

The Effect of Psychological Factors on Investor Behavior in Amman Stock Exchange Market

**Dr. Khalaf .S. Al-Taani, Department of Finance and Banking, Business Faculty,
Amman Arab University, Jordan Street, Mubis, P.O. Box2234 Amman 11953 –Jordan**

ktaani@yahoo.com

Or

khalaf@aau.edu.jo

Mohammed Khalaf Dawood Al - Zu'bi
Marketing Department-Amman Arab University

ABSTRACT

This study aims to examine the impact of psychological factors on the behavior of investors in Amman Stock Exchange by studying the factors influencing the behavior and trends of investors, including (rumors, community culture, personal experience, and herd behavior). To achieve the objectives of the study, the researchers adopted a descriptive analytical approach based on data collection and interpretation of the phenomenon through the development of a questionnaire consisting of (26) paragraphs distributed to a simple random sample of 30 investors dealing with Amman Stock Exchange, where the study population consisted of all investors including (individual Investors, economic institution, securities trading company) in Amman Financial Market. The researchers used the SPSS statistical program to analyze the results. The study concluded that there was a statistically significant effect of psychological factors on the behavior of the investor in the Amman Financial Market. The value of R-square (0.48) was statistically significant. In addition to the rumors, the culture of the society surrounding the investor, the behavior of the group, and reliance on personal experience are the most important factors affecting investment decisions. The study also showed that there is no correlation between the behavior of the investor and the personal and financial variables, and these results are consistent with the results of the study of (Habaka, Haddad, Hourani, Suzaida, Bakar, and Amelia). The researchers recommended a number of recommendations. The most important of these recommendations was the need to hold training workshops for investors by the managers of the Amman Financial Market in order to clarify the importance of psychological factors in influencing their investment behavior to prevent the drift behind rumors and tendency towards mass escape in sales or purchase, and to avoid the financial speculation.

Key words: Psychological factors, investor behavior, Amman Stock Exchange.

1. INTRODUCTION

The forces that influence the behavior are complex, multiple and very different. They also emerged from different fields: economic, psychological, physiological and social. In addition, the influence of different elements on behavior is not only directly, but through overlapping with each other. The quest to understand the psychological factors that affect the behavior of

investors in the global markets of subjects that still need to study and research, as there are no constants of these psychological factors, as these factors vary depending on the circumstances surrounding the investor and its social backgrounds and culture and scientific qualifications and other matters. The problem of the personality of the individual and his psychological behavior.

The losses of US, Asian and European stock exchanges throughout the 20th century have not only occurred for reasons related to the physical performance of the market, but also for psychological reasons that could not be controlled or controlled. The psychological factor can be defined as the reliance of investors on "intangible" matters such as rumors, anxiety, and tendency towards collective behavior, rapid flight at risk, optimism and pessimism. Psychological factors have played a major role in some of the most prominent collapses on world stock exchanges, the biggest of which was the collapse of the Wall Street stock market in one of the worst financial disasters of the 20th century. (Al-Dosari, 2006). Therefore, the study of the psychological factors felt by the investor is a necessary necessity to determine its behavior in the markets, especially the Arab markets, including the Amman Financial Market, as the performance of investors may not be based on the overall economic indicators obtained, but may be produced through the psychological state And the physiology felt by the investor through his sense of anxiety and drift behind the rumors, and his tendency to sell or buy collectively.

2. STATEMENT OF RESEARCH PROBLEM:

Investment in the financial markets differs from other traditional investments. Financial markets have many factors that the investor does not control. He buys shares in companies that he does not manage. He may not know everything about their conditions, as well as their secrets, as the conditions of these companies in the financial markets Influenced by the political, social and psychological events in the local community and the global community, and this makes it difficult to predict the conditions of companies and stock prices up and down even for professional investors who conduct scientific analysis of market conditions and make their decisions accordingly. Thus, many investors in financial markets, including the Amman Financial Market, are driven by their immediate psychological state, which is governed by a combination of factors that affect their behavior in terms of selling or buying, such as rumor, anxiety, and tendency towards collective behavior, rapid flight at risk, optimism and pessimism. (Al Jubouri,2014) suggests that investors in financial markets use their psychological and behavioral expertise to invest more money in financial markets, which falls under the so-called behavioral science or behavioral economics. The problem of the study lies in answering the following main question:

What is the impact of psychological factors on the behavior of the investor in the Amman Financial Market?

