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The Relationship of Perceived Financial Risk and Liquidity with Return, Moderator Role of Investor Behavior - (Empirical Study in Khartoum Stock Exchange - Sudan)

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Abstract:- The aimed of study to examine the relationship between the Variables perceived financial risk, liquidity, and return the moderating effect by investor behavior. Research sample consist of investors in Khartoum stock exchange in Khartoum state Sudan. The sample was occupied by random probability sampling. Beside that researcher depended on survey for data collection, the sample tacked from the investors still own the investment portfolio. This was done to enable the distribution of questionnaires and the accurateness of answers given by the investors. Research sample 400 investors the total response rate 81.75% the technique used for analysis in this research is quantitative data using Path Analysis modeling using (AMOS v 25). The results revealed the relationship between perceived financial risk and return it positive because it different form zero at 0.05 level of significance, The relationship between liquidity and return it not significance at 0.05 level of significance, The relationship between perceived financial risk and return it positive because it different from zero at 0.05 level of significance, The moderating effect of investor behavior on the relationship between perceived financial risk and return it positive because it different from zero at 0.05 level of significance, The moderating effect of investor behavior on the relationship between liquidity and return it not significance at 0.05 level of significance. The recommendation is must be well diversified of individual portfolio by less correlations (assets components of portfolio). The investor should know about benefit of diversification education may be solution. The achieved return of portfolio should be near to expect return should have known much about investor's goals and preferences to develop framework that describes how they form portfolio. Khartoum stock exchange management should take care of marketing the financial securities. And make it easy to increase the efficiency of market. Should improve the fundamental and technical analysis of market for individual investors to anticipate the price of securities according to available information about the price in the past. Also the investors need to be flexible with market environment to change the percentage weight of their portfolio assets according to market study. And also invest in institutions that issue the financial securities according to information available about higher management.

Keywords:- *Perceived Financial Risk, Liquidity, Investor Behaviour, Return.*

I. INTRODUCTIONS

Liquidity risk is a serious problem for most investors, mainly those that are both very large or are Leveraged - Estimate of transaction costs allied with liquidity Needs can be effectively completed through our model, other models measure the Variability cost imbalance seller/buyer by information will be used as metric for short horizon risk(Christopher Kantos, 2010) considered dividends for the shareholders of the most important indicators relied upon by the investor in the investment decision - capital structure affect the market value of the facility through its effect on the expected cash flows as well as the cost of money(Jabber, 2006). The binary most important countable ones are currency risk, which has a great influence on asset prices (Ajayi,1996), and political risk, which is always triggered by different factors such as votes or changes in rules (Cashman,2016) cares investors when making an investment decision and directing on the set of the most important accounting information relating to the profitability per share and net dividends and the company's ability to meet its obligations (yassin2011) The investor able to reduce unsystematic risk significantly with scarce securities if he or she elects securities judiciously.(Jacob and others) In conventional financial theory, investors are estimated to be rational wealth maximizer's, Investment strategies of investors purely on consideration risk-return.

In practice, the degree of risk investors are willing to accept is not the similar, it depends mostly on their individual attitudes to risk. Research in behavioral finance has improved quickly in previous years and offers evidence that investors' financial decisions are also influenced by internal and external behavioral elements (Shefrin, 2000; Shleifer, 2000; Warneryd, 2001). (Dimitrios I. Maditinos, 2007.).)John L. Maginn, 2010). Explains excess stock & bond market volatility by "irrational" patterns of investor behavior the outcome is that technical analysis is one of the important factors. However, despite the raising interest in non-fundamental analysis, there is little indication about the incidence and importance of such techniques in practice (Lui and Mole, 1998).

II. RESEARCH PROBLEM

The problem Many investors particularly those of limited means do not hold well diversified portfolio the analysis of return realized by them confirm that these investors have expected to far greater risk than necessary. Investors has the purpose of this paper is to investigate the different methods and techniques used by individuals investors in Sudan when assessing possible additions to their investment portfolios.

Hypothesis
H1: Does perceived financial risk has positively influence on return
H2: Does liquidity has positively influence on return
H6: Does investor behavior moderate positively influence between perceived financial risk and return
H7: Does investor behavior moderate positively influence between liquidity and return

III. IMPORTANCE OF RESEARCH

1. To contribute for interest's people to know the analytics skills and knowledge require constructing and managing the portfolio professionally.
2. To provide suggestion and recommendation for Sudanese companies managers to improving the performance

IV. RESEARCH OBJECTIVES

1. To test the relationship between perceived financial risk and return?
2. To test the relationship between the liquidity and return?
3. Does investor behavior moderate positively influence between perceived financial risk and return
4. Does investor behavior moderate positively influence between liquidity and return.

