

Review of: "Conundrums of the Liquidity Determinants of Commercial Banks in Ethiopia"

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Potential competing interests: No potential competing interests to declare.

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Overall rating

Thank you for the opportunity given to me to review the article titled "Conundrums of the Liquidity Determinants of Commercial Banks in Ethiopia." The authors utilized General Methods of Moment (GMM) dynamic panel to analyze data from 15 commercial banks in Ethiopia from 2011 to 2021. The results reveal that bank profit, interest rate margin, concentration ratio, and inflation have significantly adverse effects on bank liquidity, while capital adequacy has no significant effect on the bank's liquidity, and the growth of the gross domestic product and exchange rate significantly enhance the bank's liquidity.

The study is organized. Contribution to existing knowledge was stated clearly. However, there is a need to improve the study with citations from recently published articles before it can be considered for publication. This is because there are many current studies that can be cited to improve this study.

The following is a section-by-section comment that is aimed at improving the study

Introduction

Authors should elaborate on the problem studied and link it to the objectives of the study. The novelty of the study should be highlighted properly.

Literature review

The authors should review more literature on the theories and link it to the current study. There are current prior studies in the area of study, hence efforts should be made to cite more current studies. How the study filled the noted gap was not clearly stated. Study hypotheses are not clearly stated.

Methods

Please explain why the study combined GMM estimation and ordinary least squares (OLS) and how the combination adds value to the study. There should be a statement explaining why the study employed data from 15 commercial banks in Ethiopia between 2011 and 2021.

Study Results

The discussion of results should link the findings with apriori expectations and their implications for the study. Hansen test results for the GMM should be included in the displayed results because it is important.

Conclusion of the findings

The conclusion of findings and recommendations is well cast. However, there should be a brief summary of the key findings and their implications for liquidity management in banks in Ethiopia.

Good luck with the manuscript!