Study Questions:

The main objective of this study can be achieved by answering the following questions:

- **Question 1:** What is the level of psychological factors felt by the investor in Amman Financial Market?
- **Question 2:** What is the behavior of the investor in Amman Stock Exchange?

3. STUDY OBJECTIVES:

This study aims to achieve the following objectives:

1. To identify the level of psychological factors felt by the investor in Amman Financial Market.
2. To identify the behavior of the investor in the Amman Stock Exchange.
3. To Understanding the impact of psychological factors on investor behavior in Amman Financial Market.

4. IMPORTANCE OF THE STUDY:

The importance of this study stems from its attempt to uncover the impact of psychological factors on investor behavior in the financial markets. The current study was applied to a sample of investors in the Amman Stock Exchange. This study may help to identify the psychological state of investors in the Amman Stock Exchange. By selling or buying shares and securities, and thus a set of conclusions and recommendations may help these investors to control their investment behavior based on their psychological state of change depending on rumors and other factors. On the other hand, this study enriches theoretical literature that suffers from a severe shortage in terms of the psychological factors affecting the behavior of the investor in the Arab markets in general and Jordan in particular.

The study model:

Figure (1) illustrates the model of the study, which consists of the independent variable (psychological factors), the dependent variable (investor behavior), personal and financial variables (gender, age, educational qualification, portfolio type, portfolio size).

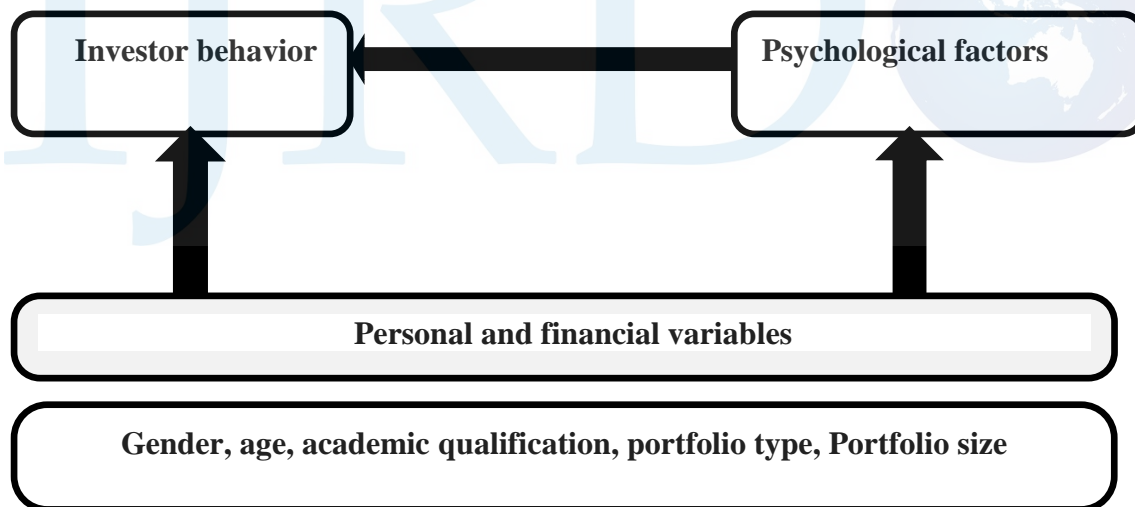


Figure (1): The study model

5. LITERATURE REVIEW:

The topic of the impact of Psychological Factors on Investor Behavior has received considerable attention by the researchers but most studies have focused on the developed countries and few studies have been conducted in emerging economics. This section gives brief review of various studies conducted in financial behavior area. Al-Jubouri (2014) conducted a study aimed at clarifying and testing the role of behavioral finance through behavioral patterns in different situations and through the preferences taken by managers and investors regarding the risks and differences between rational and rational behavior and irrational behavior, The research was based on the main hypothesis that there is no

relationship between the modes of financing behavior (the preferences of risk) and financial decisions (investment decisions and funding decisions), and the researcher reached a set of conclusions, The researcher presented a number of recommendations, including increased communication and interaction between management and research and academic centers to increase the understanding of behavioral factors to improve decision-making. Al-Nimrouti and Al-Owaisi (2012) conducted a study aimed at identifying the trends of individual investors in the Palestine Securities Exchange in the Gaza Strip by studying the factors influencing the behavior and attitudes of individual investors in the Palestine Securities Exchange. Investment awareness, stability of the investment environment and performance of listed companies in Palestine Securities Exchange in addition to the performance of the Palestine Securities Exchange. The questionnaire was used as a tool to survey the sample of the study, which is limited to local individual investors in the Gaza Strip, and received (274) questionnaire. The study concluded that there is interest from investors in the continuous follow-up of business and financial news through the various media. The study also showed that the cadres of brokerage firms operating in the Palestine Securities Exchange are not qualified to help investors make their investment decisions, in addition to considering rumors as factors affecting decisions.

The study of Habakeh (2013): entitled "The impact of irrational behavior of customers on the movement of bank deposits in Syria in light of the current crisis." The researcher used the descriptive and analytical approach in reviewing the contents of behavioral finance, the importance of psychology in tracking customer decisions and its impact on the movement of bank deposits, The study sample consisted of 100 individuals, 30 employees and 70 clients. The researcher used statistical tools such as arithmetic and hypothesis testing, the results of the study showed the predominance of emotional thinking on rational thinking among customers in Syrian banks, which had a significant effect on the movement of the bank. In this sector, the study concluded the effect of fear and greed on the customers of the movement of bank deposits through its influence on the decision-making process, and that the behavior of the flock followed by the client plays an important role in influencing deposits and withdrawals in public banks Of the Syrian sector, the study recommended activating the role of the study of the behavior of individuals in order to integrate with the various departments of the bank, and the need for banks to rely on models of behavioral finance to study the behavior of irrational customers by introducing them in banking models.

Siddiqui's study (2012): "Methods of assessment and analysis of securities under the theory of behavioral finance with the implementation of the Paris Stock Exchange during the period from 2007 to 2010" .The study aimed to follow the real behavior of individuals, in addition to the interpretation of distortions observed in financial markets, the researcher used a combination of the descriptive method and the comparative approach, first by addressing the traditional theory, and then addressing the alternative trend represented in behavioral finance, Of shares issued by listed companies in the CAC40 index only, The researcher used the statistical tools of standard deviation, correlation coefficients and hypothesis testing. The results of the study showed that the capital markets experienced many distortions that can not be explained in this theory. The most important ones are the seasonal distortions, the effect of size and the effect of entry to the stock market. To provide realistic solutions to the imbalances of the financial markets, the study concluded that behavioral research has not yet reached an alternative model of the MEDAF model despite the proposal of several amendments, due to the difficulty of modeling the psychological side, recommended The study that investors should realize the reality of these distortions, and that the investor correct

the deviation as soon as he realized, because most of the distortion in the market disappear once discovered, and thus this work to restore stability to the market.

(Youssef, 2008) in his Study aimed at identifying the most important factors affecting the return of stocks in Amman Financial Market and the causes of this sharp fluctuation and to indicate which factors are more influential than others on the returns of stocks (internal or external factors) the study was conducted by all the companies listed in the Amman Financial Market during the period 2000-2006. The sample was random stratum representing 30% of the original society. The study reached a number of conclusions, the most important of which is the positive relationship between the returns of shares, the rate of inflation and interest rates, the absence of a relationship between deficit or surplus in the balance of payments and the absence of a relationship between the state budget deficit and the returns of shares.

