

# The Impact of Rumors on the Saudi Economy with Reference to the Stock Market

Alotaibi Mohamed Meteb<sup>1</sup>

## Abstract

*The economic field is considered as the most affected field of rumors because it is related to individuals' daily standard of living and other issues such as: inflation, unemployment, subsidy, taxation, salaries, wages, bonuses, stock markets and foreign investment, etc. This paper aims to identify concept, characteristics and conditions necessary for rumors success, in addition to identify the reasons, motives, types, sources and means of rumors spread with displaying some examples and models of the most important rumors which have been recently launched and have negative economic effects on the Saudi economy, especially the stock market. The paper also aims to explain the role of rumors in the Saudi stock market crisis, the occurrence of the financial bubble, and the stock market collapse on February 26, 2006. The analytical and descriptive approach was adopted through the description of various rumors phenomenon. The results of the paper also indicated that the environmental and social level plays an important role in the spread of rumors. As the cultural and educational level decreases, rumors increase, and vice versa. The paper pointed out the impact of rumors on the Saudi stock market, which the stock market is one of the most affected economic sectors by rumors that target affecting the investors' confidence in the financial markets. The launching of such rumors negatively affects the stock market stability. The paper recommended responding quickly to the rumor because failure to respond means proving and confirming the rumor. It also recommended activating government oversight and monitoring of stock market transactions to ensure the accuracy and transparency of information, imposing deterrent and penalties on rumors promoters in the stock market.*

**Keywords:** *Rumors, Stock Markets, Economic Impacts, Saudi Stock Market Crisis.*

## Introduction

Rumor as a social phenomenon represents an important element in every human culture, and the definition of rumor varies according to the field of specialization. Rumor is the belief of some individuals in the validity of a certain piece of news without the necessary evidence of its truth. Or it is the promotion of news that has no basis in facts or the addition of false information to a certain piece of news that is mostly true with the aim of psychologically influencing local, national, regional or global public opinion to achieve economic, social, political or military goals (*Al-Humail Badr, 2017*).

Rumors represent a tool of modern psychological warfare or a tool of the fourth generation of psychological warfare to implement the desired goals, whether economic, social or military, and countries resort to them to justify their internal and external policies in times of crisis, and are linked to the culture of societies and the interests and goals of individuals and institutions that adopt them. Rumors have spread and are easy to circulate in light of the communications revolution through social media via the Internet and media technology and the political and economic transformations that the world has witnessed since the events of September 2001 in America until the events of the Arab Spring in 2011 and beyond (*Flavio C., and Silvio, L., 2011*).

Rumors spread through various traditional and electronic means and aim to achieve certain purposes. As a result of the difficulties related to the real monitoring of the rumors phenomenon, especially after the technological progress, the communications revolution and globalization without barriers, there must be a legislative or regulatory framework that regulates the right to circulate information to limit the risk of the rumors spreading (*Benjamin, D., Mahmoud, 2010*).

---

<sup>1</sup> Al-imam Muhammad Ibn Saud Islamic University, College of business, department of Economic, Email address: [drmotaiibi14@gmail.com](mailto:drmotaiibi14@gmail.com), (Corresponding Author)

The economic field is considered as the most affected field of rumors because it is related to individuals' daily standard of living and other issues such as: inflation, unemployment, subsidy, taxation, salaries, wages, bonuses, stock markets and foreign investment, etc. this is followed by rumors related to political, social, management, health, environmental, sporting, art, religious issues and others. The economic rumors create more further frictions due to goods storing and back market emergence, prices rising, making the consumer dubious of the product's type, quality and its health effect. Thus, some may abstain from buying it causing economic slump in that product production sector (*Al-Fantoukh Abdul Qader, 2013*).

Since the establishment of the Anti-Rumors Authority in 2012 in Saudi Arabia with the aim of confronting and tracking rumors and false news, the Authority is considered the first and only authority in Saudi Arabia to respond to rumors. The Authority started with individual efforts by opening an account on the social networking site "Twitter" under the slogan "No to Rumors", then the account spread among people, and the public's interaction, through inquiries and questions with the Authority increased to confirm the veracity of the rumors and news circulating. The Authority's work has developed into an organized and clear institutional work, and the Authority received the New Media Award in 2017 from the Saudi Ministry of Media, which is an important turning point in the Authority's activity (<http://norumors.net>). The Anti-Rumor Authority deals with more than twenty rumors per month. In 2020 alone, the Authority dealt with about (296) rumors, and they were classified into seven types of rumors (fraud - religious - social - political - economic - Corona and others), and social rumors (128 rumors) accounted for the highest percentage of this, with about 43.2%. Examples of rumors spread on various social media sites which was monitored by the Anti-Rumors Authority and responded in denial, include the opening of the first gambling hall and liquor stores in Saudi Arabia, free Umrah and Hajj trips, paying bills for retirees whose income is less than five thousand Saudi riyals, exempting Saudi citizens from all traffic violations, deaths increase due to Corona vaccine, closing the King Fahd Causeway after Covid -19 Corona, and Aramco's reduction of Gasoline price, Poisoning in a restaurant in Riyadh with the aim of harming the reputation of a large number of Saudi restaurants, injecting dairy cows with hormones to increase milk production, imposing zakat on individuals' current accounts, imposing nominal fees for using roads, and other rumors in various fields.

The paper problem deals with identifying the negative economic effects resulting from the spread of various rumors in Saudi Arabia and their rapid circulation among individuals through the media and social networks, which leads to political and economic instability. In addition to studying the impact of rumors on the stock market, with reference to the role of rumors in the Saudi stock market crisis on February 26, 2006, and how to avoid its occurrence or recurrence in the future.

This paper aims to identify concept, characteristics and conditions necessary for rumors success, in addition to identify the reasons, motives, types, sources and means of rumors spread with displaying some examples and models of the most important rumors which have been recently launched and have negative economic effects on the Saudi economy, especially the stock market, and their economic effects. The paper also aims to explain the role of rumors in the Saudi stock market crisis, the occurrence of the financial bubble, and the stock market collapse on February 26, 2006, and finally suggesting the most important policies necessary for fighting and curbing rumors.

The paper assumes that rumors have negative economic effects on the Saudi economy, especially the stock market.

The paper methodology has relied on the analytical and descriptive approach was adopted through the description of various rumors spread phenomenon and their negative economic impacts in Saudi Arabia, especially in the stock market.

This paper is divided into six sections. the first section includes the introduction, objective, problem, methodology and structure of the paper; the second section includes the literature reviews; the third section includes the concept, characteristics, Reasons, motives, types and sources of rumors; the fourth section includes the economic impacts of rumors on the Saudi Stock markets with reference to the Saudi stock

market crisis in 2006; the fifth section includes the important policies necessary for fighting and curbing rumors; and finally the sixth section is the conclusion of the research.

