



The information content of trading volume

Outline

- Information sources
- Fraction of informed traders
- Information precision
- Combined effect
- Summary

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Uncertainties when trading

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Increasing fraction of informed traders

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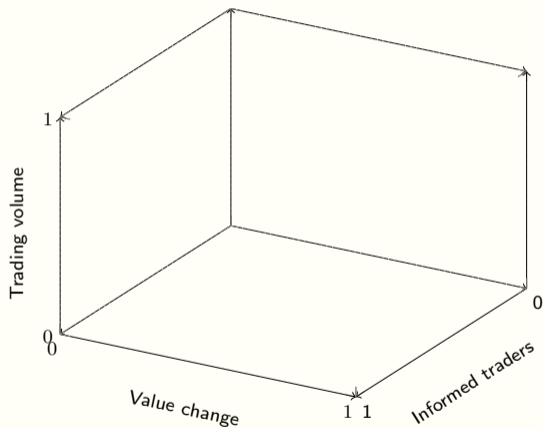
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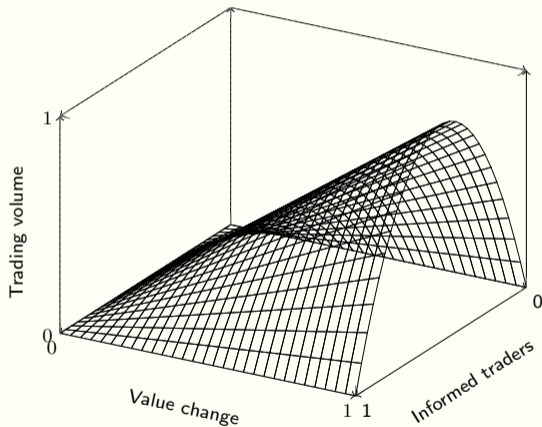
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Fraction of informed investors and trading volume

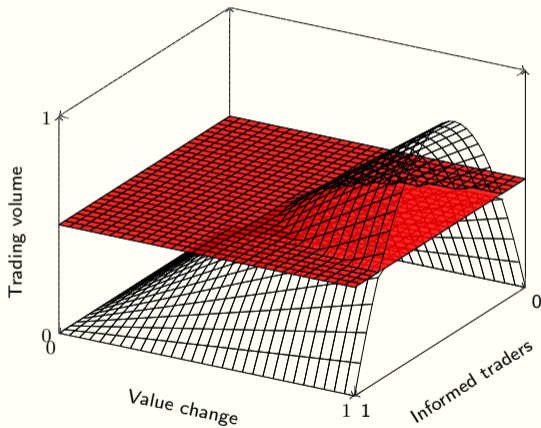
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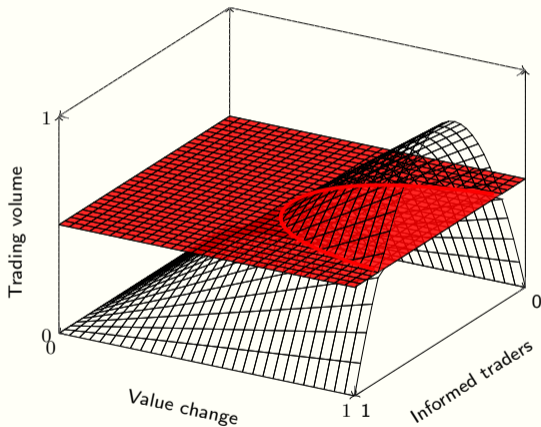
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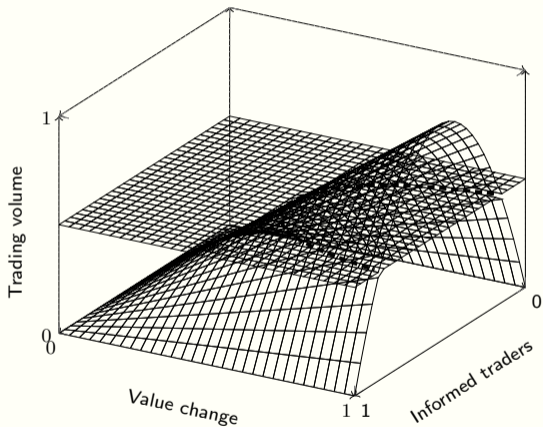
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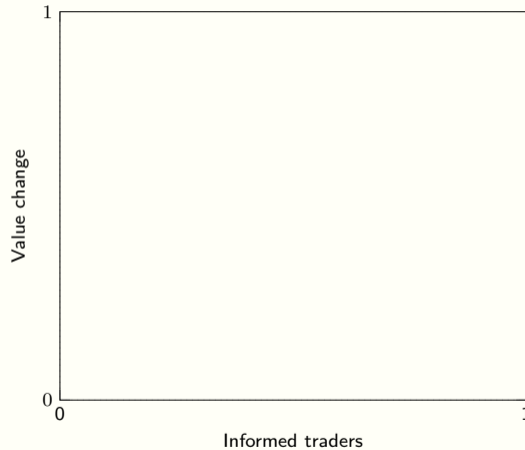


