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**Study of the Relationship between Cash Flow Ratios and Market Share Value**  
**(An Analytical Study)**

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**Abstract**

This research aims to identify the information impact on the cash flow to the market share value, to assist the investors in the market to rationalize their decisions; through studying the relationship between the cash flow ratios of Saudi companies contributing, and the market share value of these companies. In addition, to test cash ratios with the earning ratio is depends on accrual basis to know what it adds in explaining the changes in the market share value.

The study sample contains (54) companies distributed among the Saudi security market excluding Banks and Insurance sectors for the period (2004–2006). The studying questions were tested through statistical analysis based on the correlation analysis, and the linear simple and multiple regressions.

The most important research findings show that the presence of a proportional correlation between the ratio changes in the market shares value of both: the ratio of cash flow from financing to the cash flows in companies combined and the industrial sector, and the proportion of cash flows to short-term and long-term liabilities in the service sector. In addition, a reverse relationship between the ratio changes in the market shares value of: the ratio of cash flows to short-term liabilities in all companies combined and the agriculture sector, and the ratio of operating cash flow to owner equity in the industrial sector only, and the ratio of earning-share in all companies combined. When adding ratio of Earning per Share (EPS) to the multiple-linear regression module; the researcher finds that (EPS) influenced the cement sector only.