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Management

STOCK PRICE MOVEMENT AND VOLATILITY IN MUSCAT SECURITY MARKET (MSM)

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Abstract

This paper examines the stock price movement and volatility in listed financial Omani Companies in MSM. The study made use of secondary data. This study is an attempt to answer these important questions, is there an effect of the announcement of the dividend policy on the market value of the shares of the Omani companies listed in MSM? Moreover, Is there any effect for each of the announcement of the earnings per share and distribution of profits on the market value of the shares of the Omani companies listed in MS at the level of each year of the study? The analytical descriptive approach was used to investigate. This study mainly depends on secondary data. The event study methodology is intended to investigate the effect of an event on a specific dependent variable. An "event" is the public announcement of a (usually voluntary) corporate action. In this considered corporate action is the dividend announcement. The abnormal return is calculated form 10 days prior to the event and 10 days post to the event.

Keywords: Price Movement; Volatility; Muscat Security Market.

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1. Introduction

Financial markets are considered as an economy reflection of the country. A good economy is to achieve good financial market and vice versa. Financial instruments have evolved and their tools and investment tools developed and has become a vital and important role in society. The economic development of the country is connected with the money related market of the nation. The share trading system is utilized as a marker of the state's economy. The presence of capital market can empower an organization to acquire an option wellspring of the reserve. On alternate hands, it gives adaptability to a financial specialist to pick speculation in view of their inclination. The investors have evaluated the stocks of companies based on many financial factors, including Earnings per share and dividend policy. In addition to many other factors, as there are non-financial factors, such as the news circulating in the market and the administration's reputation and the

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nature of the activity of the company. The earnings per share are represented in the share of one share of the annual profit of the company. The dividend distribution of shares is also a significant element in ascertaining the value of the market's shares.

1.1. The Theoretical Framework and Former Studies

Sharab study (2006) examined the impact of the announcement of dividends, earnings per share and other factors on the prices of shares of companies listed on Palestine Stock Exchange. It was found that the announcement of the share of the net profit has a significant negative impact on the determination of the price of the share, and it was achieved by comparing the averages before and after the announcement of the distribution of return until the announcement of the distribution of return affects negatively and weakly on the share price. While the study of Jerjawi (2008) concluded that it is possible to rely on a set of financial ratios for each sector to predict the stock price in the Palestine Financial Market.

Moshwiqa study (2013) It was concluded that there was a weak relationship between the profits and returns for the total sample without the separation of sectors, and by applying the model to each sector, the strongest relationship was in the banking sector and became weaker when moving to the services and industrial sectors. It was also found that investors understand the components of net income and understand accounting practices.

Wang and Chang (2008) The result of the study was that companies that have significant information disclosure have a greater relationship between accounting profits and market price. The result also shows that there is a significant positive relationship between book value and share price Market, and as a result, the researchers concluded that there is a fundamental relationship between earnings per share and market price.

Dasilas study (2008) it was concluded that there was a positive relationship in the share price and volume due to the announcement of profits and dividend distribution. These results are beneficial to shareholders and investors in the Greek stock market and serve their interest in Investment and strategy.

Asamoah and Nkurmah (2010) It was concluded that the announcement of the dividend distribution had a negative impact on the market value of the share. It was concluded that the Ghana financial market is almost strong based on the outcome of this study.

Saeidi and Khandoozi (2011) study aimed to test the relationship between market and market share prices in the Tehran stock market. The multiple regression method was used to find the relationship between independent and independent variables. The study sample was 159 companies from 2003 to 2009, and it was concluded that the market rates are intrinsically related to the share price, in addition to the fact that earnings per share and earnings per share have a significant impact on the share price.

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1.2. Problem Statement

The events that influence in determining the market value of the shares of the Omani companies which are listed on the Muscat security market, Perhaps the most important of these events: the announcement of the earnings per share and announced the distribution of profits (dividend policy), and can be viewed as the problem of the study through the following questions:

1) Is there an effect of the announcement of the dividend policy on the market value of the shares of the Omani companies listed in MSM?
2) Is there any effect for each of the announcement of the earnings per share and distribution of profits on the market value of the shares of the Omani companies listed in MS at the level of each year of the study?

1.3. Objectives of the Study

Considering the existing literature reviews and the problem statement, the following objectives were framed for the study:

- To study the impact of dividend announcement and the reaction of share prices using event study methodology.
- To determine the stock returns on the announcement of the dividend date.

1.4. Hypothesis of the Study

The following are the research hypotheses that are planned and verified based on the above-mentioned objective to discover the impact of dividend announcement on the selected companies share price return.

