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**PRICE VOLUME RELATION BEHAVIOR AROUND STRUCTURAL  
BREAKS IN KUWAIT STOCK EXCHANGE**

**Abstract:**

We investigate the relation between brokers activity and market efficiency in Kuwait Stock Exchange. Transaction cost is a main element in market efficiency since it affects investors total revenue and brokers performance. Market regulations controls broker's transaction cost structure. We used several measures for broker activity, such as trading volume, trading value, commission's legal structure, scope of service activity, and profitability. Our data covered the period from 2005 to 2017; the years surrounding the financial crisis and the enactment of new market reforms. By conducting several tests to investigate broker's activity and performance, we documented significant decline in brokers, activity following the 2008 global financial crisis. We documented reduced transaction costs which should imply indirect benefits and cost savings and higher market efficiency (Clemons and Row 1992; Malone and Rockart 1991), however, our evidence suggest weaker market performance.

**Keywords:**

Transaction cost, Information asymmetry, Broker's commissions structure, Market efficiency