The Impact of Some Economic Information On Stock Prices

(An applied study of a sample of companies listed in the Iraqi Stock **Exchange)**

Abstract

The study aims to analyze the relationship between the economic information of (inflation, Exchange price, money supply) and market value of shares, the sample of the study consisted of (16) companies (4) banking companies, (4) agricultural companies and (4) companies industrial and (4) insurance companies, in order to test the hypotheses of the study the statistical program (R) was used, the statistical regression method was used to measure the relationship between the variables of the study, the study revealed a significant effect of economic information on the market value of shares in the banking sector, make their decision according to economic information.

Keywords: Economic Information, Stocks, Market Value of Shares

Introduction

The financial markets in order to achieve economic growth must be highly dynamic to achieve through efficiency that gives several advantages of the financial and economic system, as it provides liquidity and reduce risks in new investments, as well as the efficiency that must characterize the financial markets must be highly effective through, a set of pillars that focus on the financial markets, including the existence of a system of high quality information that ensures the flow at all times and the cost of less to the beneficiaries, which will bring returns to the savers in exchange for the use of their money and investment in view of the developments in the financial markets, especially the global ones, and the increasing interest in and use of information in various areas of economic life at the macro and micro levels economic information from economic resources is the task of decision makers to rationalize their investment decisions and exploit all the investment opportunities available to them to achieve the various economic benefits, economic information should be characterized by its high quality, which should not rely solely on, characteristics of the appropriateness and confidence of the decision makers (users of information) but characteristics related to the use of information and the nature of the decision taken as well as the nature of the source and quality of information and the ability to analyze them as well as the level of perception and understanding among decision makers and their future directions, in view of the importance of

stocks and their vital role in the financial markets and the economy in general, this study attempted to identify the factors that may affect the prices of stocks, which can affect them up or down through the interaction of supply and demand and the factor of profit for the company and the performance of the economy in general and study Some economic information that affects the purchasing decisions by investors whether positive or negative and trying to interpret the impact of information users (decision makers) to predict the future prices of shares, the second topic is the theoretical aspect of the study, which included the economic information, while the third section included the practical aspect, which included analysis of economic information and testing hypotheses, and ended study fourth subject that included conclusions and recommendations.

The Methodology of the study and some previous studies

First: Methodology of the study

Study Importance   :-

financial markets singular to plural to the success of the economic policy of any country and the crystallization of the importance of the study in the diagnosis of financial and economic factors affecting the stock prices in the Iraqi Stock Exchange to provide a base can be guided by investors and dealers in the market through:

1- Statement of the importance of some economic information and its impact on stock prices in the Iraqi Stock Exchange.

2- economic information shedding light on the shares and their impact on some.

Study Problem

The reliance on economic information has become important for beneficiaries, investors and also shareholders in companies. Therefore, the availability of adequate information in the financial markets plays an important role in supporting the economy, several studies have shown that the success of the Iraq Stock Exchange is the extent of reliance on information economic and accuracy of the companies listed in the Iraqi Stock Exchange in order to achieve future returns and also to take the appropriate decision in investments there is a great interest by researchers and users of economic information in the studies of Arab and foreign, and the availability of information to help specialists by the knowledge of the activity of companies in and out and therefore the problem of the study is represented by the following question:

1. What is the effect of some economic information on the market value of shares listed companies in the Iraqi Stock Exchange? which are divided by the following questions:

• Is there a relationship between the inflation rate and the market value of stocks?

• Is there a relationship between the exchange price and the market value of shares?

• Is there a relationship between money supply and the market value of stocks?

Study Objectives

Identify some economic information and their impact on the market price of listed companies in the Iraqi Stock Exchange

Study Hypotheses

The main hypothesis: The impact of some economic information on the market value of stock:

H1: There is an inflation rate on the market price.

H1 : There is an impact of the exchange price on the market price.

H1: There is an impact on the market price of the cash market.

Study limits

1-Boundaries temporal: The study included (1\1\2013-12\31\2017)

2-Boundaries spatial: which is represented by a sample of companies of the sectors of banks, agriculture, industry and insurance listed in the Iraqi Stock Exchange, represented by the Commercial Bank and the Iraqi Islamic Bank Al-Mansour Bank, Sumer Bank of the banking sector, Iraqi Seed Production Company, Middle East Company for Fish Production and Marketing, Iraqi Company for Agricultural Products, Iraqi Company for Production and Marketing of Meat from the Agriculture Sector, Iraqi Carpet and Furniture Company, Al-Mansour Company for Pharmaceutical Industries and Baghdad Company for Soft Drinks from Industry Sector, Al-Hamra Company, Al-Amin Company, Dar Al-Salam Company and Gulf Company from the Insurance Sector.

Study Society and Sample

The society of the study consists of all companies listed in the Iraqi Stock Exchange for the period 1/1/2013 until 31/1/2017 which consists of (101) companies, as the Iraqi Stock Exchange consists of nine different sectors, namely the banking sector, industry, agriculture, hotel, tourism and investment and agriculture services, insurance and financial transfer and communications, the sample of the study was represented by the banking, agricultural, industrial and insurance companies listed in the Iraqi Stock Exchange, which met the criteria for selection of the sample, as appendix (1) shows the names of companies for the sectors subject to study and date of incorporation, the total number of companies (16) companies, and the table (1) the sample taken from each sector, which constitute (23.88%) of the original community and is a good proportion of the small size of the sample makes the results inaccurate.

