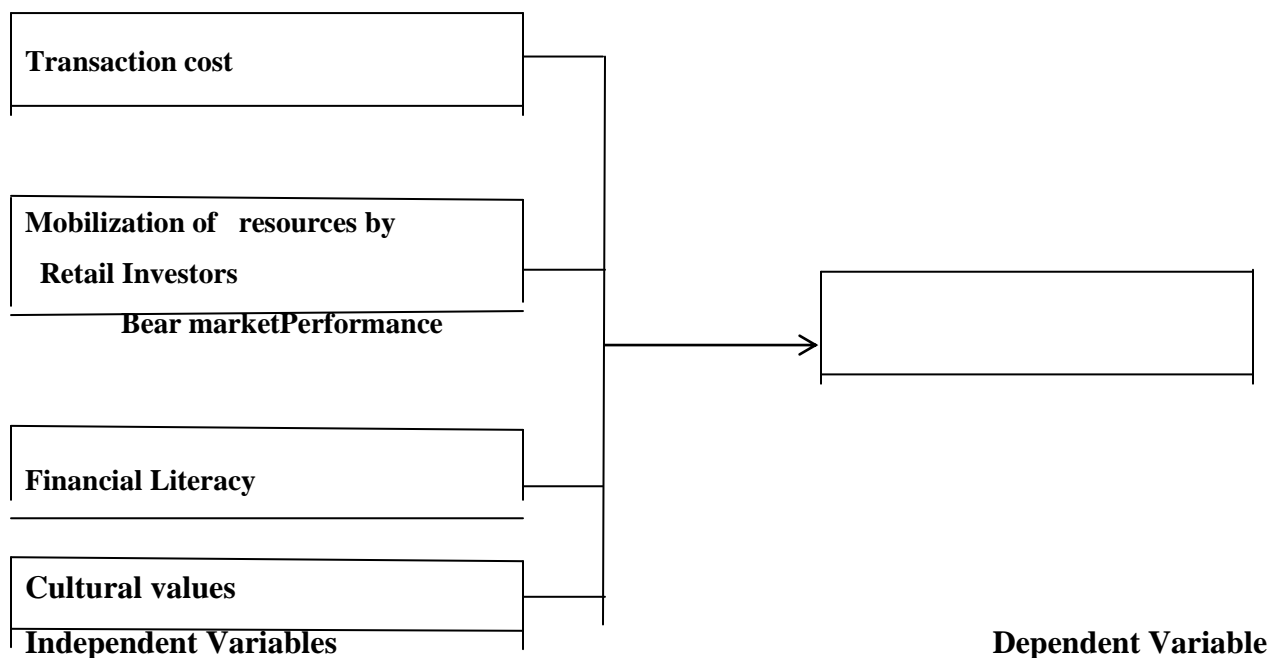


Figure 2.1: Conceptual Framework

Research Methodology

Introduction

In this chapter, the research design, target population, sampling frame, sample size and sampling techniques, data collection and analysis methods, and the model specification which was adopted so as to address research questions and the hypotheses in chapter one are analyzed.

Research Design

This research used cross-sectional survey method to conduct the study. Cross-sectional design is a design used to estimate the prevalence of an outcome of interest from a population. It involves analyzing information relating to the current status of the issue and also to describe what exists within the variables (Creswell, 2009). This design was of use to the study since it allowed the researcher to familiarize himself with the concepts of the problem under study to facilitate development of insights and hypotheses.

Sample and Sampling technique

The study relied on findings from questionnaires distributed through five purposively sampled stock brokers who are registered to trade at the Nairobi Securities Exchange. One hundred questionnaires were dropped in each stock brokerage firm and were filled by retail investors doing business through stock brokerage firms. The sampling technique which was adopted for the study was purposive in that there are stock brokerage firms under statutory management which do not conduct frequent business so it was advisable to rely on stock brokerage firms which are not under statutory management. In administering the questionnaires, the study adopted convenient sampling technique since retail investors were accessed as they transacted business in the stock brokers' offices. This was done over a period of 30 days to attain a desired sample size of 500 respondents.