Abu Saada (2007) conducted a study aimed at identifying and analyzing the motivations of the investment behavior of the individual investor who is actually employing his savings or is expected to do so in the future, while determining the investment field of the individual whether in the stock market or in another field and the most important findings of the study: The stock exchange on the results of investments, there is a decline in the costs of trading and lack of experience of many brokerage firms in the stock exchange, and the procedures of trading on the stock exchange is not transparent and thus loss of confidence in the market, and the length of time taken in the process of sale or transfer of ownership of securities on the stock exchange The proportion of investors in the stock market, they fall mostly in the age groups younger (less than 40 years), whether male or female, and the level of education tends to the average (secondary level and the level of education), often entrepreneurs, traders and artisans, while Alhossan (2002) conducted a study aimed at exploring and investigating patterns of trends and Locke Saudi investor in the Saudi stock market and then identifying the obstacles that contribute negatively to the development of the Saudi stock market. The study showed a number of results, the most important of which are the following: In the market over twenty years, where all age groups are closely involved in investing in the stock market, and the majority of investors dominate the method of speculation on transactions; in searching of quick profit, Which were described in the category of speculators and adventurers, and the investor's reliance on his personal experience in investment decisions, where there is a lack of transparency and lack of confidence in the sources of information available. Finally, a positive relationship was noted between the high level of education and the increase in the number of investors in the market, indicating a high level of awareness of the importance of investing in the stock market.

Suzaida, Bakar, and Amelia NG, (2016) conducted a study entitled "The Impact of Psychological Factors on Investors' Decision Making in Malaysian Stock Market." The study aimed to identify the impact of psychological factors on investor decisions in the Malaysian stock market. The study used the analytical descriptive approach, through the development of a questionnaire distributed to a sample of 200 investors in the Kalang Valley, Yhang region, aged 18-60 years. The results of the study showed that the excessive confidence and the behavior of prejudice have a significant positive impact in the decision-making of investors, and the study showed that the impact of psychological factors depends on the gender of the individual.

Haddad & Al-horani (2011) conducted a study aimed at identifying the psychological factors that may affect investment behavior and buying and selling decisions in the Amman Stock Exchange. In order to achieve this purpose, six psychological factors were chosen from previous theoretical and experimental research in financial behavior and some other data

sources. The preliminary data were then collected through a questionnaire distributed to a sample of intermediaries in Amman Stock Exchange. Responses associated with predetermined psychological factors. After analyzing the preliminary data, the results showed that self-attribution, opportunistic behavior, sensitivity to rumors and traditional behavior, and to a lesser degree self-confidence, were factors influencing the investment behavior of investors in Amman Stock Exchange. Omet and Khasawneh (2003) conducted a study aimed at studying the Jordanian stock market with particular emphasis on the study of the cost of trading in the Jordanian stock market and the factors affecting the cost. The study concluded that the cost of trading on the ASE is relatively high and The volume of trading is one of the most important determinants of that cost. The cost of trading is one of the most important components of financial markets in the performance of its economic functions. The efficient stock market allows investors to get their orders quickly and as cheaply as possible. Equity markets must be highly efficient, because the cost of trading tends to restrict capital movement, thus frustrating the appropriate allocation of resources even if market prices are highly efficient. Also, Abdelrahim (2000) conducted a study aimed at analyzing the performance of the Amman Stock Exchange and identifying its development and problems. The results of the study are as follows: The Amman Stock Exchange (ASE) is one of the emerging markets where investment opportunities remain limited. The Amman Stock Exchange suffers from the administrative routine and follows the traditional method of facilitating things and is far from keeping pace with the development line in the international stock exchanges. Insufficient disclosure of financial information on investments in companies.