V. RESEARCH METHODOLOGY

The purpose of this study was to explore the impacts of portfolio management on rate of return it seeks to explore the impacts of this factors, the current research is qualitative in nature. Based on the analysis of the results of the study and previous literatures, this research provides some explanation on how investor behave in construct and manage the investment portfolio. The main instrument is data collection using questionnaire method, interviewing experts from deferent sections gave great opportunity to explore the challenges that facing the investor and answering our research question.

VI. RESEARCH FRAMEWORK

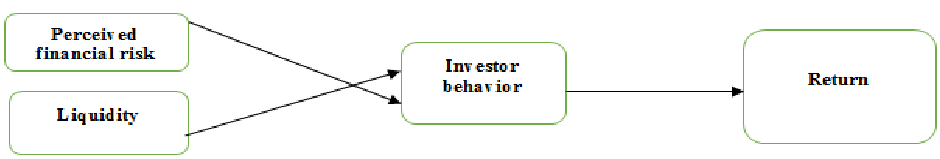

Fig 1:- Research framework
Source: Zeeshan Mahmood & others 2015

VII. LITERATURE REVIEW AND PREVIOUS STUDIES

The benefit of diversification is risk reduction of REITs in portfolio management through asset allocation, an active hedging instrument against inflation an extensive body of research in the literature (Hudson-Wilson, Fabozzi, & Gordon, 2003). Investors' affective assessment of a company's product and brands effects their tendencies to invest according to financial returns of the firm. These favorites may induce their decisions on stock in portfolio have certain characteristics. Individual investors' in decision-making captures two vital features, preferences & beliefs (Barberis and Thaler, 2003). Since the consequences of investors' investment selections are unidentified at the times of their decision-making, they are required to rely on their judgments which are determined by both their beliefs and preferences. (Boram Lee, 2013) Bodie et al., (2008) define investment as the current promise of money or other resources with the view of realizing future benefits. Determinants of investment decision are factors that investors consciously consider in the course of making their investment selections (Hussein, 2007).

➢ *Concept and Definition.*

portfolio Management (PM) guides the investor in a technique of selecting the finest existing securities that shall offer the estimated rate of return for any given level of risk also to mitigate (reduce) the level risks.

Financial theory emphases on the trade-off among risk and return. However, behavioral finance Advises investors are overconfident with respect to making gains and oversensitive to losses. (Shefrin, 2003)

Portfolio management is all almost strengths, weaknesses, opportunities and threats in the select of obligation vs. equity, local vs. global, growing vs. protection, and many other tradeoffs encountered in the challenge to maximize return at a given appetite for risk (Bogdan Bilaus 2010).

Determinants of investment decision these are reasons that investors consciously study in the course of making their investment selections for example corporate earnings, past performance of company, stock index.

Individual investor is an individual investor who purchase and selling stocks for his/her own account, and not for alternative firm or business.

Investment decision is the select an investor makes of promising his/her Funds from among the available alternatives by guide of the existing aspects.

VIII. THEORY OF RESEARCH

➢ *Prospect Theory*

This theory was developed by Kahneman and Tversky (1979) specified how people behaviors take care and evaluating of risk under uncertainty and individual's process of making decision like emotion Regret aversion and mental accounting (Waweru et al., 2008). when risk It focus on subjective decision-making affecting investors' value system (Filbeck, Hatfield & Horvath, 2005).People fear risk when there are gains but take up risk when there are in losses. According to Tversky and Kahneman, 1979).

Investors' assume probable consequences as opposed to consequences that are specific and investors respond inversely to the same circumstances depending on the outcomes of gains or losses (Kahneman & Perttunen, 2004).the individual investor regret in trading stocks of selling increasing early and avoid to sell the decreasing for long time according to performance of stocks. (Forgel & Berry, 2006). Mental accounting is the manner of individuals interpret their financial transactions (Barberis & Huang, 2001). Shefrin and Statman (1985)

➢ *Investor behavior:*

Investors Behavioral take care about the information regarding stocks classified by asset class, specific risk premium, past return, style and diversification or weight of stocks in the portfolio. And objective of Investment beside others characteristic that may affect diversification decisions. (Barber & Odean, 2000; French & Poterba, 1991; Ivkovic, Sialm, & Weisbenner, 2008; Zhu, 2002)(sialm & werbenner 2008).(khan 2017).Speculative objective may cause investors to make investment fault and thus to hold concentrated portfolio (Khan 2017). Bender, Briand, Nielsen, and Stefek (2010)

Rational investor will favor a safe revenue stream over risky one except the risky one assurances a sufficiently upper return (maringer 2008). Individual behavior decision making was effected by solid advantage in their own skills. The investor claimed that they were not able to predict the market future (johnsonn 2002).

