

**STOCK MARKET INTERMEDIARIES AND ECONOMIC DEVELOPMENT IN
RWANDA
A CASE STUDY OF SELECTED STOCK MARKET INTERMEDIARIES IN RWANDA**

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ABSTRACT

The study is aimed of analyzing the role of stock market intermediaries in promotion of economic development of Rwanda. The objectives of research are to analyze the role of stock market intermediaries in mobilization of savings for investment, evaluate the nature of the stock markets relations between intermediaries, capital market authority and Rwanda stock exchange, to assess the extent to which stock market intermediaries enhance promotion of economic development. The study explores the relationship between the stock market intermediaries and economic development in Rwanda for the period of 2008 to 2011. The data were collected from a sample of 44 qualified and experienced employees of the brokerage firms operating in Rwanda. To obtain accurate and reliable information for this study, primary (questionnaire) and secondary data were used. After collecting data, answered questionnaires were organized, edited and sorted for analysis stage. The data were presented in the form of frequencies and percentages of responses from the answered questionnaires. The results revealed that economic development through stock markets can be attained by increasing the size of the stock markets of a country as well as the liquidity in an emerging market. The main conclusion of the study is that, to the extent that the country does have a choice, it should attempt rather to foster bank based financial systems than to establish and encourage stock markets.