H_o: Dividend announcement does not have any statistically significant impact on share price behaviour.

H_I: Dividend announcement have a statistically significant impact on share price behaviour.

1.5. Model of the Study

The model of the study through Figure (1) the relationship between the variables, with an average market value of the shares calculated before the announcement of earnings per share, and was calculated an average market value of the shares after the announcement of earnings per share and then to see the effect of the announcement of earnings per share in the Commission Meeting general in the market value of the shares, as well as the average market value of the shares calculated before the announcement of the distribution of dividends, and were calculated an average market value of the shares after the announcement of distribution of dividends and then to see the effect of the announcement of distribution of dividends in the General Assembly meeting in the market value of the shares.

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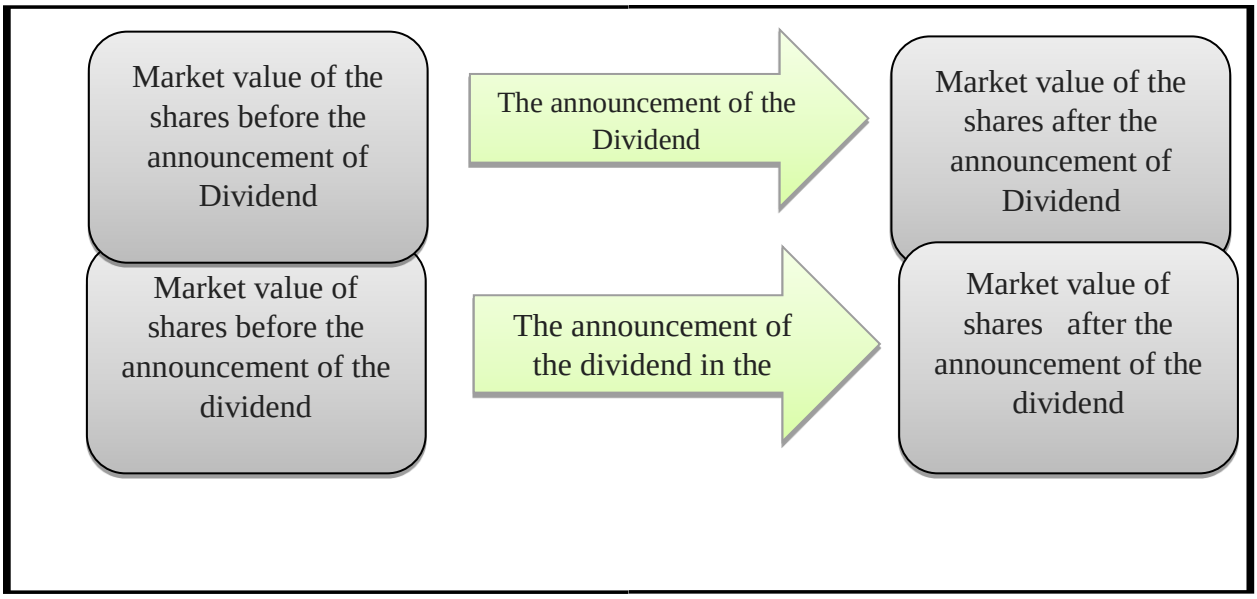

Figure 1: Model of the Study

1.6. The Methodology of the Study

The analytical descriptive approach was used to investigate this study in order to determine the impact of the announcement of dividend distribution and the announcement of earnings per share in the market value of Omani companies listed in MSM.

1.7. Source and Collection of Data

The study mainly depends on secondary data. The required data for the study is the daily closing price of MSM Financial and Banking sector companies. Data was collected from MSM website.

1.8. Event Study Methodology

The event study methodology is intended to investigate the effect of an event on a specific dependent variable. A commonly used dependent variable in event studies is the stock price of the company. The definition of such an event study will be 'a study of the changes in stock price beyond expectation (Abnormal returns) over a period of time (event window). We attribute the abnormal returns to the effects of the event.' The event study methodology seeks to determine whether there is an abnormal stock price effect associated with an event. In this study considered event is Dividend announcement.

