

Abstract

Mohammad A. Masry

The Impact of share repurchases on liquidity and return volatility in Egyptian Stock Exchange

Share Repurchases program is a method of a free cash distribution to shareholders. Historically, distribution method was the most preferable method for organisations, but later, shares repurchase became more common and the rate of replacing distributions by share repurchase programs increased as share repurchases was, at the beginning, limited to few countries specifically U.S.A, U.K and Canada, yet and since 1990, share repurchases activity reached many countries worldwide after removing legal restrictions. The study examined the relationship between share repurchase, share liquidity and share return volatility in Egyptian stock exchange, the study was applied to data of 56 repurchase operations from 2012 to 2014 and the study results indicate that Share Repurchases increases liquidity and reduces volatility.