Statistical Analysis Method

In order to conduct analytical statistical tests, the statistical analysis program (R) was used to determine the nature of the data and their compatibility to achieve multiple linear regression hypotheses in MM Huber to test the hypotheses of the study.

Literature Review

Several research studies have considered the subject of the cash flow statement, there are also some studies aimed at examining the relationship between cash flows and equity returns from different aspects, some of these studies are:

1 - Study Al-Hassnawi , 2015

Study Title: (Internal and external determinants of the market value of shares in the Iraqi Stock Exchange)

This study aims to assist the financial institutions of the state in the formulation of public policy and within the scope of its powers to verify the type of stability in the fluctuations in the general level of prices in the Iraqi Stock Exchange, the study community consists of all companies listed in the Iraqi Stock Exchange for a period of two years From 1\1\ 2011 until 12\ 31\ 2012 which consists of 84 companies, the study sample consisted of all the banking, industry and hotel companies listed since the beginning of the establishment of the Iraqi Stock Exchange in June 2004, the descriptive approach was adopted to describe the variables of the study in terms of computational circles and standard deviations, in addition to using the analytical method to test, the study hypotheses using the statistical program spss, the study found a statistically significant relationship between the independent variables represented by the number of employees, the size of the company capital, the surplus of the general budget, the size of the gross domestic product, interest rates, annual inflation rates, for the dollar with variable dependent market capitalization of corporate stocks, it also recommended the need to increase the interest of the departments of companies to study the impact of inflation on the market value of shares and the low purchasing value of money and the search for multiple alternatives to absorb the negative effects of this side

2- **Study Somaya , 2010**

Title Study: (Effect of inflation on share returns)

This study aims to pay attention to the effects of macro variables, especially inflation on the stock market to give a statistical character to this relationship by developing a formula for studying the correlation between the two variables, the study consists of a group of companies

listed on the Amman Stock Exchange for the period (1996-2006), the sample of the study consists of (9) insurance companies, the analytical descriptive approach was adopted when studying the capital markets and the securities traded therein, as well as the technical and fundamental analysis to analyze the phenomenon of inflation, the statistical method used the correlation coefficient between the variables inflation and stock prices the study concluded the correlation between the average return of insurance sector shares and the inflation rates in Jordan and the existence of a moderate and medium relationship where the Jordanian insurance companies can provide some kind of protection against the low risk of return value of shares at high inflation rates and recommended to rely on shares to investors to hedge against inflation risks of weak link Between earnings per share and inflation.

3- Study Chan & Shahzad & Farooq & Hunjra 2014

Title Study: (The Impact of Macroeconomic Variables on Stock Prices in Pakistan)

The study aims to determine the impact of interest rate, exchange price, GDP and inflation rate on stock prices in Pakistan, the study population consists of a study of its application in the Pakistan Stock Exchange (2011-2001), the study sample consists of (47) companies. Granger's tests of causality and integrative tests were applied to the data to estimate the potential impact of macroeconomic variables on stock prices, the study concluded that there is no relationship between dependent variables and explanatory variables in the short term, on the other hand, results show that there is a strong long-term relationship as recommended Investors should closely analyze patterns of macroeconomic variables and anticipate future exchange prices before investing.

4- Study Hossain&Abedin ,2017

Title Study: Economic and social factors and stock market volatility

The study examines the impact of the stock market on economic factors and social factors, namely interest rate volatility, foreign exchange price volatility, volatility of the Standard & Poor's 500, broad money supply volatility, per capita GDP, domestic investment, and the third level of education, the study society consists of companies in the Dhaka Stock Exchange for the period (1976-2015), the study sample consists of (6) companies, unit root tests were performed to check whether each variable had problems in the root unit, If MRET, M2, LIR, FER, and SNP500 The ARIMA model will be used to calculate MRET, M2, LIR, FER and SNP500 variability, the study concluded, the volatility of lending rates has a very positive impact on stock market volatility. And then after the announcement of the interest rate by the country's central bank, market returns will be affected money bills, it also recommended that for long-

term investment benefits to be in the stock market, public investors, market analysts and fund managers should focus on companies with strong fundamentals and sustainable growth opportunities.

Theoretical framework

The economic information unit is one of the most important economic units which play a vital role in the financial markets, the continuity of this unit leads to the continuity and growth of the economy based on the quantity and quality of data, information in the economy plays a key role in the planning of administrative and production processes, the information economy is not a whole new economy because information played a key role in previous economic concepts, but the new information is added to its role in financial markets (Hijazi, 2005: 22).

Economic information is defined as useful information in various economic sectors, the leader of excellence in goods and services, the dependence of the economy on information is a sign of the strength of labor in this economy (Hunjra et al., 2014).

It is also known as scientific methods in the interpretation of the aspects and variables in the economy Any direction in this approach to decision makers and can determine the value of this information the value of the decision taken (Arshid, 2007: 7).

The importance of economic information systems

The availability of economic information at the right time and place is an important factor in decision making, this is reflected in the value and importance of information, whether in decision-making or planning for the future, the importance of economic information lies on two levels micro- Information represents the best way forward, while the second level is the overall level to qualify the sector as a whole with information to reach the ranks of international institutions, the existence of an economic information system is a necessity to call attention and can explain the importance of economic information as follows:

1- The availability of economic information in the sector leads to the support of available investment opportunities and competition.

2- Availability of information on the market leads to support for the possibility of expansion for institutions.

3- The availability of economic information leads to the solution of problems that promote a particular sector.

4- Availability of information on per capita income, knowledge of acceptable price levels, consumer tastes (Hussein and Yehia, previous source 582-581).

5- Economic information leads to the availability of new investment opportunities to achieve economic development and lead to the promotion of productive opportunities for sectors such as agriculture, industry and other sectors (Al-Tai, 2005: 27).

Some Economic Information

Economic information affects the economy and financial institutions as considered when planning and making future decisions, economic information or what is known as macroeconomic variables such as money supply, interest rates, exchange price, inflation and GDP is very important between these macroeconomic variables to have a clear impact on the performance of financial institutions (Pilinkus, 2009: 14).

In addition, we will focus on some economic variables in this study, including:

A-Inflation

1-The concept and terms of inflation

The term inflation is an economic term that expresses an economic phenomenon, it is defined as the continuous decline in the current value of the monetary unit since this quantity of services and goods is less expensive and more expensive. 17: 1986). It also known as the amount of money circulating in the national economy, which affects the general level of prices due to fluctuations in the quantity of money traded (Shamia, 1999: 358). It is also known that the price increases are temporary and continuous due to seasonal or occasional factors, ie, a large monetary block chasing a few commodities (Al-Fatalawi and Zubaidi, 2009: 271). Inflation can be measured using the Consumer Price Index or the producer price index as no rise in prices is considered an inflation, there are no conditions that must be met:

• Clarity in price increases.

• This rise in prices is continuous, as the rise in prices is not a low inflation, nor is the rise of an emergency and for a brief period of inflation (David and others, 244: 2000.(

• Price increases are not required to be equal for all goods and may vary.

• The increase in prices for all goods, some may rise while the other remains constant (Hamouri, former source: 22).

2-Causes of inflation

There are a number of reasons for the continuous rise in prices and the occurrence of inflation, and we will explain the reasons for inflation are as follows:-

• Inflation resulting from demand conditions: a significant increase in aggregate demand, ie, a faster increase in overall demand (AD) than total supply, and since the aggregate supply is constrained by a range of factors of production such as capital accumulation rate and

technological progress, Is causing prices to increase, as there are several reasons for increasing demand, including increased money supply, high government spending, and successive tax cuts (Somaya , 2010: 33).

• Monetary factor: Any increase in the amount of money, and the speed of turnover, lead to an increase in prices, and this is related to the monetary and financial policy, the issuance of money by the Central Bank to cover the deficit leads to an increase in the amount of money and therefore the price increase (Shamia, 1999: 363) .

• Inflation from the increase in expenditure: inflation here is the result of an increase in expenditure as components of production without a change in demand, that is, an increase in expenditure, which is the increase in the wage rates, the increase in the incomes of workers and also arises from monopoly practices for managers who raise prices even in the absence of increase in demand Costs, called inflation arising from the increase in profits, the increase in wages at a rate exceeding the increasingly recognized by market forces, paving the increase in the average wage in the national economy leads to an increase in the level of prices and the decline in overall supply, employment and output decline (Fatalawi and Zubaidi, 2009: 271-272).

3- types of inflation

Economists see the situation of inflation as a phenomenon when there is a significant increase in cash income from the amount of production achieved, and found there are several different types of inflation can be identified as follows:

• Absolute inflation: The occurrence of this type of inflation when there is continuity of high prices in response to the increase in the amount of money and the speed of circulation, as well as respond to excess demand without there being a barrier to achieve a tie between supply and demand, without the intervention of the state, and called inflation also creeping inflation Or frank, as it is difficult to control the rise in prices.

• Suppressed inflation: occurs when the state sets laws, procedures, measures and restrictions that prevent prices from rising strongly such as, compulsory pricing policy, the system of allocation of raw materials, ie, state intervention and control over prices, and may occur in these circumstances increase in cash incomes, and the survival of inflation His appearance is not allowed (Amina, 70: 2014).

B--Exchange price

The exchange system adopted in countries is an important system that is carefully selected by the two economies. A specific exchange system is selected, not random. A specific Exchange price is chosen based on specific characteristics and factors, reflecting a proper exchange

system for the country's economy. It is one of the most important problems surrounding the operations Economic linkages between States in the settlement of international payments associated with trade. It is necessary to stabilize the currency because it is one of the determinants of foreign savings, as it is allowed to ensure the transfer of net annual profits to his home country (Hasnawi and al-Jasimi, 11: 2015). The Exchange price is defined as: the price of a local currency expressed in another currency (Ingram, 1978: 55). It was also known as: the purchase of one unit of foreign currency against the payment of a number of national currency units (Al-Tai, 1999: 182) Another link is the link between local currency and foreign currencies, the ease of comparing prices and costs between different countries (Abidi, 2005: 10). The process of exchange in the so-called exchange market, which is where the exchange of currencies and this place is not specific geographical area, but a network of relations between exchange agents in all banks scattered in various countries of the world and also the actual meetings between agents in a room for drainage are in Financial Markets (Ammar,2014: 24-25)

1- Formulas Exchange price

• Parity Rate**:** : The price that is not determined by the conditions of supply and demand, such as the Exchange price determined by offer and demand but an official price set in the IMF's establishment agreement held at Bretton Woods in 1944, The value of any currency against the other is measured by the amount of gold that is equal to the caliber, that is, the price of the parity is the value of its currency of gold determined by the state, which is exchanged accordingly so that this value is fixed.