1.9. Event Study Timeline

An "event" is the public announcement of a (usually voluntary) corporate action. In this considered corporate action is the dividend announcement. The abnormal return is calculated form 10 days prior to the event and 10 days post to the event. This period is called an observation period. Each day's abnormal return is calculated in the observation period. The estimation period contains 30 days closing price of the selected companies prior to the observation period. The estimation period

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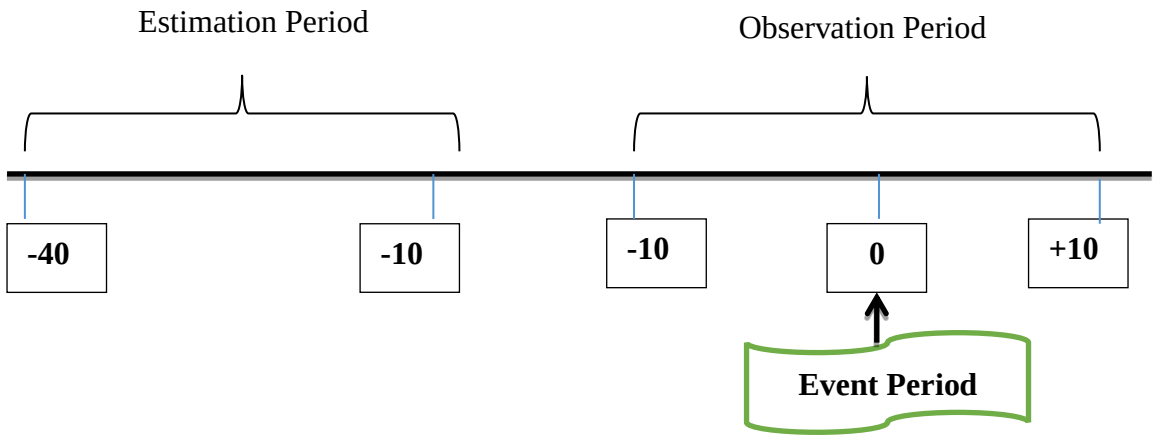
each day's selected companies return as well as MSM 30 index return is calculated. These values are used to measure the AR and CAR in the observation period.



1.10. Abnormal Return (AR)

The Abnormal Return (AR) is the difference between the firm's actual return and the predicted return on a specific date. It is computed using the following equation:

$$AR_{it} = r_{i,j} - (\alpha_i + \beta_i r_{m,t})$$

α_i= Intercept of a straight - line or alpha coefficient of i^{th} share.
β_i= Slope of a straight - line or beta coefficient of i^{th} share
$R_{m,t}$ = Expected return on the index (MSM 30 Index in this study) during period 't'

1.11. Cumulative Abnormal Return (CAR)

Cumulative Abnormal Return (CAR) is the measure of the total abnormal returns during the event period; It is calculated as the sum of the ARs during the event period.

1.12. T Statistics

The T-test statistics are used to test the dividend announcement had a real effect on the selected share price of the firms. The test statistic is the AR/Standard Error of the Predicted Y Value for Each X. Y is the market return of selected companies share price return (x). If the absolute value of the test statistic is greater than 1.96, then the AR is statistically significant at 5% level. The hypothesis acceptance-rejection explained by the following formula

The researcher fails to reject the hypothesis if

$\bar{x}$ *-1.96 SEM* $\leq 0 \leq$ $\bar{x}$ *+1.96 SEM*

This can be rewritten

$$-1.96 \leq \frac{\bar{X} - \mu}{S/\sqrt{N}} \leq +1.96$$

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On the other hand, we reject the hypothesis if

$\frac{\bar{X}-\mu}{S/\sqrt{N}} \leq$-1.96 or $\frac{\bar{X}-\mu}{S/\sqrt{N}} \geq 1.96$

The statistic $\frac{\bar{X}-\mu}{S/\sqrt{N}}$ is denoted by the symbol t. The test can be summarized as: Reject the hypothesis that the population mean is 0 if and only if the absolute value of t is greater than 1.96.

There is a 5% chance of obtaining a 95% confidence interval that excludes 0 when it is, in fact, the population mean. For this reason, we say that this test has been performed at the 0.05 level of significance. Had a 99% confidence interval been used, we would say that the test had been performed at the 0.01 level of significance, that is, the significance level of the test is the probability of rejecting a hypothesis when it is true.

1.12.1. R square

The value of R^2 lies between 0 and 1 and has no unit. The R^2 value is a measured liner association between two variables. The higher the value of R-squared, the better the model fits for the data. It is the Measure of how close the data are to the goodness of fit in the regression line.

1.13. Data Analysis and Interpretation

Table 1(See the appendix) shows the abnormal return of Ahli Bank around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There is no positive abnormal return found in pre-announcement period. The abnormal return is found in the post announcement period, very next day of dividend announcement; 7% positive abnormal return was recorded. The second day of the dividend announcement -3% negative abnormal returns was recorded in the Ahli Bank. A little abnormal return is found during the first two days after the announcement of dividend results. After that abnormal return is reduced. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the post event period (0, 1 and 2 days) at 5% levels; which leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is -1%. R-squared value indicates the percentage of the Ahli banks stock price return movements that could be explained by price return movements of MSM 30 index.