The sample was derived from retail investors participating at the NSE based in Mombasa Town. The sample size at a confidence interval of one percent is 500 retail investors. The sample size estimate was derived by using the formula by Sekaran and Bouge (2010). This sample size was then broken down into administering questionnaires to 200 female retail investors and 300 male retail investors as a representative of the original investors in each category.

Convenient sampling technique was used to administer questionnaires to 500 retail investors for the study. Desired size of 500 retail investors was informed by the need to reduce sampling error;

some respondents were not able to completely fill all the details lowering the number to a valid response and also the target population was highly heterogeneous with respect to a number of internal variables under study.

Data Collection Procedure

Questionnaires were administered to 500 retail investors through stock brokerage firms trading at the NSE. These stock brokerage firms were those that are actively participating at the NSE and have their branch offices in Mombasa Town. The questionnaires were personally delivered to stock brokerage firms in their offices on a drop and pick basis. This was done for a period of 30 days in order to attain the desired sample size.

Model Specification

A logistic regression analysis was preferred:

$$\text{logit}(p) = \log \left[\frac{p}{1-p} \right] \dots\dots\dots 1$$

$$\text{Logit } p = \frac{p}{1-p} = \beta_0 + \beta_1 \text{COST} + \beta_2 \text{RES} + \beta_3 \text{LIT} + \beta_4 \text{CUL} + \varepsilon \dots\dots\dots 2$$

Where p is the probability of the bear market performance

$$P = \frac{e^{\beta_0 + \beta_1 \text{COST} + \beta_2 \text{RES} + \beta_3 \text{LIT} + \beta_4 \text{CUL}}}{1 + e^{\beta_0 + \beta_1 \text{COST} + \beta_2 \text{RES} + \beta_3 \text{LIT} + \beta_4 \text{CUL}}} \dots\dots\dots 3$$

P = represents the logit of Bear market performance

β_0 =Constant term

β_1 COST = Sensitivity of bear market performance to transaction cost.

β_2 RES = Sensitivity of bear market performance to mobilization of resources by retail investors.

β_3 LIT = Sensitivity of bear market performance to Financial literacy.

β_4 CUL = Sensitivity of bear market performance to cultural values.

ε = Disturbance term with an expected value of zero.

Sensitivity of bear market performance was computed using the logistic regression. The factor model was based on the assumption that the disturbance terms are uncorrelated across various portfolios; implying that bear market performance change only as a reaction to a specific factor.

Variable Definition and Measurement

Convenient sampling technique was used in this research to achieve the required response rate. The respondents were from retail investors trading shares at the NSE through stock brokers

operating in Mombasa Town. The study focused on the factors affecting the performance of the bear market (transaction cost, mobilization of resources by retail investors, financial literacy and cultural values) and the extent to which the variables affect the dependent variable (bear market performance). The variables were investigated using a response index scale of 1 to 5 to determine the influence of the independent variables on the dependent variable.

In the first part of the questionnaire, the respondent's demographic characteristics were captured. In the second part of the questionnaire, the questions attempted to capture the extent to which a given variable influences the bear market performance in the areas of transaction cost, mobilization of resources by retail investors, financial literacy and cultural values. Questionnaires with more than 25 percent of the questions left unanswered were excluded from the data set.

Results And Discussions

Introduction

In this chapter, the findings of the research study are presented, interpreted and discussed.

Summary Model for the Determinants of Bear Market performance

The standardized factor scores resulting from factor analysis and used in the preceding section for hypothesis testing were cumulated for each study variable and their means computed to obtain composite variable scores. The composite variable scores were then used to conduct summary correlation and regression analyses which are thus discussed in this section.