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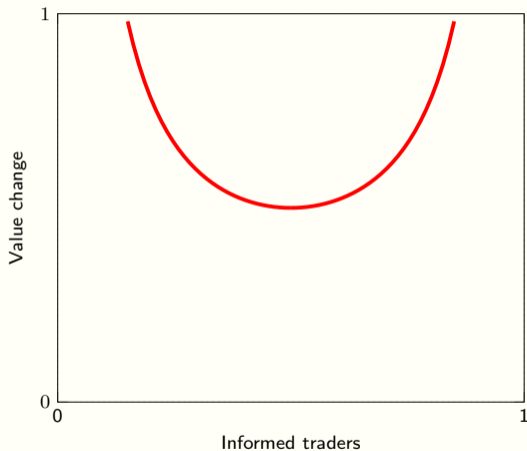


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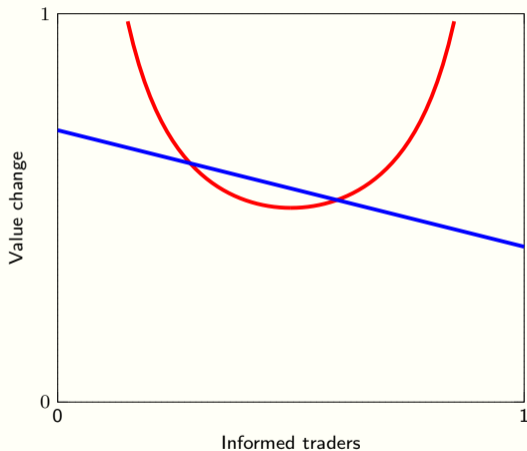
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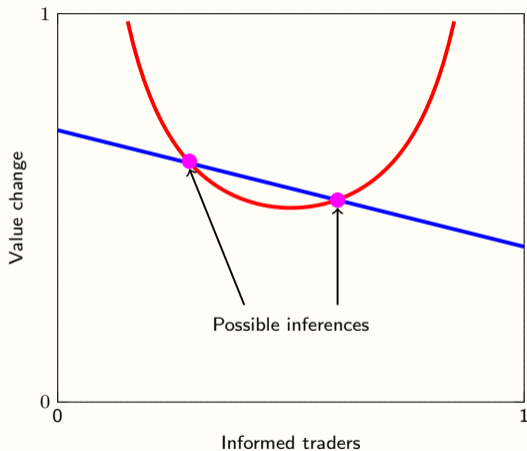
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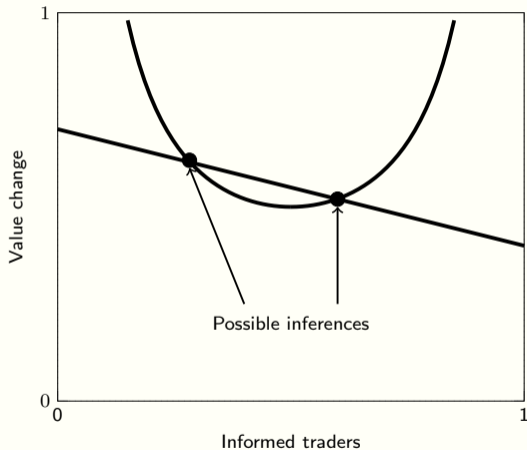
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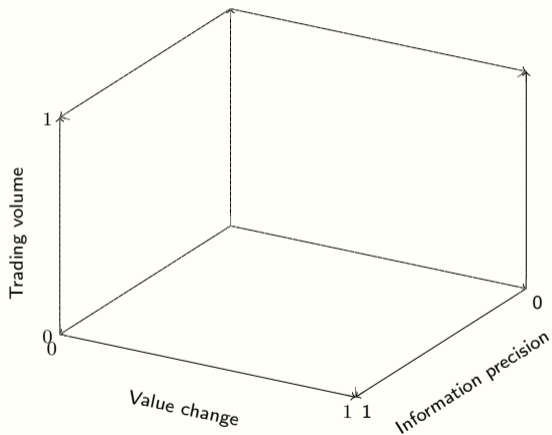