- Nominal Exchange price: The majority of countries rely on the nominal value of their currencies by, following the Bretton Woods Agreement through the International Monetary Fund. This value represented the official Exchange price by a certain weight of gold, or the US dollar of the specified value against gold So that Exchange prices are announced and exchanged in exchange markets. These prices can be determined in the case of flotation and are determined according to the choices of the monetary authority of the state (Isa, 1984: 9)

- Real Exchange price: The use of the Exchange price is generally true in economic analysis, the pursuit of competitiveness and the effects of economic policy on the domestic economy There is an inverse relationship between the real and nominal Exchange prices, and with foreign prices there is also a reverse relationship and a positive relationship with local Exchange prices.

- Effective Exchange prices: Defined as the average of the market Exchange price against the currencies of the trading partners. That is, the arithmetic average of the Exchange price of a country against the other currencies relative to a certain period is weighted by the share of each trading partner of that country (Ahsan, 1983: 791).

2-functions Exchange price

There are important roles for the Exchange price in linking the local economy to the global economies, as well as the importance of knowing the competitiveness of the country and the balance of payments and the rate of inflation and economic growth, as well as the progress we can determine the most important functions of the Exchange price as follows: (Knona: 1987, 204- 205)

• Function Standard: The Exchange price is a comparative instrument and measurement, which is the measure of a global commodity in local currencies, and the ability of traders to compare prices within the country and international prices, so the Exchange price. Is a good indicator of the profits generated from trade, so the variable Exchange price is important for foreign trade and is particularly important in the growth of countries because it contributes to increase national income.

• Function Development: This function is done using exchange price policies to encourage certain exports or disrupt a particular industry because this industry may be produced and can be saved at minimal costs by. Importation The cost of imports and the cost of production can be compared locally and through Exchange price policies the possibility of developing a particular industry.

• Function Distributive: At the local level, prices are distributed, and Exchange prices can be carried out through foreign trade at the international level. Exchange prices and trade exchange distribute national wealth.

C- **Money supply**

1- **Money supply concept**

Money supply is one of the main factors of monetary policy. The money supply pattern is determined by the state if it is an expansionary pattern or a contractionary pattern by increasing or decreasing the supply of money. Money supply leads to economic stability and also has negative effects when excessive money supply increases (Dulaimi, 1990: 106) Cash supply is defined as: the group of current and other currency notes and current deposits in commercial banks, excluding time deposits and savings deposits, because they are considered semi-money (Al-Asar and Halabi, 2000: 50). There are concepts for presenting cash which can be explained by: -

• concept the narrow of money supply (M1): The money group that is traded outside the banking system and current deposits, of bank money and the money supply according to this concept is best suited to determine the money supply because it includes both the currency in circulation and deposits on demand.

• concept Wide of money supply M2: local liquidity means cash traded outside the banking system plus current and non-current deposits, M1 plus non-current deposits (savings deposits) that are considered quasi money (Janabi, 18: 2007).

• concept the broad of money supply (M3): After the monetary and financial development and the development of financial markets, derivatives developed by intermediate financial institutions, when placing derivative deposits, long term liabilities within the components of money supply according to concept M3 (net, 38-37: 2010)

2- **Money supply Components**

Money supply is the cash balance rather than the cash flow. The difference between the two terms is represented by a certain amount of money that can be measured at any given moment. The second is a certain amount of money measured over a certain period of time, as well as the difference between them. Through the speed of circulation of the cash balance, the number of times the money is traded over a period of time (Yahya, 2001: 39). also it is possible to distinguish between the components of money supply, which is divided into two types:

 •Money: Any currency that is traded outside the banking system, which is the money of legal and banknotes and also add deposits on demand.

• Quasi-money: Non-monetary assets represented by certain debts and liabilities of financial institutions, which include savings deposits and also term deposits (Qadhi, 2006: 68).