Figure 1 graphs shows return of Ahli bank around the event period; in which there is no appears of general trend. The trading strategy is only viable if the nature surprise is known and most noticeable movement is the return of Ahli bank rises considerably on the 1st day of post announcement period for a positive surprise.

Table 2 (See the appendix) shows the abnormal return of Bank Dhofar around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There are negative abnormal returns found in pre-announcement period. In the post announcement period, very next day of dividend announcement; 12% positive abnormal return was recorded. The second day of

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the dividend announcement 2% positive abnormal returns was recorded in the Bank Dhofar. A considerable abnormal return is found during the first two days after the announcement of dividend results. After that abnormal return is reduced and 6th day of post announcement negative abnormal return is recorded.

The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is -1%. R-squared value indicates the 36 % of the Bank Dhofar stock price return movements that could be explained by price return movements of MSM 30 index.

Table 3 (See the appendix) shows the abnormal return of **Taageer Finance** around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There is 7% positive abnormal returns found in pre-announcement period (8 days prior to the event). In the post announcement period, very next day of dividend announcement; only 4% positive abnormal return was recorded but on the third day of the dividend announcement 6% positive abnormal returns was recorded in the **Taageer Finance**. A considerable abnormal return is found during the third day announcement of dividend results. After that abnormal return is reduced and 7th day of post announcement negative abnormal return is recorded.

The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is 0%. R-squared value indicates the 62 % of the **Taageer Finance** stock price return movements that could be explained by price return movements of MSM 30 index.

Table 4(See the appendix) shows the abnormal return of **HSBC Oman** around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There is no Hugh positive abnormal returns found in pre-announcement period but 3% negative returns was record. In the post announcement period, very next day of dividend announcement; only 2% negative abnormal return was recorded but there is no large changes in abnormal return of HSBC.

Oman. A considerable cumulative negative abnormal return is found from the seventh day to tenth day of dividend announcement.

The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is -1%. R-squared value indicates the 42 % of the **HSBC Oman** stock price return movements that could be explained by price return movements of MSM 30 index.

Table 5(See the appendix) shows the abnormal return of **Bank Sohar** around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There are 3% negative

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abnormal returns found in pre-announcement period (5 days prior to the event). In the post announcement period, very next day of dividend announcement 9% positive abnormal return was recorded but on the second day of the dividend announcement 3% negative abnormal returns was recorded in the **Bank Sohar**. A considerable abnormal return is found during the second day of dividend announcement. After that abnormal return is reduced and from 8th day to 10th day of post announcement negative abnormal return is recorded.

The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is 10%. R-squared value indicates the 29 % of the **Bank Sohar** stock price return movements that could be explained by price return movements of MSM 30 index.

Table 6 (See the appendix) shows the abnormal return of **National Bank of Oman** around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There is no significant abnormal return found in pre-announcement period. In the post announcement period, very next day of dividend announcement 12 % positive abnormal return was recorded but on the second day of the dividend announcement 1% negative abnormal returns was recorded in the **National Bank of Oman**. A considerable abnormal return is found during the first and fifth day of dividend announcement. After that abnormal return is reduced in post dividend announcement period.

The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels. This leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is 12%. R-squared value indicates the 89 % of the **National Bank of Oman** stock price return movements that could be explained by price return movements of MSM 30 index.

Table 7 (See the appendix) shows the abnormal return of **Bank Muscat** around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There is 4% positive abnormal returns found in pre-announcement period (4 days prior to the event). In the post announcement period, very next day of dividend announcement; only 8% positive abnormal return was recorded but on the second day of the dividend announcement 1% positive abnormal returns was recorded in the **Bank Muscat**. A considerable abnormal return is foun during the first day announcement of dividend results. After that abnormal return is reduced in post announcement divided dates.

The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is 10%. R-squared value indicates the 25% of the **Bank Muscat** stock price return movements that could be explained by price return movements of MSM 30 index.

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Table 8 (See the appendix) shows the abnormal return of **Muscat Finance** around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There is 3% to 2% positive abnormal returns found in pre-announcement period (from 5th day to 3rd days prior to the event). In the post announcement period, very next day of dividend announcement 10% positive abnormal return was recorded but on the second day of the dividend announcement 1% positive abnormal returns was recorded in the **Muscat Finance**. A considerable abnormal return is found during the first day announcement of dividend results. After that abnormal return is reduced and from 6th day to 10th day of post announcement zero abnormal return is recorded.