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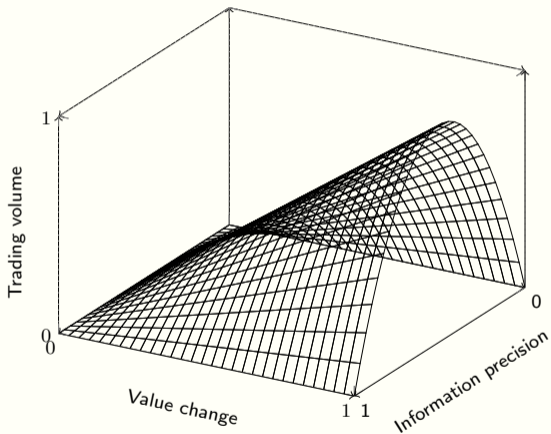
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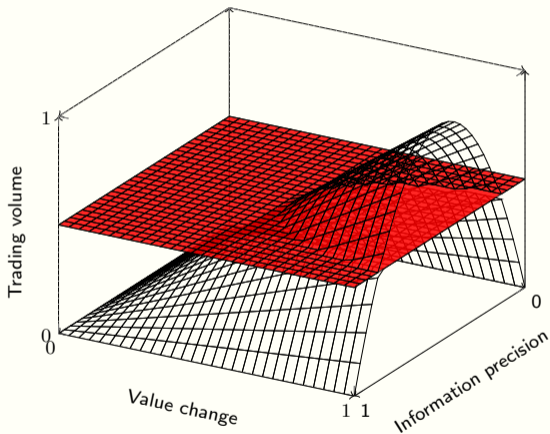
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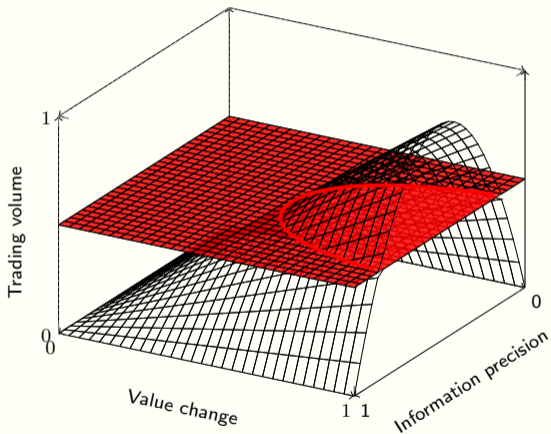
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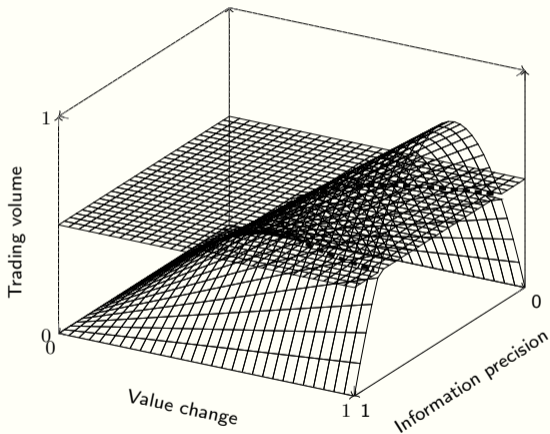
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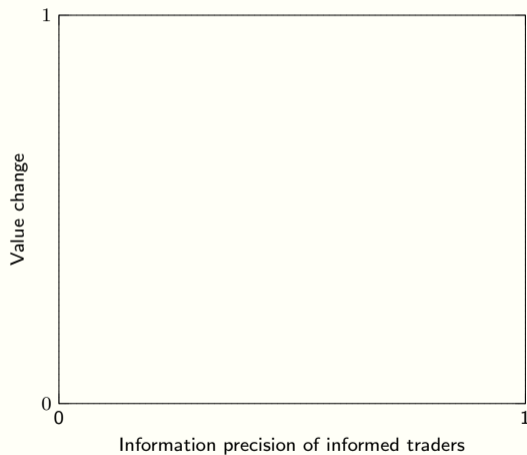