Analysis and Testing Hypotheses Of the study

I -Analysis Of The Growth Rate Of The Market Value Of The Shares Of The Sample Companies

Table (1) Market Growth Rate of Shares of Sample Companies% (2017-2013)

year ⟍ Companies	2013	2014	2015	2016	2017
Banking sector					
Commercial Bank	8.6	19.6	-37.9	17.1	2.1
Iraqi Islamic Bank	39.4	-8.9	-46.3	17.6	-16.7
Al-Mansour Bank	49.9	-51.7	3.6	13.8	-26.3
Sumer Bank	21.6	33.5	-5	-5.3	0
Agriculture sector					
Iraqi seed production	121.8	34.3	-15.3	7.4	-6.5
Middle East Fish Production and	-21.9	-38	-9.7	8.6	5.9

Marketing					
Iraqi Agricultural Products	**36.4**	**-14.7**	**-93.1**	**819.01**	**5.5**
Iraqi production and marketing of meat	**-8.2**	**-6.2**	**-28.5**	**-20.9**	**115.8**
Industry sector					
Iraqi Carpets and Furniture	**-9.8**	**2.4**	**0.7**	**20.3**	**57.3**
Modern sewing	**-21.6**	**25**	**-11.1**	**47.9**	**18.4**
El- Mansour For Pharmaceutical Industries	**48.7**	**-6.7**	**-9.5**	**-11.9**	**2.9**
Baghdad for soft drinks	**100.7**	**-24.4**	**30.1**	**-14.9**	**42.9**
Insurance sector					
Al-Hamra Company	**0**	**150**	**-62.6**	**-34.4**	**0**
Al- Amin Company	**90.5**	**6.5**	**-38.4**	**-11.7**	**-30.9**
Dar Al-Salaam Company	**23.8**	**-3.2**	**-41.8**	**-19.8**	**19.8**
Al-khalij Company	**-30.4**	**7.8**	**421.7**	**-86.7**	**10.4**

The growth rate of the companies of the study sample was derived by the following equation (growth rate = market value of shares for the current year - market value of shares for the previous year \ market value of shares for the previous year × 100)

The results in Table (2) showed the growth rates of the market value of shares for the banking, agriculture, industry and insurance sectors, which were unstable for the years of study. The reason for the instability of the market value of shares, especially from 2013-2017, is mostly due to the annual and quarterly financial indicators Divided by the annual dividends distributed in addition to political conditions, low oil prices or economic conditions in general and capital increase of listed companies by capitalizing profits, reserves and subscription, or corporate circumstances.

❖ **Banking sector**

The growth rate of the shares of Commercial Bank in Iraq is gradually increasing from 2013 to 2014. The growth rate in 2013 (8.7%) is expected to increase in 2014 to (19.6%) in 2015, (-37.9%) to rise for the years 2016 and 2017 The growth rate of the shares for the year 2016 (17.1%) and 2017 (2.1%). With regard to the Islamic Bank of Iraq note the growth rate of market value of shares in 2013, the growth rate (39.4%) to decline in 2014 to be (8.9%) - to continue to decline in a year The growth rate (-46.3%) increased in 2016 by (17.6%) in 2017 to

(-16.7%). As for Al-Mansour Investment Bank, the growth rate of the market value of shares for the year 2013 reached 49.9%) To decline significantly in 2014 to (-51.7%), raising the growth rate for the years 2015 and 2016 respectively, reaching (3.6%) and (13.8%) to decline and decline in 2017 (22.6%). The increase in the market value of shares (21.6%) is expected to increase in 2014 to 33.5% to decline in 2015 (-38.6%) And to decline for the years 2017-2016 and stabilize   (-25.5%) .

❖ **Agriculture sector**

The growth rate is the market value of Al-Iraqi for seed production in case of increase in 2013. The growth rate of the market value of shares (121.8%) increased to rise in 2014 by (34.3%) to decrease in 2015 to be (-15.3%) In the year 2016 (7.3%) to decrease in the year 2017 and settle at (-6.5%). As for Middle East meat production and marketing, we note that the growth rate of the market value of shares for the year 2013 reached a growth rate (-21.9%) gradually decreasing for the years 2015-2014 (-38%) (-9.7%) respectively, -2016 to be (8.6%) (5.9%), respectively. The Iraqi Company for Agricultural Products note the high rate of growth in value (36.4%) for the period 2015-2014 to reach (-14.7%)   (-93.1) to rise significantly for the year 2016 to be (819.01%) to continue to rise in 2017 when it reached(5.5%). As for the Iraqi Company for the production and marketing of meat, we note a gradual decline in the rate of growth of the market value of shares for the years 2016-2015-2014-2013, with market capitalization growth rates of 8.2% (- 6.2%)   (-28.5%) (-20.9%) Respectively, rising significantly   for   the   year   2017   to   be   (115.8%)

❖ **Industry sector**

As for the Iraqi Company for Carpets and Furniture, we note that the rate of growth of the market value of shares in the years of 2013 reached (-9.8%) gradually increasing for the years following 2014-2015-2016-2017 with a growth rate of 2.4% (0.7%) (20.3%), Respectively, to continue rising (57.3%). As for the modern sewing company, we note that the growth rate of the market value of shares in the year 2013, the growth rate (-21.5%) so that in 2014 to be (25%) to decline and decline in 2015 significantly, reaching (-11.1%) 2016 (47.9%) to continue rising in 2017 to have (18.4%). Al-Mansour Company for Pharmaceutical Industries notes that the growth rate of the market value of shares for the year 2013 reached a growth rate of (48.7%) gradually decreasing for the three years 2014-2015-2016   reaching (-6.5%) (9.5%)(-13.5%) respectively Rising in 2017 and settling at 2.9%. As for the Baghdad Company for soft drinks, we note that the growth rate of the market value of shares for the year 2013 reached a

growth rate of (100.7%) to decline in 2014 to be (-24.4%) to rise in 2015 by (30.1%) to decline and decrease in 2016 (-14.6%) to rise significantly in 2017 and settle at (42.9%).

