



Emerging Markets Finance and Trade >

Volume 43, 2007 - [Issue 1](#)

85	14	0
Views	CrossRef citations to date	Altmetric

Original Article

Price-Formation Process of an Emerging Futures Market: Call Auction Versus Continuous Auction

Mei-Hsing Cheng & Hsin-Hong Kang

Pages 74-97 | Published online: 07 Dec 2014

🗨️ Cite this article 🔗 <https://doi.org/10.2753/REE1540-496X430104>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

📖 References

🗨️ Citations

📊 Metrics

🖨️ Reprints & Permissions

Read this article

🔗 Share

Abstract

This study assesses the market qualities of alternative price-formation processes for an emerging futures market—the Taiwan futures market. In 2002, the price formation process in the market changed during the period of trade between call auction and continuous auction. The performances of call auction and continuous auction are compared using intraday data. Empirical results show that the market is more liquid, and volatility is slightly lower, under continuous auction than under call auction. Also, there is robust evidence that continuous auction improves informative efficiency. The study suggests that for an emerging futures market like that of Taiwan, continuous auction offers a better trading environment for futures trading. In addition to demonstrating the virtue of continuous auction, this study also finds that the

asymmetry in volatility is related to the price formation process. The asymmetry effect exists under continuous auction, but not under call auction.

Keywords:

- asymmetry
- call auction
- continuous auction
- emerging market
- futures market
- price-formation process

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 Taylor and Francis Group

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG