Check financing decisions, market timing and actual investment in industrial companies listed in Tehran Stock Exchange

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Abstract In financial literature, the theory of market timing and actual investment in the relationship between abnormal stock returns are external financing. Both negative relationship between external financing and stock returns are predicted. The first theory is based on the Manager's behavior to take advantage of mispricing stock and second theory based on efficient response to changes in market price risk. Using financial data of 162 companies listed in Tehran Stock Exchange during the period 1389 to 1393 and analyzed using a regression model, Theories have been tested. The results showed a positive relationship between external financing, in both hybrid and pure, The abnormal returns of stocks and negative external financing in both the above cases with abnormal return stock in stock model in the model. The relationship between the composition of financing net financing and at the same time, the abnormal return stock is not significant.

Keywords : Keywords: external financing, market timing theory, the theory of real investment, capital asset pricing model