

AN INVESTIGATION INTO THE PRICE-VOLUME RELATIONSHIP IN THE IVOIRIAN STOCK MARKETS

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ABSTRACT

This paper examines the stock price-volume relationship in the Ivoirian stock markets. Using a vector auto-regression analysis on monthly data, contrary to evidence reported by Saatcioglu and Starks (1999), we find strong evidence on stock price changes leading trading volume. This finding confirms the evidence reported by studies on many developed markets and the one reported by Assogbavi et al. (2006) on emerging markets. However, the lack of strong evidence on the well-documented positive absolute price-volume relation may well imply that differences in institutions and information flows in the Ivoirian stock markets are important enough to affect the valuation process of their equity securities.