The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is 9%. R-squared value indicates the 81 % of the **Muscat Finance** stock price return movements that could be explained by price return movements of MSM 30 index. day of pre-announcement period. The trading strategy is only viable if the nature surprise is known and most noticeable movement is the return of **Muscat Finance** rises considerably on the first of post announcement period for a positive surprise.

Table 9**(See the appendix)** shows the abnormal return of **Oman Investment and Finance** around the dividend announcement. The study consider 11 days event window comprising 5 days prior to annual dividend announcement and 5 days post annual dividend announcement. There no significant positive or negative abnormal returns found in pre-announcement period. In the post announcement period, very next day of dividend announcement 9% positive abnormal return was recorded but on second day itself 1% negative abnormal returns was recorded in the **Oman Investment and Finance**. A considerable abnormal return is found during the first day announcement of dividend results. After that abnormal return is reduced and there is no considerable movement in the abnormal return.

The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis. The cumulative abnormal return for the event period is 9%. R-squared value indicates the 36 % of the **Oman Investment and Finance** stock price return movements that could be explained by price return movements of MSM 30 index.

1.14. Findings

1.14.1. Ahli Bank

There is no positive abnormal return found in the pre-announcement period. The abnormal return is found in the post-announcement period, very next day of dividend announcement; 7% positive abnormal return was recorded. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the post-event period (0, 1 and 2 days) at 5% levels; which leads to rejection of the null hypothesis.

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1.14.2. Bank Dhofar

There are negative abnormal returns found in the pre-announcement period. In the post-announcement period, very next day of dividend announcement; 12% positive abnormal return was recorded. The second day of the dividend announcement 2% positive abnormal returns was recorded in the Bank Dhofar.The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis.

1.14.3. Taageer Finance

There is 7% positive abnormal returns found in the pre-announcement period (8 days prior to the event). In the post-announcement period, very next day of dividend announcement; only 4% positive abnormal return was recorded but on the third day of the dividend announcement 6% positive abnormal returns were recorded in the Taageer Finance. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis.

1.14.4. HSBC Oman

There are no Hugh positive abnormal returns found in the pre-announcement period but 3% negative returns was a record. In the post-announcement period, very next day of dividend announcement; only 2% negative abnormal return was recorded but there are no large changes in abnormal return of HSBC Oman. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis.

1.14.5. Bank Sohar

There are 3% negative abnormal returns found in the pre-announcement period (5 days prior to the event). In the post-announcement period, very next day of dividend announcement 9% positive abnormal return was recorded but on the second day of the dividend announcement 3% negative abnormal returns were recorded in the Bank Sohar. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis.

1.14.6. National Bank of Oman

There is no significant abnormal return found in the pre-announcement period. In the post-announcement period, very next day of dividend announcement 12 % positive abnormal return was recorded but on the second day of the dividend announcement 1% negative abnormal returns were recorded in the National Bank of Oman. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels. This leads to rejection of the null hypothesis.

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1.14.7. Bank Muscat

There is 4% positive abnormal returns found in the pre-announcement period (4 days prior to the event). In the post-announcement period, very next day of dividend announcement; only 8% positive abnormal return was recorded but on the second day of the dividend announcement 1% positive abnormal returns was recorded in the Bank Muscat. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis.

1.14.8. Muscat Finance

There is 3% to 2% positive abnormal returns found in the pre-announcement period (from 5th day to 3rd days prior to the event). In the post-announcement period, very next day of dividend announcement 10% positive abnormal return was recorded but on the second day of the dividend announcement 1% positive abnormal returns were recorded in the Muscat Finance. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis.

1.14.9. Man Investment and Finance

There no significant positive or negative abnormal returns found in the pre-announcement period. In the post-announcement period, very next day of dividend announcement 9% positive abnormal return was recorded but on the second day itself 1%, negative abnormal returns were recorded in the Oman Investment and Finance. The t-test statistic value for abnormal return and cumulative abnormal returns has statically significant on the pre and post event period at 5% levels; which leads to rejection of the null hypothesis.

1.15. Conclusion

The empirical result of the study shows that the considered 9 companies' stock price movement is upward significantly after the dividend announcements. Abnormal return and cumulative abnormal return from the analysis are statistically significant. The result of the study confirms the dividend signalling theory as the dividend announcements have significantly impacted the share prices of the company.