➢ *Perceived financial Risk.*

Risk contribution it another way to define diversification is in terms of which is equivalent to the beta of a security to the portfolio and mean-variance perspective. It closely relates to loss contribution and, under certain instances, the two measures are identical (Qian 2005).

Diversification can be defined as the uniformity of risk contributions across a portfolio's components (Maillard, Roncalli, Teiletche, 2009). Similarly weighted risk portfolios confirm that all portfolio assets contribute the same amount to the total risk. In contrast, the least variance portfolio equalizes marginal risk contributions. This means that a little increase in any component will increase the total risk by the equal amount as a little increase in any other component.(Apollon Fragkiskos ,2014)

➢ *Liquidity*

- Definition Market liquidity is the capacity of a market members to execute a trade or liquidate a position with little or no cost, risk or inconvenience.
- Market liquidity risk is the loss suffered when a market participant wants to execute a trade or to liquidate a position instantly while not hitting the best price. They will give rise to systemic liquidity risk which can be seen as the risk of drainage of liquidity
- Circulating in the whole financial system. (Russell Investments 2013)
- The meanings of liquidity condition and asset price volatility are explained in the internet bubble from 20000. The factors might be that the infrastructure of the financial market was not ruined during that period. (Bogdan Bilaus, 2010).

➢ *Return:*

And that all future projections are accompanied by a state of uncertainty, where the investor is no longer sure From returns on investments and resort to the use of the possibilities that accompany each expected return and all this It produces for the investor that there is more than likely return on a single investment as a result of the difference in the circumstances Economic performance and the degree of exporting enterprises

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Securities might be a good, medium or bad, for the investor that takes into account the following elements:

- The expected performance and to cases related to investment
- The probability of each of these cases
- It can be achieved with each case of return.

This does not mean that the investor unsure of the occurrence and to achieve this yield there is still a case of non-Sure, knowing Doing investment returns alone, the process may lead to a negative result and it becomes Necessary to search for the degree of uncertainty and risk associated with the expected return(bin Amer bin Hacene 2013).

➢ *Sources of research*

Primary Sources: Questionnaire and The study secondary data and discussion with the officials of the Khartoum stock exchange, companies. Various other reports are collected from the stock exchange and companies magazines. Published books, financial journals, and websites.

➢ *Sample size:*

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➢ *Research border*

The scope of this paper with special reference to "Khartoum stock exchange" In the year 2018.

❖ *Research Analysis and Discussion*

➢ *Measurement*

Measures for all constructs were taken from the existing literature. Moreover, the questionnaire items were adapted from different sources. First we measured Perceived financial risk was measured by a 8 items by Jersey 2017. And return measured by 8 items by Malaz khalafallah (2014). Investor behavior measured by 5 items Zeeshan Mahmood & others 2015. Liquidity measured by 9 items by Yu Tian (2009).

➢ *Sample and Data Analysis*

A literature investigation can assistance anybody to clarify that a important portion of portfolio scholars careful investors as their topic of study because historically, a knowledgeable individual has exposed the higher chance to make a strong venture as compared to his non-educated counterparts (Kennedy and Drennan 2001; Cooper et al. 1994; R.Roy 2017). Base on this context selected (400) investors at Khartoum stock exchange. To analysis my data (R.Roy 2017) said to test the reliability and validity of the conceptual model and then creating structural models were built to evaluate the model suitability, to testing hypotheses in PM recommend to use SPSS and AMOS.

Variable		**Frequency**	**Percent**
Gender	Male	155	50.2
	Female	154	49.8
Age	less than 25	30	9.7
	25-35	118	38.2
	36-45	61	19.7
	above 45	100	32.4
Education	under graduate	27	8.7
	Graduate	166	53.7
	post graduate	110	35.6
Specialization	Engineering	40	12.9
	Medical	36	11.7
	Social	64	20.7
	Others	168	54.4
	Missing systems	1	0.3
Activities	special sectors	126	40.8
	government sector	105	34.0
	free business	44	14.2
	Others	34	11.0
Experience	less than 5	100	32.4
	5-10	87	28.2
	10-15	58	18.8
	15-20	34	11.0
	more than 20	29	9.4
	Missing systems	1	0.3
Total		**309**	**100%**

Table 1 :- Demographic information
Source: prepared by researcher from statistical analysis results 2018.

➢ *Measurement Model: Reliability and Validity*

Measurement model is used for the qualitative evaluation of validity and reliability of the constructs included in a research (Henseler et al. 2009). Primary make exploratory and confirmatory factor analysis (EFA) and (CFA), to verify whether the predetermined sets of variables were correlated in the hypothesized mode.

➢ *Exploratory Factor Analysis*

Researcher used EFA to test the adequacy of the sample by using Bartlett's test of sphericity and the Kaiser-Meyer-Olin's (KMO) measure of sampling adequacy. EFA result found KMO = 0.753 and a significant Bartlett's test (v2 = 809.608, $p < 0.000$), indicating that factor analysis is appropriate (Hair et al. 2010). Reliability analysis was done on all the constructs by calculating Cronbach's alpha. By reliability analysis of the questionnaire, some items were removed and the rest was retained for.

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➢ *Factor Structure for DV*

Factor structure denotes to the inter relationships between the variables being tested in the EFA. Using the pattern matrix below as an illustration, all variables into single factors - more precisely, they "load" onto factors. Using Maximum Likelihood as method, the summary of results was showed in Table (2) and the SPSS output attached in appendix B3.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.830
Bartlett's Test of Sphericity	Approx. Chi-Square	537.775
	Df	15
	Sig.	.000
I use the scientific models for evaluate the return for purpose of making financial decision		.712
I compare the expected return with the nature of investment for take the investment decision		.704
the information provide by financial analysis help me to take the right decision		.763
I invest in company securities according to it past performance		.674
I invest in institutions that issue the financial securities according to information available about higher management		.765
I put in my consideration inflation rate to calculate the expected return		.703

Table 2:- Factor structure for DV
Source: prepared by researcher from statistical analysis results 2018.
Variables loaded significantly on factor with Coefficient of at least 0.5,
* Items deleted due to high cross loading

➢ *Factor Structure for MEM*

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.877	
Bartlett's Test of Sphericity	Approx. Chi-Square	1385.619	
	Df	105	
	Sig.	.000	
Information disclosure in financial reports and statement help me to measure the risks.		.567	
I use the modern techniques for reduce the risks		.694	
increasing the inflation rate effect my investment decision		.865	
I have ability to know the issued institution ability to pay the debit in merit date		.524	
Political stability effect the degree of my investment risks.		.794	
Exchange rate effect on my investment decision		.818	
I study the financial position for issued of financial securities.		.578	
I prefer the investment the can convert to cash quickly.			.544
I always evaluate and measure the liquidity by specific mechanism			.580
I manage the cash flow by good financial planning.			.714
. I invest in government securities. Because of fast liquidation.			.721
The broker agents get fair commission in liquidation process.			.623
I study the numbers of marketable securities (supply & demand) to determine my ability to portfolio liquidation.			.583
Financial securities that I own it able me change the components of investment portfolio assets.			.540
For secure my capital the securities I owned has fast liquidity.			.585

Table 3:- Factor structure for MEM
Source: prepared by researcher from statistical analysis results 2018.
Variables loaded significantly on factor with Coefficient of at least 0.5,
* Items deleted due to high cross loading.

➢ *Discriminant Validity*

Discriminant validity denotes to the size to which factors are distinct and uncorrelated. The rule is that variables must relate more strongly to their own factor than to another factor.

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Component Correlation Matrix		
Component	1	2
1	1.000	.528
2	.528	1.000

Table 4:- Component Correlation Matrix
Source: prepared by researcher from statistical analysis results 2018.

➢ *Factor Structure for MOD*

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.724
Bartlett's Test of Sphericity	Approx. Chi-Square	271.623
	Df	10
	Sig.	.000
previous loss it make me more attention		.557
I will not sell the securities that has reduced in value		.678
I will sell the securities that has increased in value		.727
I study overall components of my investment portfolio		.756
My knowledge of market helps me to take right decision		.670

Table 5:- Factor structure for MOD
Source: prepared by researcher from statistical analysis results 2018.
Variables loaded significantly on factor with Coefficient of at least 0.5, * Items deleted due to high cross loading.

➢ *Measurement Model (Confirmatory Factor Analysis)*

Measurement model is used to discover out the correlation between items and latent variables. In the suggested model, 26 items were loaded on three exogenous factors. (Perceived financial risk, liquidity, investor behavior) and one endogenous factor (return).

variables	Mean	Std. Deviation	Cronbach's alpha
risk	3.81	0.604	.834
liquidity	3.81	.609	.791
return	3.68	.657	.804
Investor behavior	3.96	0.612	.704

Table 6:- Descriptive Statistics (mean and standard deviation) and Composite reliability analysis
Source: prepared by researcher from statistical analysis results 2018.

❖ *Hypothesis Testing:*

➢ *Moderator effect of investor behavior on the relationship between portfolio management and return*

To assess the impact of portfolio management, such as Diversification and Marketability on return moderator by **investor behavior**, structural equation modeling has been employed and a measurement model of these constructs has been assessed. Figure 4.10 reveals that reflective indicators have been used for the measurement of latent constructs and non-causal relationship has been studied among different constructs, by drawing path figure (2) path analysis.

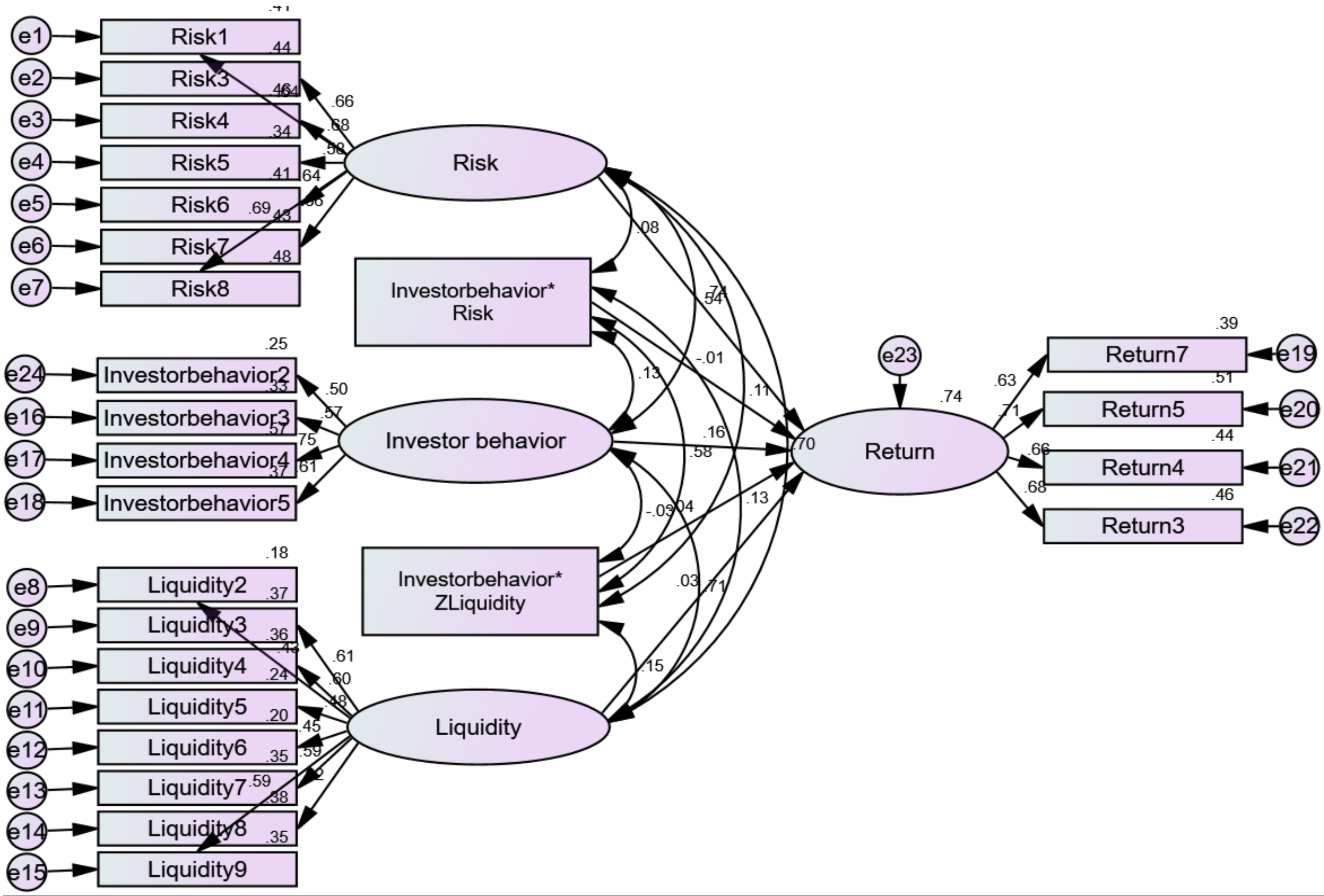

Fig 2

The structural model discloses the similar value of model fit. The low index of R2 square (Coefficient of Determination) (i.e. 0.74) justifies the underlying theoretical model. However, the probability of getting a critical ratio as large as 6.761 in absolute value is less than 0.001. In other words, the regression weight for Risk in the prediction of Return is significantly different from zero at the 0.001 level. And also, The probability of getting a critical ratio as large as 0.15 in absolute value is .881. In other words, the regression weight for Investor behavior Risk in the prediction of Return is not significantly different from zero at the 0.05 level.

