

Abstract

I investigate the relationship between expected stock returns and trading volume. I collect together 522 estimates from 46 studies and conduct the first meta-analysis in this field. Use of Bayesian model averaging and Frequentist model averaging help me to discover the most influential factors that affect the return-volume relationship, since I control for more than 50 differences among primary articles such as midyear and type of data, length of the primary dataset, size of market, or model employed. In the end, I find out that the relation between expected stock returns and trading volume is rather negligible. On the other hand, the contemporaneous relation between returns and volume is positive. These two findings cut the mixed results from previously written studies. Moreover, the investigated relationship is influenced by the size of country of interest and the level of its development. Besides the primary studies that employ higher data frequency provide substantially larger estimates than the studies with data from longer time periods. On the contrary, there is no difference among different estimation methodologies used. Finally, I employ classical and modern techniques such as stem-based methodology for publication bias detection, and I find evidence for it in this field.