Event study method of this study reveals that the investors not gaining significant return/ profit in the pre-announcement periods as well as on the day of dividend announcement. They are gaining in the post-announcement day especially next trading day of dividend announcement. Investors switching their share positions at the time of dividend announcement, which denotes information efficiency in the post-announcement period of MSM 30 index. The result of the study indicates trading strategy is only viable if the nature surprise is known which supporting the Efficient Market Hypothesis.

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1.16. Suggestions

Considering the finds of the study and observation made from the referring other related studies, the following measures are suggested to improve the performance of banking players and finance companies in Oman in dividend policy measures.

- The study indicates that payment of dividend makes significant influence on the investment behaviour of the shareholders in Oman. The companies are suggested to pay the dividend with regular periodic internal, should increase the shareholder wealth.
- Dividends are usually paid in cash, but it may also issue in the form of additional shares, which increase investor loyalty and also decrease the sudden share price fluctuation the post-announcement period.
- Banking sector and financial companies in Oman are advised to consider steadily changing dividend policy. As per this policy, when a firm retains earnings in good years for this purpose, it allocates this surplus as dividend equalization reserve. These funds are invested in current assets like marketable securities, so that they may easily be converted in to cash at the time of paying dividends in bad years.
- To enhance the corporate governance in Oman banking and financial companies as well as providing a clear signal to investors about the future financial position of the firm by improvising corporate decision to distributing or retain the profit. Banking and financial players in Oman are requested to preserve the proper combination of the share price and dividend payment because retention of earnings would adversely affect the market price of the shares.

1.17. Limitations of the Study

There are many benefits to using event studies in research, there are still some limitations to the model.

- This study applied to Omani companies listed in Muscat Securities Market.
- This study only took for financial and banking sector companies trading in Muscat Securities Market.
- The period of the study is 2017 only. Not study the previous years of the dividend period.

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Appendixes

Table 1 AR, CAR and T Test values of Ahli Bank
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	0%	0.18124	-1%	-0.29879	0	0%	0.33107	7%	3.03396*
-9	-1%	-0.93649	0%	0.01929	1	7%	7.33798*	4%	1.67318
-8	1%	0.98525	1%	0.35442	2	-3%	-3.10863*	-2%	-0.84991
-7	0%	-0.08937	0%	-0.05475	3	1%	0.96029	1%	0.49205
-6	0%	-0.04901	0%	0.08597	4	0%	0.28348	0%	0.15095
-5	0%	0.26632	0%	0.22176	5	0%	0.09808	1%	0.28608
-4	0%	0.29422	1%	0.39550	6	1%	0.62504	1%	0.40423
-3	1%	0.70551	1%	0.25008	7	0%	0.39674	1%	0.24034
-2	0%	-0.07338	0%	0.02013	8	0%	0.21077	-1%	-0.25085
-1	0%	0.12426	0%	0.18013	9	-1%	-0.84486	-1%	-0.25093
0	0%	0.33107	-1%	-0.29879	10	0%	0.21059	0%	0.08331

Intercept	-0.00186
Slop	0.348782
Standard Error	0.008889
R square	0.02247

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Table 2 AR, CAR and T Test values of Bank Dhofar
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	0%	-0.06866	-1%	-0.90289	0	0%	-0.38616	11%	13.50339*
-9	-1%	-0.83423	-1%	-0.78126	1	12%	13.88955*	14%	16.48066*
-8	0%	0.05297	0%	0.00756	2	2%	2.59111*	2%	2.39433*
-7	0%	-0.04541	0%	0.52126	3	0%	-0.19678	1%	0.99823
-6	0%	0.56667	-1%	-1.47349	4	1%	1.19501	1%	1.08852
-5	-2%	-2.04016*	-3%	-3.07259*	5	0%	-0.10649	-4%	-4.48275*
-4	-1%	-1.03242	-1%	-1.20509	6	-4%	-4.37626*	-4%	-4.36882*
-3	0%	-0.17266	0%	0.07337	7	0%	0.00744	-1%	-0.82396
-2	0%	0.24604	-2%	-2.29581*	8	-1%	-0.83140	-1%	-1.67936
-1	-2%	-2.54184*	-2%	-2.92800*	9	-1%	-0.84797	-1%	-1.26599
0	0%	-0.38616	11%	13.50339*	10	0%	-0.41802	0%	-0.41802