A review of the previous studies shows that these studies were conducted in different environments, including local and Arab, and foreign, there were studies that converge with the study content, which is the behavior and trends of investors, but different hypotheses such as the study of (Jubouri, 2014), (Al-Namrouty, 2012) as well as the study of (Omet and Kasawneh, 2003). The other studies dealt with the study of many dimensions and angles, and among the differences between this study and previous studies the period of time during which the sample was taken. After reviewing the content and themes that focused on investor behavior and investor trends in previous studies, we note that this study dealt with new dimensions in the attitudes and behavior of investors, namely, the investor's reliance on his personal experience in making investment decisions, the culture of the society surrounding the investor, Herd).

6. DATA AND METHODOLOGY:

This study was based on a descriptive approach, through a review of the administrative literature related to the subject of the study, reference to the previous studies related to the subject of the study, the use of the field methodology to test the hypothesis of the study, answer its questions and reach results that contribute to the presentation of a set of recommendations. A questionnaire developed to achieve the objectives of this study.

6.1 HYPOTHESES

The researcher developed three hypotheses, these hypotheses as follows:

H.1. There is a statistically significant effect at the level of significance ($\alpha \leq 0.05$) of the psychological factors on the behavior of the investor in Amman Stock Exchange.

H.2. There is statistically significant differences at the level of significance ($\alpha \leq 0.05$) between the mathematical averages of psychological factors according to personal and financial variables (gender, age, academic qualification, portfolio type, portfolio size).

H.3. There is statistically significant differences at the level of ($\alpha \leq 0.05$) between the mathematical averages of investor behavior according to personal and financial variables (gender, age, academic qualification, portfolio type, portfolio size).

6.2 Study population and sample:

The study population consisted of all investors (an Individual investor, an economic institution, and a securities trading company) in Amman Financial Market). A simple random sample of 30 investors was withdrawn from Amman Stock Exchange. Table (1) shows the characteristics of the study sample according to the personal and financial variables of these investors.

Table (1): Distribution of the sample of the study according to personal variables

variable	the level	Frequency	Percentage %
Gender	Male	20	66.7%
	Female	10	33.3%
	Total	30	100%
Age	Less than 25 years	2	6.7%
	From 25 to less than 35 years	10	33.3%
	From 35 -to Less than 45 years	6	20.0%
	From 45 to less than 55 years	3	10.0%
	From 55 years and over	9	30.0%

	Total	30	100%
Academic qualification	Diploma and less	10	33.3%
	BA	8	26.7%
	M.A	5	16.7%
	Ph.D.	7	23.3%
	Total	30	100%
Portfolio type	Individual investor	12	40.0%
	economic institution	8	26.7%
	securities trading company	10	33.3%
	Total	30	100%
Portfolio size	Less than 49999 dinar	4	13.3%
	From 50,000 -to less than 99999 dinar	3	10.0%
	From 100000 -to less than 249999 dinar	11	36.7%
	From 250000 – to less than 499999 dinar	4	13.3%
	From 500000 - to less than 999999 dinar	4	13.3%
	More than 1 million dinar	4	13.3%
	Total	30	100%

Table (1) shows the following:

1. The number of males in the sample (20) percentage (66.7%), while the number of females (10) percentage (33.3%).

2. The highest percentage of the distribution of the study population according to the age variable was (33.3%) for the age group (25-35 years), while the lowest percentage was (6.7%) for the age group (less than 25 years).
3. The highest percentage of the distribution of the study sample was according to the scientific qualification variable (33.3%) for the academic qualification (intermediate diploma or less), while the lowest percentage (16.7%) for the scientific qualification (Master).
4. The highest percentage of the distribution of the sample of the study sample according to the portfolio type variable was (40.0%) for the type of portfolio (free investor), while the lowest percentage (26.7%) for the portfolio type (economic institution).
5. The highest percentage of the distribution of the sample of the study sample according to the size of the portfolio (36.7%) for the size of the portfolio (from 100000 - less than 249999 JD), while the lowest percentage (10.0%) for the portfolio size (from 50,000 – to less 99999).

6.3 Study tool:

A questionnaire was developed to achieve the objectives of the study based on Haddad & Al-horani (2011) and Al-Namrouty & Al-Owaisi (2012)., and it included three parts:

Part one: It is devoted to Personal and financial variables for the members of the study (gender, age, academic qualification, portfolio type, size of the portfolio).

