

## TURNOVER AND MARKET VALUE IN CAPITAL MARKETS FROM EUROPEAN UNION

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### **Abstract**

*This paper seeks to see if there is a relationship between market liquidity proxied by turnover and size, measured by market capitalization and number of listed companies for European Union countries. We employ a panel data structure with unobserved characteristics for each country modeled as fixed effects for all 27 EU countries over the period 2001-2011. Our results prove that market capitalization, as a size variable is significant for capital market liquidity and implicitly for market performance of the EU countries. As policy recommendation we suggest for these countries is that they have to enhance their market capitalization in order to attain a greater liquidity.*

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\*\*\* This paper has been presented also to the 6<sup>th</sup> International Conference on Applied Statistics, 16-17 November, 2012, Bucharest.