Correlation between Determinants and Bear Market Performance

The variable mean scores were used to compute the Pearson's Product Moment Correlation coefficient to determine the magnitude and direction of the relationships between the independent (determinants of bear market performance) and dependent (bear market performance) variables. The correlation results were as shown in Table 4.1.

Table 4.1: Correlation Matrix for Determinants and Bear Market Performance

		Bear Market performance	Transaction Costs	Mobilization of resources by retail investors	Financial Literacy	Cultural Values
Transaction Costs	Pearson's (r)	-.241**	1			
	p-value	.000				
	N	490	490			
Mobilization of resources by retail investors	Pearson's (r)	-.039	.426**	1		
	p-value	.395	.000			
	N	490	490	490		

Financial Literacy	Pearson's (r)	.116*	.075	.197**	1	
	p-value	.010	.098	.000		
	N	490	490	490	490	
Cultural Values	Pearson's (r)	-.086	-.027	.001	-.061	1
	p-value	.057	.555	.975	.176	
	N	490	490	490	490	490

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

**. Correlation is significant at the 0.05 level (2-tailed).*

As the matrix shows, there were statistically significant correlations between transaction costs and bear market performance ($r = -.241$; $p = 0.000$; $n = 490$) and financial literacy and bear market performance ($r = .116$; $p = 0.01$; $n = 490$). The negative correlation between transaction cost and bear market performance implied that the more the retail investors perceived transaction costs as determinant of bear market performance, the more likely it was for them to report lower performance in the bear market. On the contrary, the more the retail investors perceived financial literacy as a determinant of bear market performance, the more likely they were to report higher performance in bear market. Nevertheless, the correlations were weak in strength indicating that bear market performance was weakly associated with transaction costs and financial literacy. The relationship between bear market performance and mobilization of resources by retail investors as well as cultural values was largely insignificant.

Summary Regression Model

The variables' standardized mean scores were used to run a multiple, linear regression analyses with the four determinants of bear market performance as predictors and bear market performance as the response variables using the regression model below:

$$Y_i = \alpha + \beta_1 COST + \beta_2 RES + \beta_3 LIT + \beta_4 CUL + \varepsilon$$

Where:

Y_i = Bear Market Performance

α = Constant/Intercept;

$\beta_1 \dots \beta_4$ are regression coefficients of the independent variables;

$COST$ = Transaction costs;

RES = Mobilization of resources by retail investors;

LIT = Financial literacy;

CUL = Cultural Values and;

ε = Error term

When bear market performance was regressed against transaction costs, mobilization of resources by retail investors, financial literacy and cultural values, the ANOVA results indicated that the model was significant ($\rho = 0.000$), with the independent variables explaining 7.8% ($R^2 = 0.078$) of the variance in the perceived bear market performance. The ANOVA results were as shown in Table 4.2.

Table 4.2: ANOVA Results for the Summary Regression Model

Model	Sum of Squares	ANOVA ^a			Sig.
		df	Mean Square	F	
Regression	64.514	4	16.129	11.372	.000 ^b
Residual	687.875	485	1.418		
Total	752.390	489			

a. Dependent Variable: Bear Market performance
b. Predictors: (Constant), Cultural Values, Mobilization of resources by retail investors, Financial Literacy, Transaction Costs

The regression model coefficient results for the determinants of bear market performance were as presented in Table 4.3.

Table 4.3: Regression Model Coefficients for the Determinants of Bear Market Performance

Model	Coefficients ^a		Standardized Coefficients Beta	t	Sig.
	Unstandardized Coefficients B	Std. Error			
	(Constant)	-1.055E-013			
Transaction Costs	-.253	.044	-.276	-5.746	.000
Mobilization of resources by retail investors	.054	.048	.055	1.133	.258
Financial Literacy	.121	.044	.121	2.720	.007
Cultural Values	-.061	.031	-.086	-1.975	.049

a. Dependent Variable: Bear Market performance

The multivariate correlation and regression analysis of the full model revealed that overall, at $p < 0.05$, transaction costs and cultural values negatively influence bear market performance while financial literacy positively influences bear market performance. However, Mobilization of resources by retail investors did not contribute significantly to bear market performance. Thus, the resulting summary regression model would be:

$$\text{Bear Market Performance} = -0.253 (\text{COST}) + 0.121(\text{LIT}) - 0.061(\text{CUL})$$

Conclusions and Recommendations

Introduction

In this chapter, a summary of the major findings are explained. Conclusions that were drawn from the study findings are then presented and recommendations made in line with the findings and conclusions of the study.

Summary

Transaction costs were operationalized as commission by brokerage firms, inflation rate, extent of incorporation of information technology in doing business, agency cost and interest rate on mutual funds. On the other hand, bear market performance comprised fluctuating share prices, declining primary trend, lack of trading activity at the bourse and insolvency and bankruptcy risk of firms. From table 4.1, the results of the study showed that bear market was weakly associated with transaction costs. From table 4.3, it showed that transaction cost negatively influences bear market performance. Therefore, based on ANOVA results from table 4.2 that showed that there were significant relationships between the transaction cost variables and bear market performance variables the first null hypothesis (H_01) which stated that: Transaction cost has no significant influence on bear market performance at the Nairobi Securities Exchange in Kenya was rejected at this point.

The mobilization of resources by retail investors' scale comprised of the items: interest rates on bank loans; levels of dependants; prices of consumable commodities; level of disposable income; taxation of capital gains; level of remittances and; level of per capita income. From table 4.1, the relationship between bear market performance and mobilization of resources was insignificant. Also, table 4.3 which involved multivariate correlation and regression analysis revealed that mobilization of resources by retail investors did not contribute significantly to bear market performance. The second null hypothesis (H_02) which stated that: Mobilization of resources by retail investors has no significant influence on bear market performance at the Nairobi Securities Exchange in Kenya was accepted.

Financial literacy was measured on a 4-item measurement scale: Level of literacy in the country, dissemination of financial information by capital markets at the bourse; availability of financial information at the brokers' outlets and investment promotion incentives. The first factor was labeled "Investment knowledge" and (level of literacy in the country and dissemination of financial information by capital markets at the bourse) while the second factor was named

“Financial knowledge” (Investment promotion incentives and availability of financial information at the brokers’ outlets). Results revealed that only investment knowledge had a statistically significant and positive relationship with declining primary trend. This means that retail investors who perceived investment knowledge as a determinant of bear market performance were more likely to report that declining primary trend affected bear market performance. From table 4.1, it was confirmed that bear market was weakly associated with financial literacy, while from table 4.3 it was confirmed that financial literacy positively influences bear market performance. Therefore, the third null hypothesis (H_03) which stated that: Financial literacy has no significant influence on bear market performance at the Nairobi Securities Exchange in Kenya was rejected.

The measurement scale for cultural values comprised four items: keeping up with the Joneses, family influence, peer influence, religious Influence and tradition and time for rewarding employees. From table 4.1, it was confirmed that the relationship between bear market performance and cultural values was insignificant. However, from table 4.3, it was confirmed that cultural values negatively influence bear market performance. The fourth null hypothesis (H_04) which stated that: Cultural values have no significant influence on bear market performance at the Nairobi Securities Exchange in Kenya was rejected.

Conclusions

Based on the findings of this study, it is concluded that various manifest variables of transaction cost as conceptualized by this study influence bear market performance on the NSE. However, the variable extent of incorporation of information technology in doing business has no relationship with bear market performance with respect to lack of trading activity at the bourse. These manifest variables on the other hand define two main latent factors, which this study has labeled; “brokerage costs” and “agency costs”. Whereas brokerage costs negatively influence bear market performance variables conceptualized risks of firm dissolution and declining primary trend, agency cost was found to be a negative correlate of declining primary trend, but its relationship with risks of firm dissolution remained insignificant. Generally, it is concluded that brokerage costs negatively influence firm dissolution risks while declining primary trend as a measure of bear market performance is negatively affected by both brokerage costs and agency costs.