Part two: It is devoted to the measurement of psychological factors to be (11) paragraph.

Part three: It is devoted to measure the behavior of the investor to be (15) paragraph.

To verify the stability of the study instrument, stability coefficients (α -kronbach) were found for all sections of the study and the instrument as a whole, Table (2) shows this.

Table (2): Stability coefficients (alpha cronbach) for all the subjects of the study fields and the instrument as a whole

No	Field	Coefficient of (Kronbach alpha)
1	Psychological factors	0.83
2	Investor behavior	0.82
3	The tool as a whole	0.85

Given the values of Cronbach alpha coefficients in Table 2, we note that all values are high indicating that the instrument of the study is highly credible and can be attributed to the fact that the study of the independent variable and dependent variable has been arbitrated more than once.

7. DISCUSSION OF RESULTS:

7.1 First: Answer the study questions - Answer the first question: What is the level of psychological factors felt by the investor in the Amman Financial Market?

To answer this question, the arithmetical averages and standard deviations were calculated for the responses of the sample members of the study on the psychological factors of investors in the Amman Stock Exchange, as they are shown in Table (3).

Table (3): The arithmetical averages and standard deviations of respondents' responses to the field of psychological factors

Rank	No	Paragraphs	Arithmetic Mean	Standard Deviation	Degree of assessment
1	1	I believe that the market is influenced by rumors	3.47	1.28	Medium
2	9	The culture of the surrounding society affects the decision.	3.40	1.28	Medium
3	5	My experiences and past positions have a key role to play in my decision.	3.37	1.30	Medium
4	11	Follow the movement of other investors at risk.	3.30	1.09	Medium
5	7	I trust my ability to profit from past experiences	3.27	1.20	Medium
6	10	I trust my ability to anticipate market movement.	3.10	0.84	Medium
7	2	The sense of optimism or not affects my decision as an investor	3.07	1.08	Medium
8	4	My decisions are influenced by decisions of other investors.	3.03	1.07	Medium
9	8	I believe that the money market does not have the element of safety.	2.97	0.96	Medium
10	3	The fear of loss leads me to a certain decision even if it is contrary to market expectations or indicators	2.90	1.06	Medium
11	6	I think the money market is speculative.	2.87	0.94	Medium
Psychological factors as a whole			3.16		Medium

Table (3) shows that the mathematical averages of the responses of the sample of the subjects in the field of "psychological factors" ranged between (2.87-3.47) with an average rating of all the paragraphs. The first item was paragraph (1): I believe that the market is influenced by rumors, While the last paragraph in paragraph (6), which reads: The money market is based on speculation, and the arithmetic mean of the field as a whole (3.16).

Answer the second question: What is the behavior of the investor in Amman Financial Market? To answer this question, the arithmetical averages and standard deviations of the responses of the study sample were calculated on the subjects of investor behavior in the Amman Financial Market, as they are shown in Table (4)

Table (4): The arithmetical averages and the standard deviations of respondents' answers to the field of investor behavior

Ran k	No	Paragraphs	Arith metic Mean	Standard Deviation	Degree of assessm ent
1	1	I follow the economic analysis programs broadcast by some satellite channels to support my decisions as an investor.	3.33	0.92	Medium
2	9	Adopted in my decision on the future value of the share.	3.27	1.14	Medium
3	5	I need to make quick decisions sometimes.	3.17	1.05	Medium
4	11	In the case of a continuous rise in the share of the purchase decisions.	3.10	1.40	Medium
5	7	Affect religious, national and social events in the timing of my decisions for sale or purchase in the market.	3.10	0.96	Medium
6	10	I am interested in following up analyzing the market movement through the forums and I think it is useful.	3.07	0.94	Medium
7	2	Weather affects my decision to sell or buy.	3.00	1.29	Medium
8	4	Investors' reactions and decisions are a key factor underlying my decision.	2.97	1.35	Medium
9	8	I am interested in the shares that are	2.93	1.08	Medium