## Literature Review

According to the rumor theory (*G.Allport and L.Postman,1948*), the main conditions necessary for launching a rumor and its success is the extent of the topic significance and the extent of its surrounded ambiguity. The first condition is that the topic significance of the rumor to the speaker and the listener, meaning that the topic of the rumor is related to an important aspect of the current and future needs of the human being in times of crisis. Here, the human being is likely to believe the rumor and his ability to examine and control is at its minimum. The second condition is the ambiguity of the facts as a result of the absence of news and information or their conflict or lack of trust and non-acceptance. The condition of significance and ambiguity is quantitatively linked to the rumor spreading.

The strength and weakness of the rumor impact depends on the equation of G.Allport and L.Postman,1948. It says that the rumor spread equals the rumor related topic significance multiplied by its surrounded ambiguity degree. Rumor is a result of a mathematical equation; multiplying the ambiguity rate by the significance rate. The higher the significance rate of an ambiguous matter, the stronger the rumor is. Whereas the significance rate equals zero and the matter isn't ambiguous, the rumor does not exist. Based on this equation, the rumor has further spread if its topic is important and has high ambiguity and vice versa. If the topic losses its significance its surrounded information are clear and stated or in other words if any of the equation elements equals zero and the outcome is zero; it means the rumor failure. Suppose the topic significance equals (100) and its ambiguity equals zero (after clarifying all its relevant facts), the rumor impact will equal zero, i.e. the rumor has no effect. Notably, the number of rumors changes according to the event topic significance and the ambiguity amount in the situation. The rumor impact may be (100%) in certain topic and might be less than that and may reach zero and hence the impact vanishes. G.Allport and L.Postman ,1948 noticed during the World War II in 1945 that the importance of a rumor and a counter rumor in affecting the people's morals, thoughts and behavior. They believe that rumors spread more during the times of crises, periods of political or social transition. Rumors also spread whenever media blackout exists or there is ambiguity in stands or with the government officials statements or with the intended mislead through the various mass media.

According to the theory of rumor transmission (*Taylor Buckner ,1965*) believes that a person may find himself in one of three situations when dealing with rumors. The first situation is criticizing and evaluating the rumor if he has knowledge, science, personal experience, and frequent habit of the rumor topic. The second situation is the inability to evaluate and believe the rumor due to the lack of information or previous experiences about the topic, as well as to satisfy personal needs and interests. The third situation is repeating the rumor due to lack of interest in its content. Taylor Buckner also believes that the equation mentioned above (G.Allport and L.Postman) is very useful for rumor makers and the counter rumors and useful for facing the rumors impacts. The rumors experts in the world rely on this equation. In their success, rumors are related to their recipients' psychological structure. Thus, they affect a certain society as they are compatible with its culture, needs, difficulties, and problems and they do not affect another society.

The results of a Saudi study conducted by (*King Abdul Aziz Center for National Dialogue, Opinion Polling Uni ,2014*) entitled the reality and impact of rumors in Saudi society, which included (1049) individuals, (740) of whom were males and (309) of whom were females, indicate that public opinion is affected by rumors. A large number of participants, (82.9%), stressed that rumors contribute to influencing public opinion, while (17.1%) of participants believe that they do not. Meanwhile, about (69.2%) of the study sample believe that rumors are widespread among members of society, while about (23.1%) of them confirm that they are moderately widespread, and finally about (7.7%) of them believe that the spread of rumors among society is low. (50%) of the study participants confirmed that they are keen to verify the information or news they receive before circulating and promoting it, while about (65%) of them believe that they do not pass on unreliable information or news to others without referring to the source, while (11%) of them believe that they pass on rumors to others without referring to the source. The study showed the extent to which rumors

affect society's views on a specific topic or issue, as more than (50%) of the study participants believe that their viewpoint on a specific topic has changed due to rumors.

The study (*Al-Jadran Yabya, 2022*) indicates that the financial market in Saudi Arabia is greatly affected by the positive or negative psychological factors of investors, whether up or down in prices. The tasks of the Saudi Capital Market Authority are to protect investors from market manipulation practices that involve great risks for the manipulator, as he enters the market personally or through other people. Therefore, the easiest and least risky way for manipulators is to spread rumors and false data about some stocks in order to suggest the possibility of their prices rising or falling, which leads to the implementation of trading operations by selling or buying at high or low prices according to the interests of the manipulators. The results of the study indicate that manipulation harms the market's balance, transparency, reputation, and level of governance. The study (*Asiri and Alzeera, 2013*) discussed the efficiency of the Saudi stock market, as a case of weak-form efficiency, the study used the daily closing data of the Saudi Stock Exchange (TASI) index, in addition to using fifteen sub-indices for different market sectors. The study concluded using autocorrelation that the Saudi stock market is efficient according to the weak type of financial market efficiency hypothesis, as returns were independent in their movement across the time series data, and there is no effect of yesterday's prices on today's prices. One of the studies (*Halil Kıymas, 2009*) in Istanbul stock market points out that rumors play a negative role in influencing the stock market through using (300) rumors to identify their roles and effect on the purchasing and selling movement. He study concluded that rumors were the main reason behind profits and have a strong effect on the shares prices listed in the market. The speculator is the only benefited person of rumors.

The study (*Bommel, J.V., 2008*) also indicates that some companies which urge for rumors also benefit from raising the company share price due to those rumors. The normal simple investor may benefit the share price rising in spite of his unawareness of the rumor content and type. Among the most important rumors mongered by the speculators are, for example, the liquidity of banks for the interest of great investors' portfolios; the liquidity of a large portion of the investment funds assets. Therefore, the financial markets efficiency would be affected through misleading the investors by the immoral practices.

The study (*Al-Madani, O., 2017*) also identified the dual role played by the social networking site (Twitter) in promoting and spreading rumors. It is a survey study that used a questionnaire tool on a sample of Saudi university students. The results of the study showed that (42.4%) of the study sample believe that (Twitter) has a significant impact in spreading rumors. The most important types of rumors were political, economic, military, and educational, respectively. The motives for spreading rumors were, respectively, spreading hatred, instability of security, spreading fear, doubt, and then incitement. The results of the study concluded that the goals of rumors include defaming an important person, curiosity, and finally stirring up feelings against a specific group. The study (*Ghazy Omar, 2017*) also examined the means that cause rumors to occur and spread in Saudi Arabia, and the reasons that lead to an increase in the negative impact of rumors circulating through social media and electronic means in general. It also explained a number of methods used to uncover the falsehood of rumors and refute them, with some practical examples of them, and unique initiatives and efforts to eliminate this phenomenon, in addition to presenting the criminal legislation for this work in Saudi Arabia, and presenting some recommendations and proposals, including: creating an umbrella to support pages, accounts and websites that aim to uncover rumors, and establishing an independent media and research center to control rumors. It works to trace its sources, analyze it, and deny it on scientific grounds, spread the culture of dealing with it, and define the rumor and impose penalties for it.

The study (*Al-Shammary Ismail, 2017*) also monitored rumors and identified their impact on Arab societies and the role of electronic journalism in spreading them. The descriptive approach was used using a sample survey method (104) individuals from specialists belonging to electronic newspapers and journalistic institutions that have websites. The most important results were that (50%) of the sample did not agree with the credibility of the news published by electronic newspapers. (58.5%) of the study sample also confirmed that the news published in electronic journalism is characterized by promoting specific goals.

