



# SECTORAL ANALYSIS OF MULTI-LEVEL DETERMINANTS INFLUENCING STOCK PRICE OF NON-FINANCIAL LISTED FIRMS IN PAKISTAN

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## ABSTRACT

Stock price performance is considered as one of the most important area of financial research by investors, managers, financial analysts and government as share price is a centre of gravity for the investment decisions. Previous studies have identified several determinants of stock price. Most of these studies have focused on firm-level determinants. The recent developments emphasized on the effect of multi-level determinants (i.e. firm-level, sector-level and country-level) on share price. However, there is scarce research focusing on examining the impact of financial sustainability on share price. Financial sustainability is relatively a new concept that demands further exploration as it can be beneficial for the firms. For this reason, this study included financial sustainability as one of the variables in firm-level determinants affecting share price. Thus, this study aims to identify the multi-level determinants of stock price of non-financial listed firms across sectors in Pakistan. The current study performs analysis on 181 non-financial firms across six sectors listed on Pakistan Stock Exchange (PSX) from year 2000 to 2017. Moreover, the presents study utilizes different estimators such as descriptive statistics, correlation matrix, diagnostic tests, Hausman test and fixed-effect method to estimate the relationship between dependent and independent variables. The findings suggests that effect of multi-level determinants varies across sectors in Pakistan due to unique nature of each sector. The outcomes of this study provide policy direction and practical implications to firm's management, stakeholders and policymakers to pinpoint the important factors and its implications on share price in order to safeguard all stakeholders from potential losses.

**Keywords:** *Determinants; Stock Price; Panel Data; Sectors; Multi-Level; Pakistan*