		speculative without paying attention to the type of stock or the future value of the share.			
10	3	The rate of transactions I make at short intervals is not defined.	2.77	1.17	Medium
11	6	Economic analysis is a key factor for my buying or selling decisions	2.76	1.14	Medium
12		I pay attention to all the information even if it does not affect my decision.	2.75	1.07	Medium
13		In the case of the continuous rise of the share I own, my decision to sell.	2.74	1.01	Medium
14		Adopted in my decision on the current value of the share.	2.70	1.02	Medium
15		Taxes affect my decisions to sell or buy securities.	2.63	1.07	Medium
Investor behavior in the Amman Financial Market as a whole			2.96		Medium

Table (4) shows that the statistical averages of the responses of the sample members of the sample of the "Investor Behavior in the Amman Market" ranged between (2.63-3.33) with an average rating of all the paragraphs. The first paragraph (11) reads: Analysis the economic analysis that some satellite channels broadcast in support of my decisions as an investor, while the last paragraph came in paragraph (14), which reads: The taxes affect my decisions for the sale or purchase of securities and the total arithmetic mean of the field as a whole (2.96).

7.2. Test hypotheses of the study

- Test the first main hypothesis, which states that "there is a significant statistical impact at the level of significance ($\alpha \leq 0.05$) of the psychological factors on the behavior of the investor in the Amman Stock Exchange." To verify this hypothesis, the Regression equation was applied to study the effect of psychological factors on investor behavior in Amman Stock Exchange, the results shown in (Table 5).

Table (5): Results of the application of the Regression equation to study the effect of psychological factors on investor behavior in Amman Financial Market

The first hypothesis	β	T	R	R^2	F	Statistical significance
There was a statistically significant effect at the level of ($\alpha \leq 0.05$) of psychological factors on investor behavior in the Amman Stock Exchange	0.69	4.30	0.69	0.48	18.54	0.00

Table (5) shows that the value of the correlation coefficient (R) was 0.69, which is statistically significant and indicates a statistically significant correlation between two variables (psychological factors and investor behavior in the Amman Stock Exchange). The value of R- The value of the test (F) (18.54) was statistically significant (0.00), which is a statistically significant value at the level of significance ($\alpha = 0.05$). As for the ratio of the variable "psychological factors" On the behavior of the investor, which represents the value of (β) was (0.69) and the value (T) (4.30) which are positive values and statistical function at the level of significance ($\alpha = 0.05$) and having the effect of psychological factors on the behavior of the investor in Amman financial market, and thus accept the presumed hypothesis.

Test the second main hypothesis, which states that "there are statistically significant differences at the level of significance ($\alpha \leq 0.05$) between the mathematical averages of psychological factors according to personal and financial variables (gender, age, educational qualification, type of portfolio, portfolio size). To verify the validity of this hypothesis, the arithmetical averages and standard deviations of the responses of individual individuals from the field of psychological factors were derived according to the personal and financial variables. The ANOVA was also applied, Table 6 shows

Table (6): Results of the application of ANOVA on psychological factors according to personal and financial variables

Variable	Level	Mean	S. D	F	Sign
Gender	Male	3.22	0.72	0.41	0.52
	Female	3.04	0.74		
Age	Less than 25 years	3.15	0.06		

	From 25 to less than 35 years	3.59	0.47	0.45	0.62
	From 35 -to Less than 45 years	3.39	0.52		
	From 45 to less than 55 years	3.88	0.43		
	From 55 years and over	3.64	0.48		
Academic qualification	Diploma and less	3.54	0.73	1.66	0.20
	BA	3.06	0.65		
	M.A	2.76	0.93		
	Ph.D.	3.01	0.49		
Portfolio type	Individual investor	3.48	0.74	2.31	0.12
	economic institution	3.01	0.49		
	securities trading company	2.88	0.76		
Portfolio size	Less than 49999 dinar	3.23	0.97	1.42	0.25
	From 50,000 -to less than 99999 dinar	2.64	0.48		
	From 100000 - to less than 249999 dinar	3.08	0.80		
	From 250000 – to less than 499999 dinar	3.86	0.16		
	From 500000 - to less than 999999 dinar	2.82	0.38		

	More than 1 million dinar	3.32	0.70	

Table (6) shows that there are no statistically significant differences at the level of significance (@0.05) between the arithmetic mean of the psychological factors according to the personal and financial variables.

