

379 | 7 | 1  
Views | CrossRef citations to date | Altmetric

Original Articles

# Dynamic relations between order imbalance, volatility and return of top gainers

Yong-Chern Su, Han-Ching Huang & Shiue-Fang Lin

Pages 1509-1519 | Published online: 09 Mar 2011

Cite this article <https://doi.org/10.1080/00036846.2010.543080>

Sample our  
Economics, Finance,  
Business & Industry Journals

>> **Sign in here** to start your access  
to the latest two volumes for 14 days

Full Article | Figures & data | References | Citations | Metrics

Reprints & Permissions | Read this article | Share

## We Care About Your Privacy

We and our 874 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting "I Accept" enables tracking technologies to support the purposes shown under "we and our partners process data to provide," whereas selecting "Reject All" or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the ["privacy preferences"] link on the bottom of the webpage [or the floating icon on the bottom-left of the webpage, if applicable]. Your choices will have effect within our Website. For more details, refer to our Privacy Policy. [Here](#)

We and our partners process data to provide:

- I Accept
- Reject All
- Show Purpose



Abstract  
Investor  
suggest  
return. In  
and stock  
strate  
Auto  
dynamic  
between  
propose  
imbalance  
imbalance  
negative  
maker explain this phenomenon. Finally, we develop a profitable order imbalance based

trading strategy. To explore the profitability of our trading strategy, we examine the causal relationship between return and order imbalance. We find that order imbalance is a good indicator for price discovery. Moreover, order imbalance is a better indicator for predicting returns in large firm size quartile.

## Notes

<sup>1</sup> Small firm effect means that those companies with a smaller market capitalization outperform larger companies. This market anomaly is a factor used to explain superior returns in the three factor model by Fama and French ([1992](#)). The three factors are the market return, companies with high book-to-market values and small stock capitalization.

<sup>2</sup> VIX, VXN represent the implied volatility of options on S&P100, NASDAQ100, respectively. According to Arak and Mijid ([2006](#)), the value of VXN is always larger than that of VIX from 1995 to 2002.

<sup>3</sup> Lee et al. ([2001](#)) use 6-minute intervals with each interval containing nearly 12 trades on average. In this paper, we use 1.5-minute intervals for the analysis of order imbalance. To catch the order imbalance, we use 1.5-minute intervals to catch the order imbalance. To catch the order imbalance, we use 1.5-minute intervals to catch the order imbalance.

Re



Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Keep up to date

Register to receive personalised research and resources by email

 Sign me up

- 
- 
- 
- 
- 

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Copyright

Accessib

Registered  
5 Howick Pl

or & Francis Group  
orma business



✕