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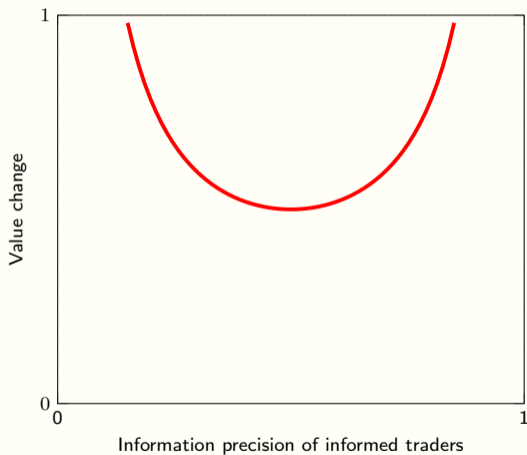


Inferring the information precision of informed traders

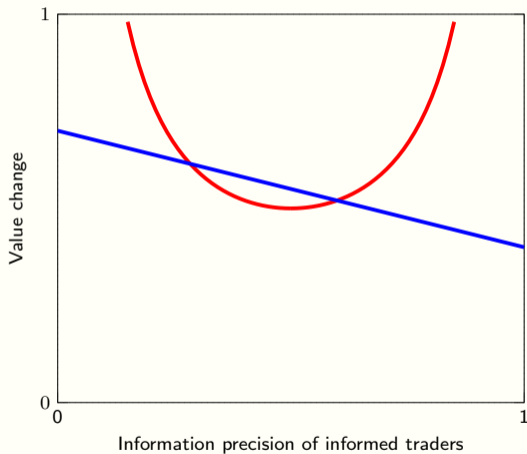
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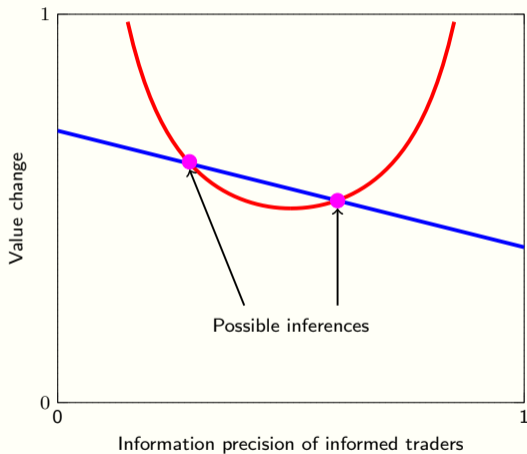
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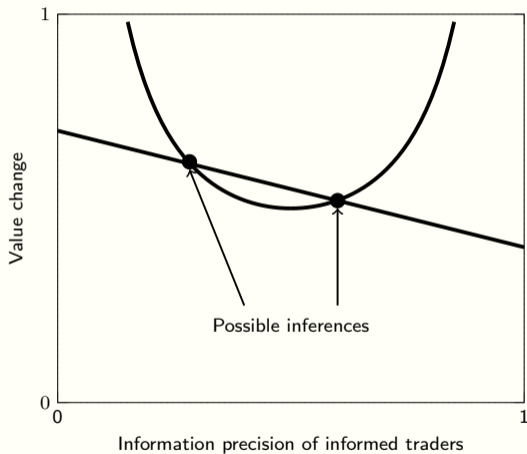
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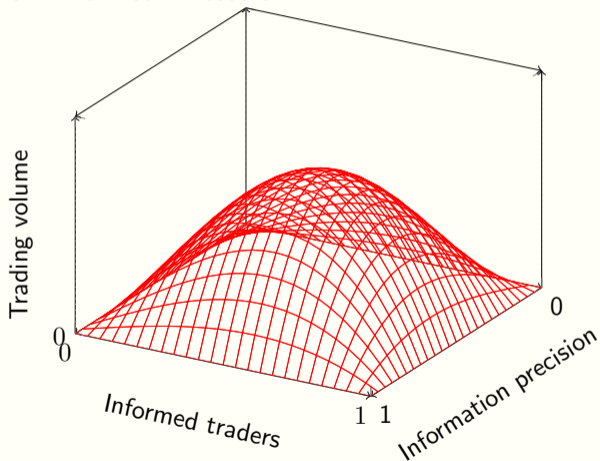
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Information precision and number of informed investors

