

ABSTRACT

This study extends evidence on the efficiency of stock markets in developing countries using data from the Nairobi Stock Exchange (NSE), and also addresses some methodological issues which have contributed to the sparseness of similar studies. Evidence is provided that small markets such as the NSE may provide empirical results consistent with weak-form efficiency. This evidence holds for the NSE irrespective of whether bid-, ask-, or market-price series are used in conducting the study.