The study (*Al-Nashry Talal, 2013*) showed the extent of the impact of the spread of rumors on the social structure, and to reveal the social and psychological dimensions behind the spread of rumors in society, the reasons that motivate rumor mongers and their spread among certain segments of society, and the social, psychological, political and economic effects resulting from rumors that spread in various media, or between social media and channels, and directly or indirectly affect changing the attitudes of society members towards societal, political or economic issues. The descriptive approach was used, and most of the sample members were Saudis at a rate of (90%) and non-Saudis at a rate of (10%). The results of the study showed that (66%) of the sample believe that the reason for the spread of rumors is media openness and the presence of media channels with multiple interests and ideologies, in addition to the use of social networking sites by society members, especially the youth group. The study recommended monitoring the content of the media and raising awareness of the dangers of using social networking channels through the family and different stages of education. The study of (*Al-Sudairy Turkey, 2014*) explained the use of social networking sites in security awareness against the danger of rumors in Saudi Arabia. It used the descriptive analytical approach through the survey approach, and the use of the questionnaire as a tool for collecting data. The sample for the study consisted of (129) individuals from workers in the public relations departments in some sectors of the Ministry of Interior. The results of the study concluded that the facts that indicate the employment of social networking sites in security awareness against the danger of rumors at a very high degree are: raising the levels of understanding of Saudi society members of internal and external risks and threats, and responding to Quickly dispel rumors and close suspicious websites that spread rumors.

The study (*Al-Zabrani Walid, 2015*) also determined the criminal responsibility for spreading rumors that undermine security through social media in the Saudi system. The researcher used the descriptive approach, and the study concluded that the position of the Saudi system on the crime of rumors is correct, and is consistent with the position of Islamic law on this crime as a source of legislation in Saudi Arabia, as it stipulates a discretionary punishment subject to the judge's discretionary authority. The study also warned against using modern social media, as some people use it in a bad way to spread rumors that undermine security.

The study (*Abdel Khalek Yusra, 2017*) showed the role of social media sites in spreading rumors, and the impact of the spread of rumors on the awareness of individuals and Egyptian national security. The study used the survey method and questionnaire by applying it to a sample of (300) individuals from the university youth category. The results of the study showed an increase in the factors affecting the growth and spread of rumors in society, the most important of which is the absence of accurate information by (61.3%). The results also showed a high increase in the social awareness of individuals and their awareness of the danger of rumors. The study sample agreed that rumors have a great impact on national security. The study (*Al-Sharif Rania, 2014*) indicated an increase of rumors spreading in Saudi Arabia with the increased use of social networking sites (WhatsApp, Twitter, Facebook, and YouTube channels). The survey method was used, and the sample size was (400) individuals from some university students, where (96%) of the sample believe that the increase in the spread of rumors is due to the increased use of social networking sites. Therefore, decision-makers must block some websites and media outlets that contribute to the rapid spread of rumors. The percentage of those who agreed to block websites and media outlets was about (60%) of the sample, while (40%) do not agree to block websites, justifying this by saying that blocking is not a practical method in light of globalization and global openness. Economic rumors came in first place with a percentage of (28%) of the sample, then political rumors with a percentage of (23%), followed by social rumors with a percentage of (18%), then moral rumors with a percentage of (17%), and finally religious rumors with a percentage of (14%). The study (*Al-Moaither Fahd, 2013*) also identified rumors and reveal the most accepting groups in society, and the times when rumors are most prevalent, by applying a questionnaire to a random sample (215) individuals from the military and university professors using the survey method. The results of the study showed that rumors of a political, economic and military nature are mostly from outside the country, while the source of religious and social rumors is from within, and that the most widespread rumors in society are economic rumors, followed by political, religious and social rumors.

The study (Fang Liu, Andrew burton,2014) discussed the stages of rumors, the factors that affect them, and how to confront them, by designing a model for a rumor sent via social media and tracking how it spreads and how it affects individuals. The results of the study indicate that sending is only the first step to controlling the rumor, after which the process of control and control is lost. The rumor goes through several stages, the most important of which is the stage of increase in terms of the number of individuals on the one hand and in terms of the increase in the content of the rumor itself on the other hand. The results of the study also indicate that the rumor increases in importance when it is related to an important topic that is widespread in society and captures the interests of individuals in society. The study recommended the necessity of using new media to confront rumors in the same ways and methods through which they were spread. The study (Burak kaynar, 2016) identified the type and nature of rumors on social media sites and how and the mechanisms to overcome them, and the degree of their impact on individuals, through a questionnaire consisting of (343) individuals from social media users. The sample was selected in a random stratified manner. The results of the study indicated that rumors are a negative phenomenon that has spread widely in society and has affected individuals' attitudes and ideas towards various issues, and that rumors are incorrect information and news that have not been verified. The study recommended developing mechanisms to control and overcome rumors by controlling the sites that publish them, as well as educating individuals about their seriousness.

It is clear from previous studies that they focused on studying rumors in general, and most of them dealt with the impact of rumors on social networking sites. This paper benefited from previous studies in identifying the research gap through reviewing the literature and theoretical framework. Previous studies did not address the impact of rumors on stock markets, especially the Saudi stock market, which is the focus of this research paper.

#### *The Concept, Characteristics, Reasons, Motives, Types and Sources of Rumors*

A rumor means promoting a baseless topic, news or event to be circulated among people or exaggeration of announcing untrue news or news which bears a little portion of reality and it is difficult to verify it. It is often untrue news without a proof or evidence or it is exaggerated through maximizing or belittling its significance. A rumor is a semi-real say which might be positive or negative. It is random and non-organized launched by some individuals against others. It may be carefully planned by a big organized and highly specialized system in order to direct the public opinion to publish the news in a well-planned way. It is stated that there is a beneficent from each rumor. The aim of any rumor is to cause a degree of impact on those who receive either positively or negatively or make them neutral towards the rumor topic. A rumor does not pose a new idea but deal with news or information about a topic, person or certain situation and each rumor has its audience (Al-Hams, Shldan,2013).

The rumor life cycle is related to its significance for individuals and the emergent circumstances in the society. The rumor appears in an atmosphere prevailed with awaiting, expectation, instability and lack of confidence. The worse social and economic situation and the spread of unemployment phenomenon in the society are among factors contributing to the emergence of rumors. The private Television Satellite channels owned by businessmen play an important role in expressing their ideological trends and promoting incorrect ideas through publishing untrue rumors on certain issues which bring them private benefits. The rumors may have serious consequences such as the army defeat, launch a war, or harm the economy of a specific state. The rumor is characterized with rapid spread of information and circulation among people so they cannot be easily stopped. One of its characteristics as well is that it can be true or false or true and false at the same time. It also depends on a null hypothesis that each S means X (Peterson, W.A. and N.P. Gist,2005).

