

Abstract

The KLSE returns form a U-shape with a peak in the first 15-minute interval of trading and another peak at the last 15-minute closing interval. However, the return is unstable and does not follow a normal distribution. The day-of-the-week effects for return and volume are only found in subperiods 3 and 1, respectively, while time-of-the-day effects for both return and volume are noted for all the subperiods. There is higher day-end volume which is a few times higher than that of other intraday sessions. Even though there are some changes in the speed of the price adjustment, it is not statistically proved. Positive relationship between absolute return and volume is detected from the contemporaneous analysis. The slope for the positive returns appears to be greater than when the returns are nonpositive. The Granger causality between return and volume observed in the KLSE seems to imply that volume contains useful information in predicting returns and vice versa.