
**THE IMPACT OF
EXTENDED KLSE TRADING HOURS
ON MARKET VOLATILITY**

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ABSTRACT

In this paper the impact of the increased Kuala Lumpur Stock Exchange trading hours on market index and trading volume is examined. Trading hours were increased on 22 July 1992 from 10.00am - 4.00pm to 9.30am - 5.00pm. Volume traded and market index increased on the day the trading hours were extended. This is consistent with extended trading hours, increased the transmission of information into market prices. The relationship between volume and market index is also examined. The results show that there exist positive relationship between volume and market index.