Test the third main hypothesis, which states that "There is a significant difference at the level of significance (@0.05) between the averages of the behavior of the investor according to personal and financial variables (gender, age, educational qualification, portfolio type, portfolio size). To verify this hypothesis, the arithmetical averages and standard deviations of individual sample responses from the investor's field of behavior were extracted according to personal and financial variables. ANOVA was also applied, Table 7 shows.

Table (7): Results of applying ANOVA to investor behavior according to personal and financial variables

Variable	Level	Mean	S. D	F	Sign
Gender	Male	3.03	0.58	0.76	0.39
	Female	2.81	0.72		
Age	Less than 25 years	3.20	1.32	0.85	0.25
	From 25 to less than 35 years	3.59	0.42		
	From 35 -to Less than 45 years	3.63	0.31		
	From 45 to less than 55 years	3.87	0.20		
	From 55 years and over	3.22	0.54		
Academic qualification	Diploma and less	3.15	0.72	0.49	0.69
	BA	2.83	0.59		
	M.A	2.84	0.72		

	Ph.D.	2.90	0.52		
Portfolio type	Individual investor	3.09	0.45	0.47	0.62
	economic institution	2.88	0.62		
	securities trading company	2.85	0.55		
Portfolio size	Less than 49999 dinar	3.07	1.08	1.67	0.18
	From 50,000 -to less than 99999 dinar	3.38	0.65		
	From 100000 - to less than 249999 dinar	2.81	0.57		
	From 250000 – to less than 499999 dinar	2.90	0.29		
	From 500000 - to less than 999999 dinar	2.45	0.19		
	More than 1 million dinar	3.48	0.43		

The table above shows that there are no statistically significant differences at the level of ($\alpha=0.05$) between the calculation parameters of investor behavior according to personal and financial variables, where all (F) is not statistically significant.

8. CONCLTION AND RECOMMENDATION

The objective of the study was to examine the impact of psychological factors on the behavior of investors in Amman Stock Exchange by studying the factors influencing the behavior and trends of investors, including (rumors, community culture, personal experience, and herd behavior). To achieve the objectives of the study, the researchers adopted a descriptive analytical approach based on data collection and interpretation of the phenomenon through the development of a questionnaire consisting of (26) paragraphs distributed to a simple random sample of 30 investors dealing with Amman Stock Exchange. This study concluded that there was a statistically significant effect of psychological factors on the behavior of the investor in Amman Financial Market. The value of R-square (0.48) was statistically significant. In addition to the rumors, the culture of the society surrounding the investor, the behavior of the group, and reliance on personal experience are the most

important factors affecting investment decisions. The study also showed that there is no correlation between the behavior of the investor and the personal and financial variables, and these results are consistent with the results of the study of (Habaka, Haddad, Hourani, Suzaida, Bakar, and Amelia). The recommendations therefore from this study are: First Increasing the interest in understanding the factors and behavioral and psychological patterns of their impact on investor behavior and behavior in the Amman Financial Market. Second: the need to hold awareness workshops for investors by the financial market operators in order to clarify the importance of psychological factors in influencing their investment behavior, to prevent the drift behind rumors and tendency towards mass escape in the sale or purchase, to avoid financial speculation. Thirdly, investors should follow in Amman financial market the scientific and systematic methods of selling and buying through the study of the financial position of companies with all caution and caution, in addition to reading and viewing the economic and periodic publications issued by reliable sources, and moving away from momentary decisions based on emotions. Finally, further studies will be conducted on the impact of psychological factors on investor behavior in Amman Financial Market.

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