

(1) Name, Position, Contact Details for each applicant

Antonio Gargano, antonio.gargano@unimelb.edu.au

Steven Riddiough, steven.riddiough@unimelb.edu.au

Lucio Sarno, lucio.sarno@city.ac.uk

(2) Project Title

The Value of Volume in Foreign Exchange

(the new title is *Volume and Excess Return in Foreign Exchange*)

(3) Updated Project Summary (500 words) including any variations between the project undertaken and the original application

There has been no variation with respect the original application.


We investigate the information content of foreign exchange (FX) volume using a novel dataset that offers broad coverage of FX volume across spot, forward and swap market instruments. We find that FX volume embeds predictive information for future currency excess returns, which experience stronger reversals when volume decreases. This is consistent with theories of volume which predict that more informed trading is associated with higher volume and weaker reversals in returns. These results have important implications both for dealers seeking to understand the returns to liquidity provision in FX markets, and for global investors pursuing novel sources of return predictability.

(4) Funds Granted

\$5,000

(5) Detailed Report on Expenditure of Funds against Budget Items, with variations explained

There has been no variation with respect to the initial plan. Funds were used to purchase data:



OFT
OLSEN FINANCIAL TECHNOLOGIES

Olsen Data Request Form
(version 20070623)
Please fax to +41 44 342 3561

Olsen Financial Technologies, Ottenbergstrasse 81, 8049 Zürich, Switzerland
This form may be accessed from: <http://www.olsendata.com/oftdpw/pdfs/159536.pdf>
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Blank form available from <http://www.olsendata.com/data/>

CONTACT INFORMATION

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Tel/Fax : 0383440044

Signature of Principal Contact :

DELIVERY METHOD Download (we will supply URL)

PAYMENT INFORMATION

[X] Visa [] Master/Euro (DO NOT EMAIL CARD NUMBER)

Card Holder Name: Steven Riddiough

Card Number: 4072 2090 2608 6134

Expiry : 07/19

Total Amount : EUR 4605.75

Date : _____

Signature of Card Holder :

(6) Outcomes, for example, working papers, presentations and publications (give full details, including abstracts)

The working paper is available on SSRN

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3019870

The paper has been presented at the following conferences

1. 2018 European Finance Association Meeting
2. 2018 Chinese International Conference in Finance
3. 2018 Annual Conference in International Finance at BI Norwegian Business School

4. 1st World Symposium on Investment Research
5. 2018 FMA Asia/Pacific Annual Meeting
6. 2nd Quandl Alternative Data Conference in New York
7. 2018 FMA Annual Meeting
8. 2017 London Empirical Asset Pricing Workshop at Bank of England
9. 7th Workshop on Financial Determinants of Foreign Exchange Rates at Norges Bank
10. 2017 Wellington Finance Summit
11. 12th Annual Hedge Fund Conference at Imperial College London

The paper has been presented during seminars at

1. Bank for International Settlements
2. Birkbeck College University of London
3. Cambridge Judge Business School
4. Erasmus School of Economics
5. Hong Kong University of Science and Technology
6. Southern University of Science and Technology in Shenzhen
7. University of Essex
8. Warwick Business School

(7) Future Intentions for this Project (give full details)

a. Conference submissions

We have submitted the paper to the WFA, FIRS and other conferences

b. Journal submissions

We have submitted the paper to the *Journal of Finance*

c. Grant applications

None

d. Projects

None

(8) Summary of Outcomes and Benefits

The grant has been crucial because without the Olsen data we would have not been able to proceed.