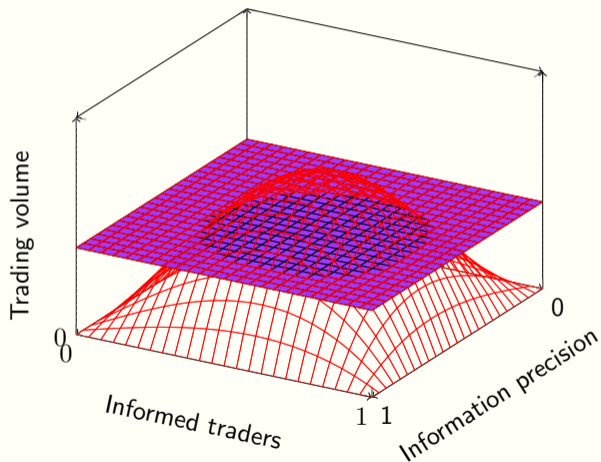
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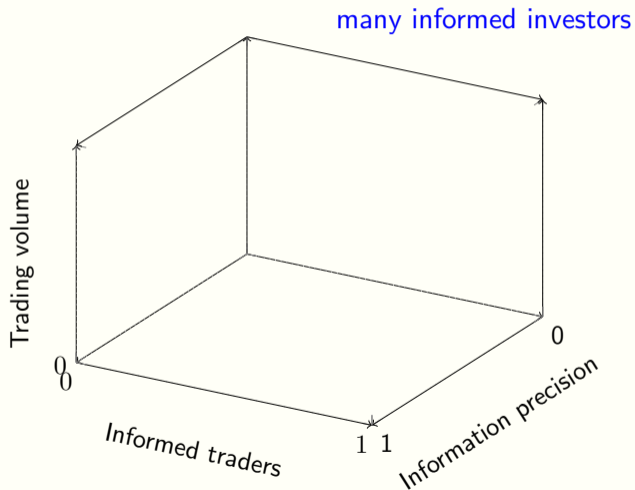
Few informed investors