The meaning of rumor differs from one society to another according to the prevailed culture and its functions. The rumor success depends largely on the social class that accepts the rumor due to the precedent psychological readiness. In addition, there are other conditions help the spread of rumors such as critical times of war and political and economic crises when fear and anxiety prevail among the society individuals. Rumors become of limited effect in the normal conditions.

The reason behind launching rumors in general and economic rumors in particular are attributed to the conflict and intricacy of interests as there are conflicted interests between the imported and domestic products or among the imported products themselves or the domestic products themselves. A rumor appears in order to realize an economic purpose or illegal profit (*Banerjee, A.V.,2010*). The main reasons behind rumors spread are lack of confidence between the public and the government; as there are frequent doubts for many people over the government official statements. Rumors can also be a means of war between the corporations and the states; there are many successful corporations which were forced to shut down due to a baseless rumor. Lack of transparency and vagueness of information and reality clarification are behind the increase of rumor spread. Rumors often appear during the times of disasters and crises; they are used as a weapon of destabilizing against political and economic stability (*Bommel, J.V.,2008*).

Rumors sometimes appear as a measure of the public opinion by the government systems or the public opinion systems as a type of testing balloons to determine the kind of people response to a particular event that can occur such as raising the prices of certain goods. A rumor depends on the idea that there is no smoke without fire. Thus in several instances, rumors rely of some of the truth. The spread of rumors attributes to lack of transparency and absence of information, the weakness of credibility of declared statements and news concerning a certain topic and its contrast to reality. The state bears responsibility for information and data on the market conditions whether supply or demand or world process and the stock markets fluctuations, so as the consumer can know the world process fluctuations and their impact on the local prices(*Abdel Khalek Yusra,2017*).

A rumor might be used to attract attention through its promoter as he has important sources of news which are not known to many people. A rumor refers to prediction of a future probability which the rumor promoter believe it will occur soon. Notably, the environmental and social level plays an important role in the spreading of rumors. The more the cultural and educational levels decreased, the more the rumors increased and vice versa.

There are various means and tools through which rumors are launched particularly with the spread of information technology, modern technology such as TV satellites, fax, mobile phones and the world network (the internet) and the email, etc. of the modern social communication networks (facebook, twitter, What's up, etc.) besides direct and indirect personal conversations. Various mass media play a prominent role in fast spreading of rumors particularly as the whole world becomes as a small village under information globalization and others (*Olusola oyenyinka oyewo,2007*).

In addition, the intelligence departments of states spread rumors to achieve the state's interest and deceive the enemy. Some state, for example, the Unite States established what is known as the rumors clinics as rumors are analyzed to know their source, type and their suggested reply. Rumors spreading means are determined either through agents who spread over the café shops, taxi drivers, hairdressers, and distributors of cigarettes and soda drinks. The yellow newspapers are considered as one of the most influential means of supporting rumors and transferring them into actual reality. There are other several means of spreading rumors such as the normal opinion leaders in the religious institutions, sports clubs, government institutions, etc (*Peterson, W.A. and N.P. Gist,2005*).

There are several types of rumors according to their purposes whether political, economic social healthy, sporting, art or religious. Rumors spread all times whether in peace, war or economic recovery or recession. The axis of religion and patriotism mostly forms the main corner to launch different kinds of rumors. There are two types of rumors. First, the deliberate or intended type in order to cause a harm because of private interest conflict. Second, the random unintended rumor which does not aim to cause a certain harm such as lack of economic confidence in government due to repeated untrue promises. The rumor spreading speed depends on the individuals cultural awareness, ability of sound thought in the prevailed socio cultural atmosphere(*Hejab Monir,2007*).

Rumors types differ according to the time distance, place, style or means necessary for its launching and also according to their motives. According to motives, there are rumors of fear and hatred; diseases spread rumors, riots and demonstrations rumors, accidents and disasters rumors which particularly spread in times

of fatal wars and crises as a means of psychological war against the enemy. The racial rumor which spreads against an ethnic group or sect; optimism and hope rumor which spread in the circles that wish the truth of such a rumor. According to its subject, a rumor could be against an individual, family, group or a certain state (*Al-Moaither Fabd, 2013*).

According to its place, a rumor place could be local, regional or international. According to its time, there is a fixed or developed rumor and there are short-term or long-term effect rumors; there quickly and slowly vanished rumors and rumors vanish over days. There are easily detected rumors, medium-detected rumors, hard-detected rumors and impossibly-detected rumors. According to its style, rumors could directly or indirectly spread or through the mass media. According to its spreading, there are crawling rumors which spread slowly and the fast rumors which quickly spread and the vague rumors which spread in certain circumstances, disappear and appear again in similar circumstances (*Massimo Crescimbene, 2012*).

According to sources of rumors launching, they are often related to factor of competition whether at the individual, group, state or world levels. The rumor source could be an individual rival against another individual or a political party against rival party or opposition against the ruling regime, a sports club against a rival club or an artist against another artist, or it may take a media news form from a state against another state during the times of war. Rumors source differs according to the intended interest or purpose. According to its direction and path, a rumor may be vertically launched in a certain institution or horizontally launched at the level of the state as a whole. A rumor may be launched from urban to rural areas or vice versa. A rumor may come from outside the state to cause an effect within the state (*Ghazy Omar, 2017*).

The most important examples and models of launched rumors are as follows.

*At the Economic Level*, rumors launched by rivals as some businessmen import a particular type of available goods in the domestic market and work on launching a defaming rumor against the product available in the domestic market to reduce its demand. Then, they introduce their goods to achieve high profits. There are two types of devastating rumors on the part of some colonial states against the developing countries to spread rumors for serving their political or economic interests such as the attempt of some states to export their products to the developing countries. They ask their agents to spread different rumors on the poor manufacturing or contamination of the local product that may cause diseases. As individuals abstain from buying those goods, they introduce the alternative goods into markets (*Peterson, W.A. and N.P. Gist, 2005*). There is a rumor of the imported belts causing men to be infertile which leads to the slump of those imported belts. There is a rumor that the imported dried apricots from Turkey and Iran have radioactive materials. There are the advertising rumors through exaggeration of displaying certain goods or promoting projects or certain companies. There is the rumor of some consumption goods that will be rare in the market due to export overseas; their prices will soar up and their demand increases. The rumor of (2002) between the mineral waters companies as some companies spread rumors that the rival companies fill up their waters in Israel; this leads to the decline of their sales. The rumors of (1985) between two companies producing chocolate wafers that the other rival company used the pork fats which led to the remarkable decline of its sales. In addition, there is a rumor of falling or rising of a certain company shares in the stock market. There is a rumor of a bank client escapes overseas with billions and the expectation of the bank bankruptcy, so other clients will withdraw their deposits from the bank. Thus, it will actually become bankrupted. There is a rumor that the economy is on the edge of bankruptcy (*Al-Humail Badr, 2017*).

