

Abstract

The aim of this study is to examine whether any significant association between volatility of trading volume and the closing stock price of the stocks in Technology Sector of KLSE Main Board. There are four counters (approximate 36.7% of the test result) indicate significance association between price and volatility of trading volume while remaining seven counters (approximate 63.3% of the test result) do not exist significance association between closing stock price and volatility of trading volume. Moreover, the correlation coefficient also showed that there is a weak association between the two variables.

This study reveals that the Malaysian stock market of Technology Sector is weak form efficient, which is consistent with the results of prior researchers (Annuar, Ariff and Shamser, 1991). Thus, it is not economically viable to design profitable trading strategies to beat the market since past information including price and volume data is already fully reflected in the present price.