

## ABSTRACT

Motivated by the mixture of distribution hypothesis (MDH) and sequential arrival of information hypothesis (SAIH), we investigate the relationship between intraday returns and volumes using derivatives data from the emerging Indian market. Using robust statistical estimation, we document the evidence of both MDH and SAIH in one of the most traded financial markets in India (and the world). We document the presence of strong positive association between returns and volumes. We further report the evidence of strong causality from intraday returns to volumes than vice versa.