*At the Political Level*, the political rumors impact increases whether in the internal or external politics particularly during the times of parliamentary and presidential elections and government creation at the domestic level and in times of war and international conflicts at the external level. There is a rumor of awaiting reshuffle, a rumor of deferring elections, a rumor of parliament dissolution, a rumor of the president's health, etc. Which lead to confusion of the state institutions and defect the public interest. In addition, there are rumors spread during negotiations between the heads of states concerning a certain subject, the rumor of the undefeatable Israeli army, the rumor that Muslims are the masterminds of terrorism incidents in the world (*Ahmed Nofal, 2011*).



*At the Health Level*, there is a rumor of bird flu which affects humans, the rumor of Foot and Mouth disease spreading, the rumor of smuggling amounts of AIDS-injected honey dew, the rumor of MacDonald's company that adds warms to the burgers sandwiches in order to increase their protein ingredients, the rumor of stomach explosion in (1978) due to having the soda drinks and the Bob Roex sweets. Therefore, MacDonald's company and General Foods company- which produce Bob Roes sweets- were forced to spend more dollars in free advertisements and other activities in order to refute those rumors (*Zain Mohammed, Talhaty Hala,2013*). Undoubtedly, those rumors created widespread doubts on the food products and their associated health risks().

*At the Environmental Level*, there is the rumor of Ozone hole, Furthermore, there is the rumor of earthquake consequences in India in (1934) and their subsequent disasters, the rumor of the Nuclear reactor in the Thierry Mile Island in Pennsylvania in (1979) and the reactor would destroy its all surroundings (*Massimo Crescimbene ,2012*).

*At the Social Level*, there is the exaggerated rumor of the World War II spies who were depicted as enemies, the rumor of unidentified flying dishes in different places and Pramouda Triangle, the rumor of the infection of the article author of "Mecca War" published in the "National Review, 2001" by Quadriplegic, the rumor of allocating a day-income of a US restaurants for Israel, the rumor of goblins and gin haunted houses, the rumor of superstitious people, the rumor of loyalty to some people because of their superstition, the rumor of dying because of relying to unknown telephone numbers, the rumor of technical defect in the Hyundai Verna cars, etc. (*Hamoud Al-Bader ,2010*).

#### *The Impact of Rumors on The Saudi Stock Market*

The financial markets in Saudi Arabia are currently affected by the internal, external fluctuated political and economic conditions; the Arab region situations; the world stock markets positions; the effect of American and European crises on the foreign companies listed in the Saudi Arabia stock market. The stock market is one of the most affected economic sectors by rumors that target affecting the investors' confidence in the financial markets. The launching of such rumors negatively affects the stock market stability, the decline of confidence level and the liquidity inflow volume to such markets. The small inexperienced investors who have little investment awareness are considered as the most affect by such rumors through their investment decision of purchasing and selling (*Lei, M. Yang, S. Tian, A. Zhang,2016*).

Rumors affect economic development through their negative effects on the economy, when they target promising economic sectors such as tourism, logistics, manufacturing industries, and small and medium enterprises by publishing incorrect numbers or information about project details, which causes harm to the future of these sectors and investors' search for other investment alternatives in other countries and the occurrence of inflation in the country of the rumors. The economic rumor aims to exploit the circumstances that sometimes occur, such as the spread of unemployment among young people, rising prices, and a shortage of goods, so that the promotion of these rumors focuses on economic institutions, stock markets, and other important goods in people's lives, with the intention of disrupting the production process and economic development. Notably, the rumor is the pest of investment in the financial markets and constitutes a great problem in how to be overcome. A matter which requires a type of transparency that urges the money-market listed companies to declare true information regardless of the rumors and analyses issued by share-prices unspecialized bodies.

There is an old phrase used by traders in financial markets: "Buy when you hear a rumor and sell when you hear certain news". Many factors interfere in determining the prices of securities, including psychological influences on stock exchange traders, which are represented by the presence of incorrect and unconfirmed information related to companies whose securities are listed on the stock exchange. The circulation of this information is considered rumors that affect the movement and direction of securities prices, whether by increasing or decreasing, and the decline may continue for a period of time leading to a financial crisis. Accordingly, the effect of rumors on stock exchange operations is represented by moving securities prices and causing financial crises (*Wenting Zhang, Chenxi Wang,2024*).

Moving the prices of securities means working to raise or lower prices outside the normal framework of the market, or interfering in the mechanism of supply and demand for securities by creating a fictitious or artificial supply or demand with the intention of raising or lowering prices. Speculators are not satisfied with small profits from the natural fluctuation of prices, but rather deliberately resort to illegal methods to create a fictitious demand by purchasing a large quantity of the security, which means there is a large demand, which leads to an increase in the price of the security, as well as deliberately resorting to creating a fictitious supply by selling a large quantity of the security, which means there is a large supply, which leads to a decrease in the price of the security (Fábio Marques da Cruz, 2013).

One of these illegal methods is spreading incorrect news about the security, with the aim of greatly increasing their profits. Therefore, the rumors lead to unfair profits for those who benefit from promoting them, and in return, they lead to unfair losses for those affected who were deceived by the rumor promoters. Thus, it becomes clear that these rumors are nothing but a type of (piracy) on the money of investors and the money of others.

The Saudi Capital Market Authority has paid attention to this matter to limit the spread of rumors in the stock exchange, so it issued regulations regulating the work and behavior of the financial market, based on Royal Decree No. M/30 of 2003, where Article Seven stipulated the prohibition of any statement of incorrect data related to a material fact to influence the price or value of a security or to urge another person to buy or sell a security (*Saudi Capital Market Authority, Article, 9*). Article Eight of the same regulation also stipulated the prohibition of promoting, directly or indirectly, incorrect data related to a material fact or opinions with the aim of influencing the price or value of a security or any other goal that includes manipulating and harming the financial market.

It is clear from the above that rumors are incorrect and unconfirmed information or news that affects the movement of securities prices on the stock exchange by increasing or decreasing.

Rumors aim to create artificial supply and demand of some companies' shares and thus increase the shares of some companies and decrease the shares prices of others without reasonable justifications of the prices falling and rising except the achievement of the rumors promoters' interests whether rapid profits or avoidance of large losses (*Halil, Kıymaz, 2009*).

The movement of securities prices increases when rumors have a positive impact on trading on the stock exchange. For example, positive news is that the company issuing the paper will buy new assets such as land or other projects, or expand its existing projects, or announce the purchase of a stake in another company, or leak news about making profits before the official release of the annual report. In this context, the Saudi Capital Market Authority imposed a fine of SR (20 thousand) on the Saudi Hotels and Tourist Areas Company for announcing on 19/2/2014 the distribution of cash dividends to shareholders for the second half of (2013), which is incorrect information (*Al-Eqtisadiab Electronic Newspaper, 2014*).

The movement of stock prices also decreases when rumors have a negative impact on trading on the stock exchange. For example, negative news includes the intention to acquire or sell a company, or the circulation of news about losses in the company or the possibility of the company going bankrupt, or the publication of news about a bank customer fleeing abroad with a large loan, and the rest of the customers resorting to the bank to withdraw their deposits, and thus the price of the bank's share decreases, leading to a decline in trading prices on the stock exchange. An example of this is the collapse of the Saudi stock market in 2006, and the main reason for this was the spread of rumors from some financial stock websites about administrative changes in the Capital Market Authority (*Al-Riyadh Newspaper, 2006*).