The probability of getting a critical ratio as large as 1.523 in absolute value is .128. In other words, the regression weight for Investor behavior in the prediction of Return is not significantly different from zero at the 0.05 level. The probability of getting a critical ratio as large as 0.686 in absolute value is .493. In other words, the regression weight for Investor behavior _Z Liquidity in the prediction of Return is not significantly different from zero at the 0.05 level. And finally, the probability of getting a critical ratio as large as 0.28 in absolute value is .780. In other words, the regression weight for Liquidity in the prediction of Return is not significantly different from zero at the 0.05 level. The next table describe the Regression value.

			Estimate	S.E.	C.R.	P
Return	<---	Risk	.759	.112	6.761	***
Return	<---	Investor behavior _Risk	-.006	.043	-.150	.881
Return	<---	Investor behavior	.215	.141	1.523	.128
Return	<---	Investor behavior _Z Liquidity	-.027	.040	-.686	.493
Return	<---	Liquidity	.070	.249	.280	.780

Table 7:- Regression Weights: (Group number 1 - Default model)
Source: prepared by researcher from statistical analysis results 2018.

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However, the common way to illustrate the results of a moderation analysis is by slope plots. Developed by Jeremy Dawson the next figure explains that. where the x-axis represents the exogenous construct (Y1) and the y-axis the endogenous construct (Y2) and moderating variable in the middle.