The study concludes that all the manifest variables of the main construct; “mobilization of resources by retail investors” (interest rates on bank loans; levels of dependants; prices of consumable commodities; level of disposable income; taxation of capital gains; level of remittances and; level of per capita income) have influence of varying degrees on bear market performance. The 7 manifest variables define three main latent variables named in this study “Household resource dynamics”, “National wealth” and “Taxation of capital gains”. Taxation of capital gains is a positive correlate of bear market performance with respect to risks of firm dissolution and declining primary trend. National wealth negatively correlates with declining primary trend. The relationship between household resource dynamics factor of the resource mobilization scale and both factors of bear market performance is concluded to be largely insignificant. Thus, mobilization of resources by retail investors when looked at from the perspective of National wealth” and taxation of capital gains is a determinant of bear market performance.

Financial literacy, when measured considered as a multi-dimensional construct on a 4-item measurement scale (level of literacy in the country, dissemination of financial information by capital markets at the bourse; availability of financial information at the brokers’ outlets and investment promotion incentives) has a relationship with bear market performance in different pathways. Deviant relationships are however exhibited between dissemination of financial information by capital markets at the bourse and consistently declining primary trend, and availability of financial information at the brokers’ outlets and insolvency and bankruptcy risk of firms trading at the bourse. This study concludes that financial literacy scale has two main latent variables named as “Investment knowledge” and (level of literacy in the country and dissemination of financial information by capital markets at the bourse) and “Financial knowledge” (Investment promotion incentives and availability of financial information at the brokers’ outlets). Only investment knowledge had a statistically significant and positive relationship with declining primary trend. Investment knowledge positively influences bear market performance in relation to retail investors’ perceived effect of declining primary trend, while financial knowledge does not contribute significantly to perceived effects of declining primary tendon bear market performance.

It is concluded that all the dimensions of cultural values as measured by this study (keeping up with the Joneses, family influence, peer influence, religious influence and tradition and time for

rewarding employees) have a relationship with constituent bear market performance variables except the relationship between family influence and consistently declining primary trend and tradition and time for rewarding employees and consistently declining primary trend. The study further concludes that two main latent variables labeled in the study as “Individual cultural values” (Family influence, Peer influence and Religious influence) and “Corporate cultural values” (Tradition and time for rewarding employees and Keeping up with the Joneses a determinant) are defined by the manifest variables as bracketed. Individual cultural values is a negative correlate of firm dissolution risks while corporate cultural values is a positive correlate of declining primary trend, but has a significant negative relationship with firm dissolution risks.

Recommendations

Investors need to have an idea about the determinants of bear market and how it affects performance of share prices at the bourse. Most of the variables that determine bear market performance are normal occurrence of cycles in economic performance of a country such as inflation. Investors should therefore not be in a haste to dispose of their investment in a consistent bear market but they should hold on to their investment since markets always correct themselves if they are efficient.

Policy formulators and implementers such as the Capital Markets Authorities should take it upon themselves to educate investors on the occurrence of bear market as a normal market situation and that after sometime an efficient market will always change from a bear market to a bull market depending on prevailing economic situation. They should also encourage investors to purchase stocks during a bear market since this action will in the long run create demand for stock in the secondary market and therefore alter the situation.

Suggestions for Further Research

Most of the variables studied: transaction cost, mobilization of resources by retail investors, financial literacy and cultural values to some extent have an influence on the performance of bear market. The study therefore suggests that other variables other than the ones studied should be studied so as to establish their influence on bear market performance.

Further research should also be carried out on the general effect of economic cycles on bear market performance so as to enhance the knowledge on bear market performance and improve on the literature. Though the study established that other sub-variables within the major variables

did not have an influence on bear market performance, further research should be done in such areas so as to ascertain their influence.

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