The impact of rumors is not limited to moving stock market prices, whether up or down, but sometimes the price drop is significant, which leads to financial crises. The most important of these was the (1987) crisis and the collapse of the Wall Street Stock Exchange in New York. The Dow Jones index began to rise continuously based on incorrect propaganda, misleading information and rumors, in addition to the availability of other reasons, and the collapse was facilitated by the global economic and financial conditions at that time (*Zain Mohammed, Talbaty Hala, 2013*). In addition to the Asian stock market crisis of (1997) as a

result of several economic, monetary and political factors, in addition to the presence of psychological factors and rumors among the majority of speculators dealing in the stock market, and the transfer of the crisis from Thailand to the rest of the stock markets of the Asian tiger countries and the rest of the world, due to the psychological factor and rumors (*Hindy Mounir,2007*). One of the most important examples of the role of rumors in stock market crises is the Enron scandal in (2001) and the spread of rumors about the company's financial instability, which led a herd of investors to sell their shares in the company, resulting in a significant drop in its share price and recording huge losses.

#### *Rumors and the Saudi Stock Market Crisis in 2006*

At the beginning of 2006, financial rumors increased in the Saudi stock market about the continuous rise and increase in stock prices and the achievement of rapid and high profits, which motivated most Saudis to sell some of their personal property, including real estate, land, and cars, and obtain personal loans from Saudi banks and financial institutions. Personal loans increased from (SR 29) billion in 2002 to (SR135) billion in 2006, with the aim of entering and speculating in the stock market and opening investment portfolios through banks or the Internet. At that time, the market value of companies increased ten bagger from (68) billion dollars (SR 255 billion) in 2000 to (646) billion dollars in January 2006 (SR 2.42 trillion), and the value of daily trading (buying and selling operations) increased by sixty bagger from (SR 86) million to (SR 4.1) billion. The Saudi stock market index rose to the highest point in its history on February 25, 2006. The next day, February 26, the financial bubble occurred, which led to the crisis and collapse of the Saudi stock market. The stock market lost about (64%) of its market value by the end of 2006. This day will remain a historical memory stuck in the minds of some Saudis as a result of the negative effects resulting from this crisis, including financial losses, psychological illnesses, suicides, and prison sentences for some individuals as a result of not repaying loans to banks(*Hossam Ibrahim,2020*).

One of the main reasons for the Saudi stock market crisis is the spread of rumors about entering the stock market for the purpose of speculation and quick profit without realizing the risks. This has been facilitated by the Internet and social media, which has led to big investors play tricks on small investors .This is in addition to the weakness of regulatory legislation in the stock market, individuals adopting the herd policy, ignorance of the stock market, banking facilities in granting loans to individuals for a long period, lack of awareness and experience in investment, and the encouragement of financial analysts in the media to enter the stock market .In addition to the existence of paper companies, meaning fictitious companies without any real sales or profits. As well as forcing new insurance companies to enter the Saudi stock market before granting them a practical operating license, which made them victims of daily manipulation according to the Pump and Dump method, as shown in figure(1).The absence of foreign investors, the entry of joint stock companies into speculation, the lack of institutional investors, and the increase in small retail investors have led to an increase in the crisis due to the weakness or lack of experience in dealing with the stock market .In addition to other reasons, including the fear of Saudi investors from foreign investment after the events of September 11, 2001, as investors prefer to investment in local markets, in addition to the rise in oil prices during the period from 2000-2005, which led to an increase in per capita income in Saudi Arabia (*El-Erian Mohamed,2024*).

Figure 1: Pump and Dump in the Saudi Stock Market Crisis 2006



Source: Hossam Ibrahim.(2020).Saudi Stock Market Crash of 2006, website: <https://www.argaam.com/streamer/comments/641672>

During and after the crisis, the Saudi Stock Exchange intervened through some corrective measures with the aim of restoring balance to the stock market, including creating new investment channels, amending the financial market laws, allowing non-Saudis to trade in the stock market directly, and reducing the nominal value of shares from (SR 50) to (SR 10), which means Stock Splits dividing shares to five shares for each share.

Accordingly, it becomes clear that rumors are one of the factors affecting stock market operations, and the effect of rumors is represented in moving the prices of securities and participating in the occurrence of financial crises (Taboun Nasr, 2009). This asserts the clear role which rumors play on the stock markets and the money markets particularly in the developing countries including Saudi Arabia. The rumors play an important role in the negative effect on the stock markets, the money markets and the foreign transactions in the markets through the increase of their desire to withdraw from the stock market. Regarding financial markets, digital technologies have brought many changes such as electronic trading, the online broker and interdependence among economies of countries. The electronic trading replaced the trading floor operators, making control and disclosure of transactions more transparent and agile (Schmidt, Daniel, 2020). The Home Broker system allows investors to emit orders to buy and sell directly from their Internet-connected computers. In addition, digital technologies permit capital flows are globally transported creating interdependence among different economies. The study of rumor in the stock market permits to see it differently than is emphasized by the stock exchange and the media. So, how often the rumor comes from the void of knowledge and information asymmetry among investors, we note that there is no perfect competition among financial agents. Some speculators use the electronic means to spread rumors and others use the mass media while others exist in the mediation offices to spread rumors among clients. Others launch rumors on the financial markets websites as a large number of them daily exist in the deliberation halls of those markets (Barbary Saleh, 2016).

The most important forms of rumors in the stock markets are as follows (Naif Arab Academy for Security Sciences, 2009).

Rumors spread in times of crises due to the stock markets lacks clear, true and transparent information.

Rumors are often related to information from their main sources such as institutions, companies, speculation markets.

The spreading of rumors in the stock markets is associated with the characteristics and nature of their promoters.

Rumors strongly appear due to the late declaration by institutions and financial companies of their annual profits to investors.

The economic and financial analyst plays an importance role in creating the rumors whether intentionally or unintentionally through the shares and stock markets movement. This may lead to creating a financial information later transfer into a rumor which quickly spreads.

Rumors spread in the stock markets due to the investment unawareness and ignorance of several investors of the stock markets laws, the profit and loss game, lack of information, etc.

The spread of rumors has led to many problems in many countries, including Saudi Arabia, which has prompted many countries to establish preventive, regulatory and legal legislation for the rules related to the circulation of information to confront this phenomenon.

As a result of the negative effects of rumors on the stock exchange, all countries have sought to confront these effects by obligating companies with listed securities to disclose all information, and the existence of an administrative body that monitors the performance of stock exchange dealers with the aim of controlling transactions, and imposing administrative and criminal penalties on those who publish incorrect information or rumors. This is in addition to the existence of a regulatory body for the trading of information related to securities listed on the stock exchange, or related to the companies issuing these securities, and this role is performed in Saudi Arabia by the Capital Market Authority (*Article 5 of Royal Decree No. M/30*). In addition to holding accountable for providing incorrect information related to and affecting the prices of securities on the stock exchange. The Saudi stock markets system has approved two types of liability: civil liability, which includes the obligation of a person to compensate for damages caused to others, and criminal liability, whether by imprisonment for a period not exceeding five years or a fine of not less than SR(10 thousand) and not more than SR (100 thousand) for each violation (*Article 57,59 of the Saudi Capital Market Law*).