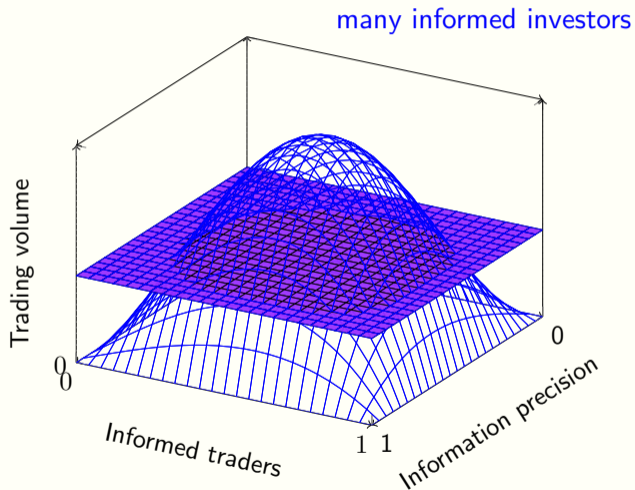
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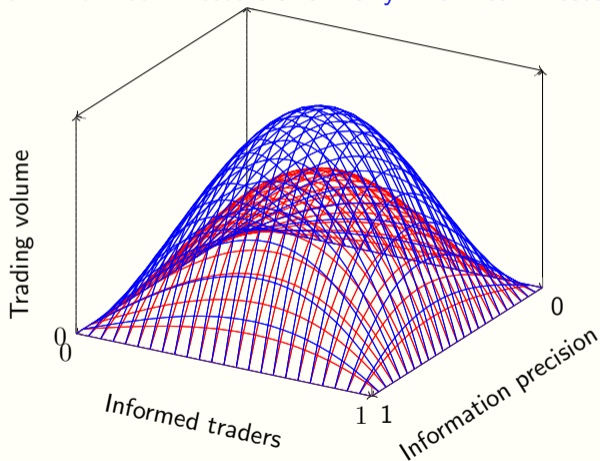


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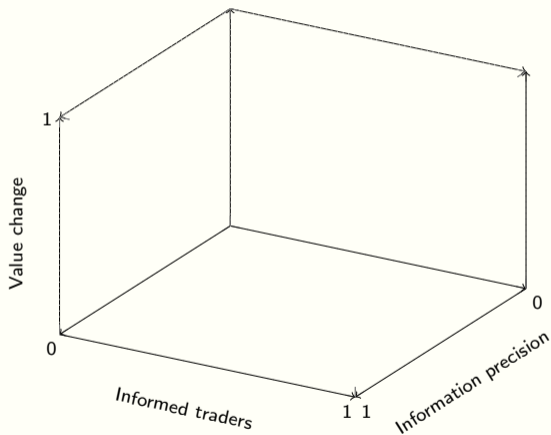
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Few informed investors and many informed investors