Intercept	-0.00165
Slop	1.416796
Standard Error	0.008301
R square	0.36029

Table 3 AR, CAR and T Test values of Taageer Finance
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	0%	0.14682	0%	0.73182	0	0%	-0.03155	4%	7.07700*
-9	0%	0.14771	7%	11.38830*	1	4%	2.87977*	6%	10.26278*
-8	7%	4.43563*	7%	11.93742*	2	2%	1.25060	8%	13.09860*
-7	1%	0.36871	0%	0.11727	3	6%	4.02108*	11%	17.61801*
-6	0%	-0.32151	1%	1.00261	4	5%	3.06948*	4%	6.31161*
-5	1%	0.72502	1%	2.11169*	5	-1%	-0.52931	0%	-0.77251
-4	0%	0.12485	0%	0.20629	6	0%	0.21840	-2%	-3.70197*
-3	0%	-0.04183	0%	0.46739	7	-3%	-1.70830	-3%	-4.22765*
-2	0%	0.22993	1%	1.15685	8	0%	0.00683	0%	0.05993
-1	0%	0.23565	0%	0.50713	9	0%	0.01728	0%	0.36981
0	0%	-0.03155	4%	7.07700	10	0%	0.13155	0%	0.32687

Intercept	-0.00251
Slop	0.336398
Standard Error	0.015456
R square	0.62021

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Table 4 AR, CAR and T Test values of HSBC Oman
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	0%	-0.38852	0%	0.23444	0	1%	0.70833	-1%	-1.11843
-9	1%	0.62296	0%	-0.34384	1	-2%	-1.82676	-1%	-0.63286
-8	-1%	-0.96680	-1%	-1.14332	2	1%	1.19389	3%	2.42401*
-7	0%	-0.17652	0%	0.13677	3	1%	1.23011	2%	1.35888
-6	0%	0.31329	1%	1.15445	4	0%	0.12876	0%	-0.17093
-5	1%	0.84117	1%	1.04655	5	0%	-0.29969	-1%	-0.80261
-4	0%	0.20538	0%	-0.34592	6	-1%	-0.50292	-1%	-1.18281
-3	-1%	-0.55131	-3%	-2.95983*	7	-1%	-0.67989	-2%	-2.14481*
-2	-3%	-2.40852*	-2%	-1.84915	8	-2%	-1.46492	-2%	-2.10339*
-1	1%	0.55937	1%	1.26770	9	-1%	-0.63847	-4%	-3.38714*
0	1%	0.70833	-1%	-1.11843	10	-3%	-2.74867*	-3%	-2.74867*
				Intercept	-0.00138				
				Slop	2.615236				
				Standard Error	0.011255				
				R square	0.423704				

Table 5 AR, CAR and T Test values of Bank Sohar
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	0%	-0.41037	0%	0.49655	0	0%	0.53203	10%	11.28079*
-9	1%	0.90692	2%	1.95082*	1	9%	10.74876*	7%	7.58419*
-8	1%	1.04391	1%	0.58484	2	-3%	-3.16457	-3%	-3.23011*
-7	0%	-0.45907	-2%	-2.33628*	3	0%	-0.06555	0%	-0.19830
-6	-2%	-1.87721*	-5%	-5.30399*	4	0%	-0.13276	0%	0.20352
-5	-3%	-3.42678*	-2%	-2.18111*	5	0%	0.33628	0%	-0.29988
-4	1%	1.24567	1%	0.99525	6	-1%	-0.63617	2%	2.85532*
-3	0%	-0.25042	-2%	-2.40521*	7	3%	3.49149	2%	2.14179*
-2	-2%	-2.15479*	-3%	-3.48378*	8	-1%	-1.34970	-5%	-5.48480*
-1	-1%	-1.32899	-1%	-0.79696	9	-4%	-4.13510	-6%	-6.89523*
0	0%	0.53203	10%	11.28079*	10	-2%	-2.76013	-2%	-2.76013*
				Intercept	0.001201				
				Slop	1.614676				
				Standard Error	0.00872				
				R square	0.298083				

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Table 6 AR, CAR and T Test values of National Bank of Oman
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	0%	0.05083	1%	1.04104	0	0%	0.01330	12%	13.46551*
-9	1%	0.99021	0%	-0.17896	1	12%	13.45222*	11%	12.36320*
-8	-1%	-1.16917	-1%	-1.33155	2	-1%	-1.08901	-1%	-0.78700
-7	0%	-0.16238	0%	0.09199	3	0%	0.30201	-1%	-0.67170
-6	0%	0.25437	0%	0.12765	4	-1%	-0.97371	-3%	-3.62425*
-5	0%	-0.12672	-1%	-1.58299	5	-2%	-2.65054*	-3%	-2.87156*
-4	-1%	-1.45627	-2%	-2.14480*	6	0%	-0.22102	0%	0.39537
-3	-1%	-0.68854	-1%	-1.27969	7	1%	0.61638	1%	1.69518
-2	-1%	-0.59115	0%	-0.15707	8	1%	1.07880	1%	0.97818
-1	0%	0.43409	0%	0.44738	9	0%	-0.10062	0%	-0.29650
0	0%	0.01330	12%	13.46551*	10	0%	-0.19587	0%	-0.19587
				Intercept	-0.00086				
				Slop	0.963529				
				Standard Error	0.008847				
				R square	0.89418				

