

Measuring the Effect of the Privatization of the Kuwait Stock Exchange on Its Performance

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Abstract : The main objective of this research is to measure if there have been any notable changes in the trading actives of the Kuwait stock Exchange (KSE) after the privatization process that took place on the 25th of April 2016. The data that are used to test if there is any change in the KSE market performance are the daily indices for the period from the 25th of April 2016 till the 24th of October 2016 (after privatization) and a similar six months period before the date of the privatization from the 24th of October 2015 till the 24th of April 2016. In addition, as a control, the study included a period that is a period parallel to the six months period after the privatization. The results indicate that privatization is associated with lower variability for the majority of variables, but that the observed switch in slope direction is not actually a product of privatization, but rather one of serial correlation.

Keywords : privatization, Kuwait stock exchange (KSE), market capitalization (MCAP), capital markets authority (CMA), Boursa Kuwait securities company (BKSC)

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