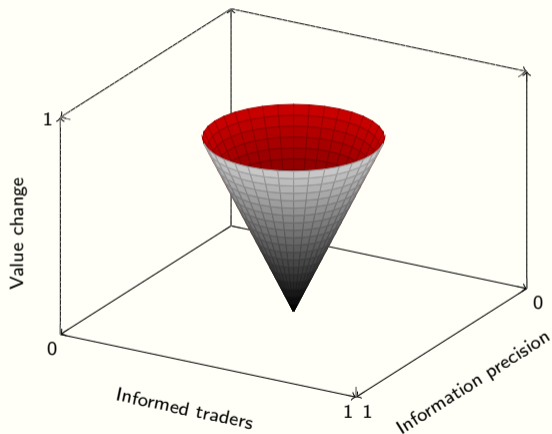


Combining trading volume and price information

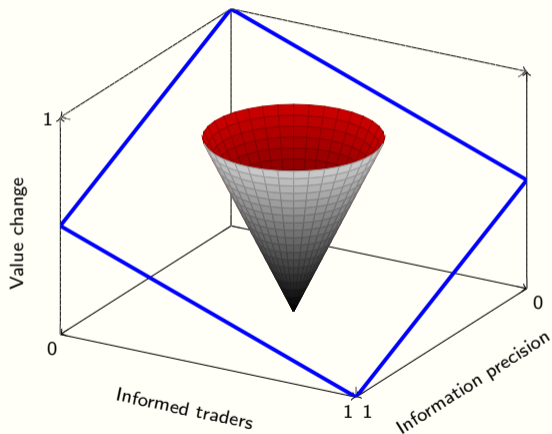
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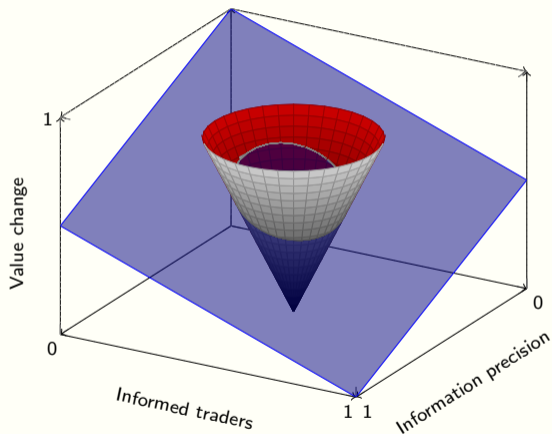
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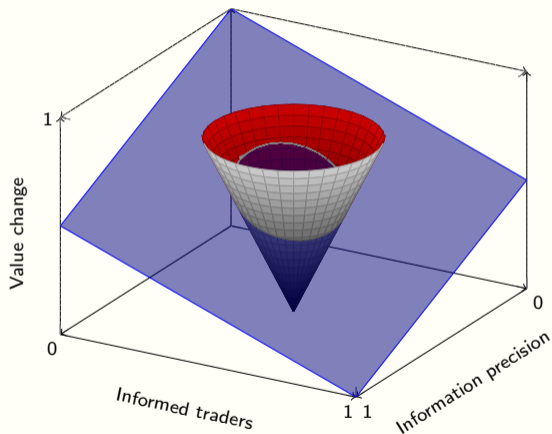
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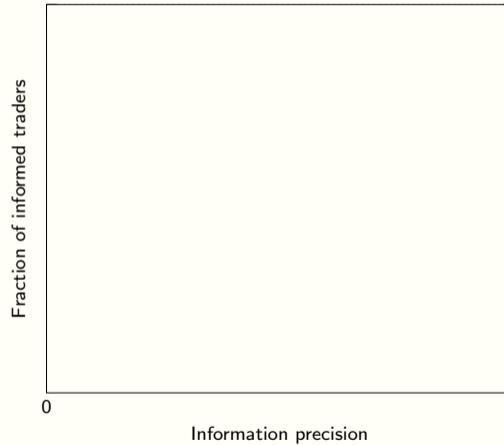


Combining trading volume and price information

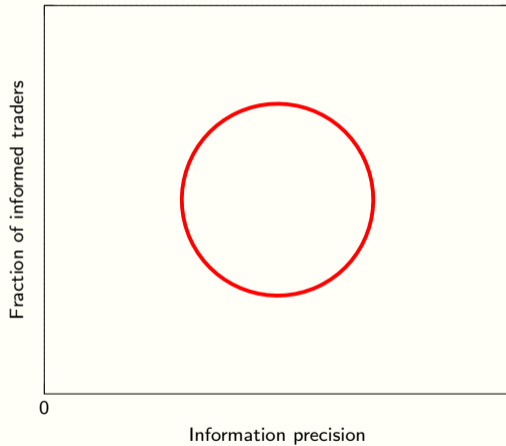


Inferring the information precision and number of informed traders

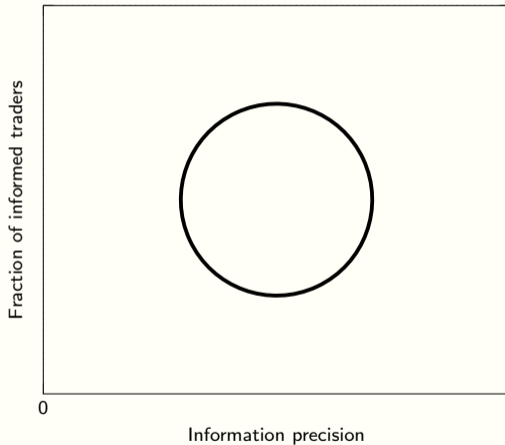
Inferring the information precision and number of informed traders



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- Information sources
- Fraction of informed traders
- Information precision
- Combined effect
- Summary**

Uncertainties and observations

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- ▶ We have four sources of **uncertainty**

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