## Findings and Recommendations

*In the light of what has been early mentioned, the following results can be concluded.*

The results of this paper showed that rumors spread at all times, whether in peace or war, economic recovery or recession. There are intentional rumors that aim to cause harm due to conflicting private interests, and unintentional rumors that do not aim to cause specific harm. In all cases, the spread of rumors depends on the cultural awareness of individuals.

The paper also indicated that the economic field is considered as the most affected field of rumors because it is related to people's daily standard of living, this is followed by rumors related to others issues. The Saudi stock market is considered one of the most affected economic sectors by rumors that affecting the investors' confidence in the financial markets, as a result of many investors' ignorance about the laws of the financial markets, the game of profit and loss, lack of information, and other things. The launching of such rumors negatively affects the stock market stability. Rumors aim to create artificial supply and demand of some companies' shares and thus increase the shares of some companies and decrease the shares prices of others without reasonable justifications of the prices falling and rising.

The paper also showed the most important factors that contributed to the spread of rumors, especially among Saudi youth, are unemployment, free time, inflation, lack of transparency, absence of information, and weak credibility of government statements on a particular issue. Globalization, economic openness, the revolution in modern information and communications technology, and social media networks sites, as well as various media outlets, have also contributed significantly to the rapid and increasing of rumors spreading. The low cultural, educational, social and environmental level of some segments of Saudi society also played an important role in increasing the spread of rumors. Finally, the types of rumors differed according to their objectives, whether political, military, economic, social, health, sports, artistic or religious.

In light of the previous results, this paper suggests some means through which the spread of rumors can be reduced in Saudi society, including (Hejab Monir,2007,*Al-Karnaf, Raed,2014*): Accuracy, transparency and credibility in displaying of facts, publishing the official data and information by the government in order to gain the people's confidence in the government. Giving chances to the public to inquire about facts they want to know and their answers by the official in a credible and transparent way. Efforts intensification to detect rumors promoters sources by all available means and the refute them , abolition of some websites and mass media that contribute to the spreading of rumors. Establish rumors detection centers in the Saudi Arabia, In addition, the rumor should be falsely proven in the mass media through facts, logics and knowledge. Creating more opportunities of jobs to curbing the unemployment which lead to the spreading of rumors due to the leisure times. Benefit from the multinational companies experiences in facing rumors directed against their products through racing the rumor source and the state from which the rumor was lunched. Benefit from the international experiences in solving rumors related problems in the stock markets through imposing deterrent sanctions on the rumors promoters in the stock market. Government control activation on the stock market transactions to ascertain the information truth and transparency. Increasing the knowledge and cultural levels of the individuals about the rumors risks in the various education stages. Respond quickly to the rumor by the government because failure to respond means proving and confirming the rumor. Modify legislations through issuing law in Saudi Arabia that punishes the spreading of rumors.

## Conclusion

This paper deals with the impact of the rumors phenomenon on the Saudi economy, with reference to the stock markets, by identify concept, characteristics and conditions necessary for rumors success, in addition to identify the reasons, motives, types, sources and means of rumors spread with displaying some examples and models of the most important rumors which have been recently launched and have negative economic effects on the Saudi economy, especially the stock market. It explained the role of the Anti-Rumor Authority in the Kingdom of Saudi Arabia in monitoring, recording and responding to rumors. The economic field is considered as the most affected field of rumors, this is followed by rumors related to political, social, management, health, environmental, sporting, art, religious issues and others. The paper also indicated that the reasons for the spread of rumors are the lack of trust and uncertainty in the news published in various media outlets, lack of awareness, herd mentality, individuals adopting behavior similar to that of people around them, lack of information, absence of transparency and dialogue between the citizen and the government, poor social and economic conditions, free time resulting from the phenomenon of unemployment, and the absence of the role of the authorities responsible for uncovering and confronting these rumors. The results of the paper also indicated that the environmental and social level plays an important role in the spread of rumors. As the cultural and educational level decreases, rumors increase, and vice versa. The paper also explained that globalization, the spread of information technology, modern means of communication, and various social networking sites such as (Facebook, Twitter, WhatsApp, etc.), as well as various media outlets, play a significant role in the spread of rumors. The paper pointed out the multiple types of rumors according to their objectives, whether political, military, economic, social, health, sports, artistic or religious. The paper also discussed some examples of rumors that are circulated on the economic, political, social, health and environmental levels. The paper pointed out the impact of rumors on the Saudi stock market, which the stock market is one of the most affected economic sectors by rumors that target affecting the investors' confidence in the financial markets. The launching of such rumors negatively affects the stock market stability. Rumors aim to create artificial supply and demand of some companies' shares and thus increase the shares of some companies and decrease the shares prices of others without reasonable justifications of the prices falling and rising. The paper also referred to the Saudi stock market crisis and the occurrence of the financial bubble on February 26, 2006, which led to the collapse of the stock market and the loss of about (64%) of its market value by the end of 2006. The paper recommended the necessity of adopting transparency and credibility in presenting facts immediately, and publishing official, non-confidential data and information by the government in order to gain people's trust in the government, as rumors appear in the absence of facts, also Activating government oversight and monitoring of stock market transactions to ensure the accuracy and transparency of information, imposing deterrent and penalties on rumors promoters in the stock market, Responding quickly to the rumor because failure to respond means proving and confirming the rumor. Issuing a (Freedom of Information) law to

combat rumors and imposing a penalty on the source of these rumors .It also recommends that the competent Saudi authorities adopt artificial intelligence software applications in rumors monitoring with the aim of early detection and identifying their sources to prevent their spreading and benefit from successful Chinese models in rumors confronting. This paper can contribute to opening the way for conducting more future studies to analyze the content of rumors prevalent in social media in Saudi Arabia and develop the necessary treatment for their various effects. In addition to conducting other studies such as the impact of rumors on national security during crises and disasters, and the use of artificial intelligence techniques to combat rumors.