❖ **Insurance sector**

Al-Hamra Insurance Company notes that the growth rate of the market value of shares in 2013 is higher than in 2012, rising in 2014. The growth rate (150%) was reduced in 2015 by (-62.6%) and continued to decline in 2016 (-34.4%) to stabilize the market value of shares in 2017 work was higher for the year 2016. As for Al-Amin, we note the high rate of growth of the market value of shares with a growth rate in 2013 (90.5%) to continue to rise in 2014 by (6.5%) and then began a gradual decline for the years 2017-2016-2015, the years(-38.4%)   (-11.7%) (-30.9%), respectively. . In terms of Dar AL- Salaam, we see a rise in the growth rate of the market value of shares for the year 2013 with a growth rate of 23.8% to gradually decrease for the years 2015-2014 2016. The growth rate of the market value of share (-3.2%) (-41.8%) (-19.8%) To rise in 2017 with a growth rate of (19.8%). With regard to Gulf Insurance Company, we note that the growth rate of the market value of shares for the year 2013 reached a growth rate of -30.4%, rising in 2014 by (7.8%) to increase in 2015 to reach growth rate (421.7%) to decrease in 2016 (86.7%) - rising in 2017 and stabilizing at (10.4%)

 II -Analysis Of Some Economic Information

(%) (Table (2) Growth Rate of Economic Information for Iraq (2013-2017)

Data	2013	2014	2015	2016	2014
Inflation	2.4	1.6	1.7	1.5	0.5
Exchange price (JD)	-1.62	0.08	2.71	2.24	-1.33
Money supply M (Million JD)	16.46	3.42	-9.04	6.78	2.04

The rate of growth of the Exchange price and the money supply was derived by (growth rate = current year - previous year / previous year × 100)

The inflation rate in 2013 was (2.4%), improving in 2014 and falling by (1.6%) to slightly increase in 2015 by (1.7%) To decline slightly in 2016 to be (1.5%) To be significantly improved in 2017 to be the highest decline by (0.5%) This decline in inflation rates is a positive for the Iraqi economy and the reasons for the decline in the use of the Central Bank auctions periodically to sell and buy the dollar to control the money supply and thus the public liquidity and this is in the reduction of high inflation rates, as well as the high reserves of the Central

Bank at the I.M.F led to the stability of the Exchange price and the tendency to reduce the rise in inflation rates.

As for the Exchange price and Table (2), there is some stability in the Exchange prices during the 2016-2015-2014-2013-2016 years. The growth rate in 2013 (-1.62%) increased slightly in 2014 to (0.08%), Increasing in 2015 to (2.71%) (2.24%) to decline in 2017 and stabilize at (-1.33%). This stability is due in general to the reasons for the improvement of the oil export market and the growth of surplus in the trade balance as well as the policy measures Cash to promote The external value of the Iraqi dinar through the interest rate in the control of local liquidity, as well as public auctions of foreign currency to achieve balance in the foreign exchange market

As for the money supply M2, and in table (2) there are changes in M2 money supply during the years of study, including the use of interest rates as a stabilizer of monetary policy as well as currency auctions and government securities auctions. The M2 growth rate in 2013 was
to decline significantly in 2015 to (-9.04%) to rise in 2016 to (16.46%)2014 to be (3.42%) (6.78%) to continue to rise in 2017 and settle at (2.04%)

III - Test Hypotheses of the study

The selection of companies within each sector was not random but predatory to companies for the reasons mentioned above. (20) observations of each economic variable of the six variables of study as well as (20) observations of the market value of shares or growth rate value market shares as an approved variable The hypothesis for each sector included measuring the relationship between the effect of economic variables on the growth rate and the market value of shares for that sector. Multiple linear regression models are the best mathematical models that fit the hypotheses of the study. It is used to measure the relationship of the effect of independent variables to a single dependent variable And to measure the relationship between the effect of economic variables on the growth rate of the market value of the sector companies under study.

$$GR = \beta_0 + \beta_4 INF + \beta_5 EP + \beta_6\,MS + \varepsilon$$

GR: Growth rate of market value

(*INF* :Inflation) *EP*: Exchange price) (*MS* :Money supply)

(β_0 : **Fixed gradient)** *(ε : Random error limit)*

Building the above model will be tested on each sector of linear regression *study:*

1- **Banking sector**

Table (4) Results of the regression analysis of the economic variables of the banking sector using the method (MM)

variable	β	T	p-value	Moral parameter	Sample			
					R^2	Adjusted R^2	Standard Error	Form description
Fixed	-0.347	-1.674	0.115	Not significant	0.436	0.330	0.999	not Enough
Inflation	1.087	2.891	0.011	significant				
Exchange price	-0.258	-1.85	0.083	Not significant				
Money supply	0.132	2.198	0.043	significant				

:The results presented in Table (4) illustrate the following:

1-Probability value P - value of the parameter estimated for inflation variable less than 0.05 This indicates that there is an effect of the inflation variable on the growth rate market value of shares banking companies.

