

Bond University
Research Repository



Individual investors and broker types

Fong, Kingsley Y.L.; Gallagher, David R.; Lee, Adrian D.

Published in:
Journal of Financial and Quantitative Analysis

DOI:
[10.1017/S0022109014000349](https://doi.org/10.1017/S0022109014000349)

Licence:
Other

[Link to output in Bond University research repository.](#)

Recommended citation(APA):
Fong, K. Y. L., Gallagher, D. R., & Lee, A. D. (2014). Individual investors and broker types. *Journal of Financial and Quantitative Analysis*, 49(2), 431-451. <https://doi.org/10.1017/S0022109014000349>

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

For more information, or if you believe that this document breaches copyright, please contact the Bond University research repository coordinator.



Individual Investors and Broker Types

Journal of Financial and Quantitative Analysis, Volume 49, Issue 2

DOI: 10.1017/S0022109014000349

Published online: 09 June 2014, pp. 431-451

Print publication: April 2014

[Read this article for free](#)

Abstract

We study the informativeness of trades via discount and full-service retail brokers. We find that trades via full-service retail brokers are statistically and economically more informative than are trades via discount retail brokers. This finding holds in every year over the 12-year sample period and in various subsamples. We also find that past returns, volatility, and news announcements positively relate to the net volume of discount retail brokers, but these variables are unrelated to the net volume of full-service retail brokers. Our results suggest that broker type selection bias is an important consideration in studying individual investors' trades.

How does Cambridge Core Share work?

Cambridge Core Share allows authors, readers and institutional subscribers to generate a URL for an online version of a journal article. Anyone who clicks on this link will be able to view a read-only, up-to-date copy of the published journal article.