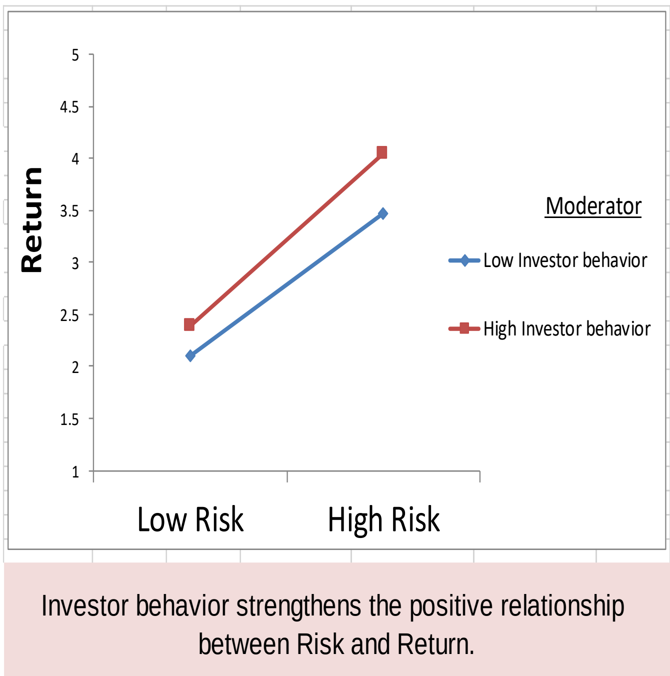

Fig 3:- relationship between risk and return investor behavior as moderator

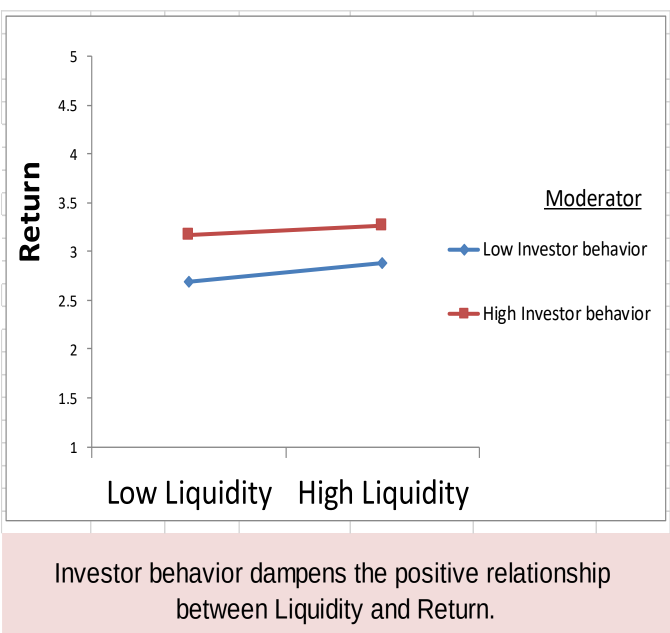

Fig 4:- relationships between liquidity and return investor behavior as moderator

➢ *Liquidity has positively influence on return not support*

Weak economic performance and lack of access to security and stability the theory of quantification of liquidity risk essential to be bettered by more effort (ya tain 2009).

There is solid positive correlation among flows and return they consider the stock worth buying solely based on previous high stock price growths and positive future out lock (Jonson 2002). The fact that liquidity secures to meet demand for capital also to exploit trading opportunity an analytical construct that liquidity as shadow allocation traded assets to benefit. It accounts (will kinlaw2013) The expected stock returns are related cross-section ally to the sensitivities of returns to actuations in aggregate liquidity. Greater return reversals when liquidity is lower, adjusted for exposures to the market return, value, as well as size, and momentum factors. (Lubo·s Pastor2002) Complex simultaneous relations are found between average returns, volatility and liquidity that would probably be taken into account when choosing optimal portfolios. Following the notion of information asymmetry, junior stocks are further likely to be traded by investors with an information advantage. By contrast, the risk management aspect examined indicates that the market participants' decision to invest in junior or senior tranches be determined by the mixture of assets held in their portfolios. (van Oord t 2014).

➢ *Risk has positively influence on return Support*

The evidence shows a significant positive relations among achieved returns and systematic risk. However, the correlation is not always as strong as predicted by the capital asset pricing model. Franco Modigliani and Gerald A. Pogue1973

One of the best-documented proposals in the area of finance, investors have received higher rates of return on investment stocks for bearing greater risk. (Benjamin M. Friedman, ed.1982). to describe the relationship between variables when you configure the investment portfolio that takes into account the low yielding and risk of assets low (musa,abuorai 2011) any securities linked to certain degree of return and risk it can be estimated mathematically.(kamal 2013). On the other side lack information and financial data , lack availability of financial instrument (bin hacene 2013) Return measure managerial skill the result is that managers who hold portfolio on the some riskiness are expected to earn some return regardless the level of skill (b.brek 2013). That there followed a strategy to diversify the portfolio is working to spread risks an avoid losses increase yield (yassin 2011).

The return & risk on an investment are basic concepts in finance. Return means the financial outcome, Portfolio management is commonly about decreasing as much risk as possible while achieving the highest potential returns. (Marginer 2008).

That there are significant and negative effects from individuals' risk aversion degree which lead them to hold negative stock market expectations. (Boram Lee2013) There are risks involved with stocks investing, including the risk of loss of principal. Past performance is not revealing of future results. Investing may not be suitable for all individuals, always consult a qualified professional earlier to making any investment decision. Should reflect the investment objectives, charges, risks, expenses of trading stocks wisely before investing. The prospectus contains this and other information(haward 2014)

- *Investor behavior moderator the positively influence risk and return Support*

The moderating effect of determinant of investment decision on the relationship between behavioral biases and individual investor portfolio performance, the study confirm that in deed there was such moderation which was statistically significant to the relationship. (Shiundu, 2012). Rational investor will favor a safety income stream over risky one unless the risky one assurances a sufficiently greater return (maringer 2008).

Individual behavior decision making was effected by solid advantage in their own skills. Which can lead to the under prediction of likhood of bad consequence. Consistent patterns of information such news pointing in the same direction. or consecutive stocks price growths be able to lead to overreaction between investors (jhonson 2002).