## References

- Abdel Khalek Yusra.(2017).The role of social networking sites in spreading rumors, Faculty of Arts Journal, Assiut University.
- Ahmed Nofal. (2011).psychological war and Rumors , Al-Furqan for publication and distribution House, Jordan.
- Al-Eqtisadiyah Electronic Newspaper.(2014).Issue No.(7510), May 14, 2014 on the website: [www.aleqt.com/2014/05/04](http://www.aleqt.com/2014/05/04)
- Al-Fantoukh Abdul Qader.(2003). Rumors and its Economic Effects, First Edition, Naif Academy for Security Sciences, Riyadh, Saudi Arabia.
- Al-Hams, Shldan.(2013). psychological and social dimensions in the promotion of rumors and Means of combating, Journal of the Islamic University, Volume (8) No,2, June,96 -99.
- Al-Huwail Badr.(2017).The Impact of Rumors on Public Opinion, King Abdul-Aziz Center for National Dialogue, 8th ed., Riyadh, Saudi Arabia.
- Al-Jadran Yahya. (2022). Rumors and manipulation of stock prices in the Saudi financial market, Al Mal Newspaper, August 14, Riyadh, Saudi Arabia.
- Al-Karnaf, Raed (2014). A strategic vision to rumors combat in social media sites in Saudi Arabia (Twitter as a model), unpublished master's thesis, Naif Arab University for Security Sciences.
- Allport, G.W. and L.J. Postman. (1948).The Psychology of Rumor. New York,: H. Holt and Company.
- Al-Madani, O. (2017).The role of social networks in promoting rumors among Saudi university students-Twitter as a model. Umm Al-Qura Journal for Social Sciences, Saudi Arabia, 9(2).
- Al-Moaither Fahd.(2013). The phenomenon of rumor in Saudi society, unpublished master's thesis, King Fahd Security University, Riyadh, Saudi Arabia.
- Al-Nashry Talal.(2013). Rumor and its impact on society, Journal of Social Sciences, Umm Al-Qura University, Mecca, Saudi Arabia.
- Al-Riyadh Newspaper.(2006).Issue No.(13762), February 27, 2006, on the website: [www.alriyadh.com/133900](http://www.alriyadh.com/133900)
- Al-Shammary Ismail .(2017).Rumor in the Arab electronic press and its effects on society, unpublished doctoral thesis, Sudan University of Science and Technology.
- Al-Sharif Rania.(2014).The role of social networks in rumors spreading, societal risks and confront ways, College of Arts and Humanities Conference, King Khalid University, Saudi Arabia.
- Al-Sudairy Turkey.(2014). Employing social media networks in security awareness against the danger of rumors (survey study), unpublished master's thesis, Naif Security University.
- Al-Zahrani Walid.(2015).Criminal responsibility for rumors promoting that undermine security through social media, unpublished master's thesis, Naif Arab University for Security Sciences.
- Article (57 and 59) of the Saudi Capital Market Law.
- Article(5) of Royal Decree No. M/30 on the website: [www.cma.gov.sa/ar/aboutcma/cmal](http://www.cma.gov.sa/ar/aboutcma/cmal)
- Asiri andAlzeera.(2013).Is the Saudi Stock Market Efficient? A case of weak-form efficiency. Research Journal of Finance and Accounting, 4 (6), 35-48.
- Banerjee, A.V. (2010). The economics of rumors. Review of Economic Studies 127(3),44-48.
- Barbary Saleh.(2016). Illegal Practices in the Stock Exchange, Legal Support Center, Cairo, Egypt.
- Benjamin, D., Mahmoud,. (2010).Why Rumors Spread Fast in Social Networks, Saarland's university ,Germany.
- Bommel, J.V. (2008). Rumors. Journal of Finance 58(4).
- Burak kaynar. (2016).Rumor in social media: role of affect during social movements, School of social science of Istanbul Sehir University, unpublished master's thesis in cultural studies.
- El-Erian Mohamed.(2024). The collapse of the Saudi stock market in 2006: causes and secrets, Forex Trust. website: <https://forextrust.net/%D8%>
- Fábio Marques da Cruz.(2013). the influence of rumors on the price dynamics in the stock market, BJIS, Marília (SP), v.7
- Fang Liu, Andrew burton.(2014).Rumors on social media in disasters: Extending transmission to retransmission, 18th Pacific Asia Conference on Information Systems, PACIS , National Sun Yat-sen University, Kaohsiung, Taiwan. <http://www.pacis-net.org/file/2014/2209.pdf>
- Flavio C., and Silvio, L. (2011). Rumor spreading in social networks, Theoretical Computer Science, Volume 412, Issue 24, <https://doi.org/10.1016/j.tcs.2010.11.001>
- Ghazy Omar.(2017). Rumors in the Age of Social Media (Reality and Confront Ways), SMT Center for Studies, Saudi Arabia.
- Halil , Kiymaz.(2009). The effects of stock market rumors on stock prices: evidence from an emerging market, Journal of Multinational Financial Management.
- Hamoud Al-Bader.(2010).Means of combating rumors, the Naif Arab Academy for Security Sciences, Riyadh, Saudi Arabia.
- Hejab Monir.(2007).Rumors and methods of confrontation, Dar Al Fajr for Publishing and Distribution, Cairo, Egypt.

- Hindy Mounir .(2007). Securities and Capital Markets, Ma'rif Library, Alexandria, Egypt.
- Hossam Ibrahim.(2020).Saudi Stock Market Crash of 2006, website: <https://www.argaam.com/streamer/comments/641672>
- King Abdul Aziz Center for National Dialogue, Opinion Polling Unit (2014). The reality and impact of rumors on Saudi society, Al-Riyadh newspaper, Saudi Arabia.
- Lei, M. Yang, S. Tian, A. Zhang.(2016). Rumors in the stock market and stock price volatility: Evidence from a behavioral experiment, Econ. Res. J., 9
- Massimo Crescimbeni.(2012). The Science of Rumors, annals of geophysics,55,3.
- Naif Arab Academy for Security Sciences. (2009). rumors and psychological war, Riyadh, Saudi Arabia
- Olusola oyeninka oyewo.(2007). Rumor :An Alternative Means Of Communication In A Developing Nation: The Nigerian Example ,international journal of African &African American studies ,vol,vI,no1,jan .
- Peterson, W.A. and N.P. Gist. (2005). Rumor and public opinion. American Journal of Sociology 57(2).
- Saudi Capital Market Authority.(2004). Article (9) of the Market Conduct Regulations issued by the Capital Market Authority Board Resolution No. 1/11/2004 based on Royal Decree No. M/30 of the Capital Market Law. Saudi Capital Market Authority website: [www.cma.gov.sa](http://www.cma.gov.sa)
- Schmidt, Daniel.(2020). Stock market rumors and credibility, The Review of Financial Studies, Volume 33, Issue 8, <https://doi.org/10.1093/rfs/hhz120>
- Tahoun Nasr .(2009). Securities Portfolio Management Company in Egypt, PhD Thesis, Faculty of Law, Cairo University, Egypt.
- Taylor Buckner, H.(1965). A theory of rumor transmission. Public Opinion Quarterly 29(1). <https://doi.org/10.1086/267297>
- The Anti-Rumors Authority in Saudi Arabia, on the website: <http://norumors.net>
- Wenting Zhang, Chenxi Wang .(2024). Rumors and price efficiency in stock market: An empirical study of rumor verification on investor Interactive platforms, China Journal of Accounting Research, Volume 17, Issue 2.
- Zain Mohammed, Talhaty Hala.(2013). The role of rumors in influencing the public during crises (an applied study), Annual International Scientific Conference, Faculty of Mass Communication, Al-Azhar University, Cairo.