

The Effect of Stock Liquidity, Return, and Share Repurchase to Corporate Cash Holding

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Abstract

This study examines the impact of stock liquidity, return, and share repurchase on corporate cash holding. This study is quantitative and uses a population of publicly listed companies in ASEAN. The total sample data obtained is 1,487 data distributed from 176 listed companies in Indonesia, the Philippines, and Vietnam that repurchase shares between 2010-2022. The proxies used for independent variables are stock liquidity (i) and (ii), dummy momentum investing, and share repurchase (i) and (ii), while for dependent variables are cash ratio, Δ cash ratio, and cash/total assets. In taking samples, purposive sampling technique is used and data is processed using SmartPLS software with Structural Equation Modeling analysis method. The results indicate that liquidity and share repurchase have a significant positive effect on corporate cash holding, while stock return have an insignificant positive effect.

Keywords: stock liquidity, stock return, share repurchase, corporate cash holding, momentum investing.