

# **Moderating Role of Financial Market Development on The Relationship Between Stock Liquidity and Dividend**

## **ABSTRACT**

This article aims to investigate the relationship between stock liquidity and dividend across emerging market countries as well as examined the moderating role of financial market development on the relationship between stock liquidity and dividend. Data were obtained from the World Bank and DataStream databases. The study examined 3,258 listed firms from 22 emerging markets to be extrapolated in the emerging market context. To analyse the data, this article used the panel data Tobit model and panel logistic regression, both with random effects. The analysis revealed that financial market development has a positive moderating effect on the relationship between stock liquidity and dividend by improving local market liquidity and mitigating information asymmetry. The study findings provide information for managers to devise investment strategy in the emerging markets. This article provides new insights into the financial market development moderating role on the relationship between stock liquidity and dividend.