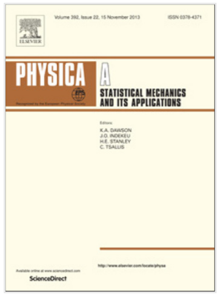

Revisiting the returns-volume relationship: Time variation, alternative measures and the financial crisis

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Robust causality analysis is employed to revisit the linkages between returns and trading volumes for financial assets. The relationship was introduced by Osborne (1959, Operations Research) and has become a major topic in empirical finance. Rolling regressions are employed to examine temporal variation in this relationship, particularly in relation to the financial crisis, in an examination of the FTSE100. Importantly, the analysis extends the literature by considering the use of alternative daily values of the FTSE100 in the calculation of returns series. A hitherto unrecognised complexity in the returns-volume relationship is detected.