Table 7 AR, CAR and T Test values of Bank Muscat
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	1%	0.46798	1%	0.65970	0	2%	1.39301	10%	7.19581*
-9	0%	0.19173	0%	-0.12418	1	8%	5.80280*	9%	6.33511*
-8	0%	-0.31591	2%	1.45313	2	1%	0.53231	3%	2.10435*
-7	3%	1.76903	3%	1.94573	3	2%	1.57205	2%	1.64118
-6	0%	0.17670	0%	-0.20526	4	0%	0.06914	0%	0.17727
-5	-1%	-0.38196	3%	2.27332*	5	0%	0.10813	0%	0.15962
-4	4%	2.65527*	1%	0.45715	6	0%	0.05149	1%	0.59133
-3	-3%	-2.19813*	-2%	-1.71477	7	1%	0.53984	1%	0.88358
-2	1%	0.48336	1%	0.38426	8	0%	0.34374	3%	2.02182*
-1	0%	-0.09910	2%	1.29391	9	2%	1.67808	0%	0.30180
0	2%	1.39301	10%	7.19581*	10	-2%	-1.37628	-2%	-1.37628
				Intercept	-0.00342806				
				Slop	0.543546653				
				Standard Error	0.014343198				

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Table 8 AR, CAR and T Test values of Muscat Finance
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	1%	0.96740	2%	3.04006*	0	-1%	-1.56661	9%	11.84989*
-9	2%	2.07265*	2%	2.00177*	1	10%	13.41649	11%	14.69550*
-8	0%	-0.07088	-1%	-1.63763	2	1%	1.27901	2%	2.39887*
-7	-1%	-1.56674	-1%	-1.17532	3	1%	1.11986	0%	0.08377
-6	0%	0.39142	4%	4.61114*	4	-1%	-1.03608	0%	-0.05513
-5	3%	4.21972*	5%	6.69294*	5	1%	0.98095	1%	1.46502
-4	2%	2.47322*	4%	5.13135*	6	0%	0.48406	0%	0.11750
-3	2%	2.65813*	2%	2.02796*	7	0%	-0.36656	-1%	-0.86232
-2	0%	-0.63017	-1%	-1.68814	8	0%	-0.49576	0%	-0.54757
-1	-1%	-1.05797	-2%	-2.62458*	9	0%	-0.05180	0%	0.39869
0	-1%	-1.56661	9%	11.84989*	10	0%	0.45050	0%	0.45050
				Intercept	1.30457E-05				
				Slop	0.739211187				
				Standard Error	0.007756466				

Table 9 AR, CAR and T Test values of Oman Investment and Finance
*Significant at 5% level

Pre-Announcement					Post –Announcement				
Days	AR	T-Test	CAR	T-Test	Days	AR	T-Test	CAR	T-Test
-10	0%	-0.30784	-1%	-0.74350	0	-1%	-0.58942	9%	7.29260*
-9	-1%	-0.43567	-1%	-0.93532	1	9%	7.88202*	8%	6.77561*
-8	-1%	-0.49965	-1%	-0.96569	2	-1%	-1.10641	-2%	-1.68515
-7	-1%	-0.46603	-1%	-1.07360	3	-1%	-0.57874	0%	-0.20629
-6	-1%	-0.60757	-1%	-1.05548	4	0%	0.37245	2%	1.27260
-5	-1%	-0.44791	-2%	-1.42161	5	1%	0.90015	1%	0.98778
-4	-1%	-0.97370	0%	-0.30722	6	0%	0.08764	0%	0.14629
-3	1%	0.66648	2%	1.34451	7	0%	0.05866	0%	0.10111
-2	1%	0.67803	2%	1.61887	8	0%	0.04246	-2%	-1.60463
-1	1%	0.94084	0%	0.35142	9	-2%	-1.64708	-2%	-1.87260
0	-1%	-0.58942	9%	7.29260*	10	0%	-0.22552	0%	-0.22552
				Intercept	-0.00226895				
				Slop	0.454248356				
				Standard Error	0.012167594				
				R square	0.369342				

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