2-The potential value of the estimated parameter of the money supply variable is less than 0.05. This indicates that there is an effect of the variable cash supply on the growth rate of the market value of shares of banking companies.

3-Note that the estimated parameter of the Exchange price (-0.258) is negative and means that the relationship between the Exchange price and the growth rate is inverse and that the Exchange price can be included in the model if the value of the level of 0.10 where we note that the value of the teacher estimated probability (0.083) Of 0.10.

4-the coefficient of selection for this model is (0.436) and the debugger is (0.330) and is not enough result also, in other words, this model explains the value of 43% of the phenomenon and after correction explains about 33% of the phenomenon, 67% of the phenomenon and if the standard error of the errors of the model amounted to a fairly small value (0.999).

5-Based on the above rejects the null hypothesis H0, ie, there are two of the estimations not equal to zero

6-But the value of the corrected identifier determines that the estimated model does not have sufficient explanatory power to explain the phenomenon.

Thus, the estimated model for measuring the relationship between the effect of economic variables on the growth of market value in the banking sector is written as follows:

$$\widehat{GR} = -0.347 + 1.087\, \text{INF} - 0.258\, EP - 0.132\, MS$$

GR : Growth rate Market value of shares of banking sector companies

INF: Inflation rate: Estimated parameter of inflation(1.087)

EP: Exchange price: estimated parameter of the Exchange price(-0.258)

MS: Money supply : Estimated Cash Supply parameter(-0.132)

2-Agriculture sector

Table (5) Results of the regression analysis of the economic variables of the agricultural sector using the method (MM)

variable	β	T	P value	Moral parameter	Sample			
					R^2	Adjusted R^2	Standard Error	Form description
Fixed	0.301	0.521	0.609	Not significant	0.009	0.003		Not significant
Inflation	-0.411	-0.420	0.680	Not significant				
Exchange price	-0.388	-0.551	0.590	Not significant				
Money supply	0.102	1.274	0.221	Not significant				

Table (5) shows the following results:

1- The probability value (p-value) of the inflation variable is greater than 0.05 and therefore this estimate is not significant.

2- The probability value (p-value) of the Exchange price variable is greater than 0.05, so this estimate is not significant.

3. The probability value (p-value) of the money supply variable is greater than 0.05, so this estimate is not significant.

4- As for the significance of the model is not important for this model precisely because the coefficient of selection and the corrected parameter is very small, but almost zero.

5- Based on the above we accept the null hypothesis H0, all the values are equal to zero

Thus, the estimated model for measuring the relationship of the effect of economic variables on the growth of market value in the agricultural sector is written as follows:

$$\widehat{GR} = 0.301 - 0.411\ INF - 0.388\ EP + 0.102\ MS$$

GR : Growth rate Market value of shares of agricultural sector companies

INF: Inflation rate: estimated parameter for inflation (-0.411)

EP: Exchange price: Estimated Parameter for Exchange price (-0.388)

MS: Money supply : Estimated Money supply parameter (-0.102)

3-Industry sector

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Table (6) Results of the regression analysis of the economic variables of the industrial sector using the method (MM)

variable	β	T	P value	Moral parameter	Sample			
					R^2	Adjusted R^2	Standard Error	Form description
Fixed	0.420	1.133	0.274	Not significant	0.099	0.095		Not significant
Inflation	-0.465	-0.416	0.683	Not significant				
Exchange price	-0.212	-0.671	0.512	Not significant				
Money supply	-0.010	-0.189	0.852	Not significant				

Through Table (6) each of the following:

1-The probability value (p-value) of the inflation variable is greater than 0.05, so this estimate is not significant.

2-The probability value (p-value) of the Exchange price variable is greater than 0.05, so this estimate is not significant.

3- The probability value (p-value) of the money supply variable is greater than 0.05, so this estimate is not significant.

4- As for the significance of the model is not important for this model precisely because the coefficient of selection 0.099 and the coefficient of precision corrected 0.095 is very small, but almost zero.

5- Based on the above we accept the null hypothesis H0, all the values are equal to zero

Thus, the estimated model for measuring the relationship of the effect of economic variables on the growth of market value in the industrial sector is written as follows:

$$\widehat{GR} = 0.420 - 0.465 \text{ INF} - 0.212 \, EP - 0.010 \, MS$$

GR : Growth Rate Market value of shares of industrial sector companies

INF: Inflation rate: Estimated parameter of inflation (-0.465)

EP: Exchange price: estimated Exchange price parameter (-0.212)

MS: Money supply : Estimated Cash View parameter(-0.010)

3-Insurance sector

Table (7) Results of the regression analysis of the economic variables of the sector Insurance using the method (MM)

variable	β	T	P value	Moral parameter	Sample			
					R^2	Adjusted R^2	Standard Error	Form description

Fixed	-0.393	-0.955	0.354	Not significant				
Inflation	0.137	0.198	0.845	Not significant	0.438	0.330		not enough
Exchange price	-0.486	-2.211	0.046	significant				
Money supply	0.034	0.764	0.852	Not significant				

Note from Table (7) each of the following:

1-The probability value (p-value) of the inflation variable is greater than 0.05, so this estimate is not significant.

2-The probability value (p-value) of the Exchange price variable is less than 0.05, so this estimate is significant.