When selecting an investor to diversify his portfolio components must take into account the correlation between the return of its assets the higher link with increasing risk to degree of portfolio as whole (bin musa 2013, kamal 2013). Idea of portfolio management is different from investor to another according to nature of education and qualification (jabber 2006). The investor injects emotions into the portfolio creation process. It is significant to differentiate between emotions and investment risk so that the good decisions can be made. (Howard, 2013) The most important aspects that effect individual investment decisions were: firm's status in industry, reputation of the firm expected corporate earnings, past performance firms stock, price per share, profit and condition of statement, feeling on the economy and expected divided by investors. (Jagongo, 2014). I agree with evidence from financial theory, which proposes the tendency of investors to sell winning stocks speedily and to hold on to losing ones for a lengthy time, (Bouteska2018)

Investors Concerning' become active market participant's about portfolio allocations, and the interaction between individuals , stock market expectations exhibit significant and positive influences, while risk aversion and the interactions between individuals' (Brome, 2013).

- *Investor behavior moderator the positively influence liquidity and return Not Support*

Market behavior and its participants essential to have prudently watched and estimated, in demand to manage the risk which might arise from the liquidity reserve itself.

(Christian Buschmann & Thomas Heidorn,2014) In speculative bubble where often made with much shorter target periods focus on profit opportunities. That also indicate more caution attitude towards investing today (Johnson 2002). the impact of role of management on liquidity reserve into a broader context because investment climate weakness (bin hecence, 2013).

The factors influence on liquidity level

- National and international regulatory requirements have to be fulfilled.
- The organization itself, with its business model, funding structure and related types of risk.
- They also tend to be risk averse (women in particular),
- The review highlights that investors generally lack any detailed knowledge or skills Understanding of pensions and investments, but they believe in the refection way, not on information analysis even though they are increasingly anticipated to make their own financial provision for retirement.
- Seek to minimize losses rather than maximize gains (Sharon Collard 2009), trading volume, style, and investment horizons, for the results of different types of investors' impacts on stock return volatility. (Che, 2011).

Non-financial factors such as instinct/experience, Newspapers/media and noise in the market, led them to experience significant capital losses. In summary, although finance theory suggests that investors should mainly focus on conventional portfolio analysis, the results of indicate that they are investors more concerned with fundamental and technical analysis, the investors seem to be willing to sell shares increasing in value than decreasing ones. Maditinos & others 2007).

IX. FINDING

1. The results revealed the relationship between perceived financial risk and return it positive because it different form zero at 0.05 level of significance.
2. The relationship between liquidity and return it not significance at 0.05 level of significance.
3. The relationship between perceived financial risk and return it positive because it different from zero at 0.05 level of significance.
4. The moderating effect of investor behavior on the relationship between perceived financial risk and return it positive because it different from zero at 0.05 level of significance.

5. The moderating effect of investor behavior on the relationship between liquidity and return it not significance at 0.05 level of significance
6. This study shows that education of investors is extremely important for the current day investors in Khartoum. Investors, prior making investments, essential to collect investment allied information from the agents and brokers, consult with experts .
7. Previous loss it make investors more attention. Beside The knowledge of investors about market helps them to take right decision. Also The Financial information in cash flow statement helps investors to determine the prices of securities.

X. RECOMMENDATIONS

1. Khartoum stock exchange management should take care of marketing the financial securities. And make it easy to increase the efficiency of market.
2. Should improve the fundamental and technical analysis of market for individual investors to anticipate the price of securities according to available information about the price in the past.
3. Also the investors need to be flexible with market environment to change the percentage weight of their portfolio assets according to market study.
4. Invest in institutions that issue the financial securities according to information available about higher management.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

1. The main challenge faced was the distribution of the questionnaires; most individual Investors were not relaxed with the questionnaires they think their privacy was being infringed.
2. The data took from this study is likely to shortage details or depth on the topic being investigated- behavioral effects on the individual investor choices of stocks.

FUTURE RESEARCH

To put forward to apply behavioral finance to discover the behaviors affect the decisions of institutional investors at the KSE. Test the suitability of applying behavioral finance for all kinds of securities markets with all components of investors.

Further researches should be done through secondary data. Quantitative data from firms reports in Khartoum stock exchange.

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[36]. Im emad eldeen eisa abou Im applying for master degree under Irish research council 2020 am looking for supervisor in entrepreneurship and innovation I attached the abstract and cv. my best regards.