 3-The probability value (p-value) of the money supply variable is greater than 0.05, so this estimate is not significant.

4-It is clear that a negative sign with the estimated value of the Exchange price parameter indicates its inverse relationship with the growth rate of the market value of the insurance sector.

 5- reject the null hypothesis H0 and accept the alternative hypothesis H(1).

 6-As for the model, its explanatory power was determined by the parameter $R^2 = 0.438$ and the corrected parameter 〖Adj.R〗$^2 = 0.33$. In other words, 67% of the phenomenon has not been able to explain this phenomenon.

  Thus, the estimated model for measuring the relationship of the effect of economic variables on the growth of market value in the industrial sector is written as follows:

$$\widehat{GR} = -0.393 + 0.137\,\text{INF} - 0.486\,EP + 0.034\,MS$$

 GR : Growth rate Market value of shares of agricultural sector companies

INF: Inflation rate: Estimated parameter of inflation (0.137)

EP: Exchange price: estimated Exchange price parameter (- 0.486)

MS: Money Supply: Estimated Cash View parameter(-0.034)

A-Conclusions

1-   There is a significant effect of economic information (inflation) on the growth rate. The market value of the shares of the banking sector at ($a < 0.05$), while the results in the other sectors were agriculture, industry and insurance, where there is no significant effect.

2- There is a significant effect of the economic information (exchange rate) on the growth rate of the market value of shares of the insurance sector at the level of (a <0.05) and the rest of the study sectors have no significant effect.

3 - There is a significant effect of the economic information (cash supply) on the growth rate of the market value of shares of the banking sector at the level of (a <0.05) while the results were different for the rest of the sectors of the study as there is no significant effect.

B**-Recommendations**

 1- the need for the take decision build their decision on the basis of economic information when making investment decisions.
2 - carrying out studies and research in the same context, but other variables to show the impact on the prices of shares in the Iraqi Stock Exchange for securities.

3 - the need for companies to find solutions to their problems in order to improve the level of performance in the Iraqi Stock Exchange for securities.

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Supplements

Appendix (1) Companies sample study

Company	Capital Insertion	Constituent capital	Date Listing	Date of Establishment
Banking sector				
Commercial Bank	4,000,000,000	150,000,000	2004	1992
Iraqi Islamic Bank	1,516,000,000	126,000,000	2004	1992
Al-Mansour Bank	55,000,000,000	55,000,000,000	2008	2005
Sumer Bank	6,000,000,000	400,000,000	2004	1999
Agriculture sector				
Iraqi seed production	1,000,000,000	50,000,000	2004	1989
Middle East Fish Production and Marketing	236,000,000	236,000,000	2004	1994
Iraqi Agricultural Products	360,000,000	10,000,000	2004	1984
Iraqi production and marketing of meat	1,000,000,000	40,000,000	2005	1987
Industry sector				
Iraqi Carpets and Furniture	500,000,000	5,000,000	2004	1989
Modern sewing	900,000,000	6,000,000	2004	1989
El- Mansour For Pharmaceutical Industries	330,000,000	8,000,000	2004	1989
Baghdad for soft drinks	10,000,000,000	70,000,000	2004	1989

Insurance sector				
Al-Hamra Company	300,000,000	300,000,000	2006	2001
Al-Amin Company	150,000,000	150,000,000	2004	2000
Dar Al-Salaam Company	600,000,000	300,000,000	2004	2000
Al-khalij Company	1,000,000,000	1,000,000,000	2008	2004

Source: Annual Report Iraq Stock Exchange 2018

Appendix (2)

Market Capitalization of the Sample Study Companies for the Period (2012-2017) (JD Million)

year Companies	2013	2014	2015	2016	2017
Banking sector					
Commercial Bank	138000	165000	102500	120000	122500
Iraqi Islamic Bank	260580	237500	127500	150000	125000
Al-Mansour Bank	435000	210000	217500	247500	182500
Sumer Bank	187300	250000	237500	225000	225000
Agriculture sector					
Iraqi seed production	37704	50625	42900	46050	43050
Middle East Fish Production and Marketing	3750	2325	2100	2280	2415
Iraqi Agricultural Products	4788	4086	284	2610	2754
Iraqi production and marketing of meat	34650	32505	23250	18400	39700
Industry sector					
Iraqi Carpets and Furniture	2075	2125	2140	2575	4050
Modern sewing	2520	3150	2800	4140	4900
El- Mansour For Pharmaceutical Industries	5822	5434	4917	4334	4464
Baghdad for soft drinks	397670	300580	391020	332500	475252
Insurance sector					
Al-Hamra Company	3420	8550	3200	2100	2100
Al- Amin Company	4000	4260	2626	2319	1603
Dar Al-Salaam Company	6293	6093	3544	2842	3404
Al-khalij Company	1280	1380	7200	960	1060

Source: Annual Report Iraq Stock Exchange 2018

Annex (3) Some Economic Information for Iraq for the period (2013 – 2017)

data	2013	2014	2015	2016	2017
Exchange Rate ((JD	1275	1247	1214	1213	1233

| Money Supply M2 (JD Million) | 88100000 | 82500000 | 90700000 | 87700000 | 75300000 |