Recent research on default risk has shown that most of the variation in credit spreads is driven by a common yet unidentifiable factor. I find that bond turnover explains up to 11% of this variation. Using the implications of an intertemporal capital asset pricing model, I construct a bond hedging portfolio from TRACE transactions data and relate its return to changes in credit spreads. In theory, this portfolio captures the dynamic risk of the economy and, hence, hedges the risk of changes in market conditions. My findings are as follows. First, credit spreads relate asymmetrically to the return on the bond hedging portfolio. When market conditions are risky, the return on the bond hedging portfolio is positive and credit spreads increase significantly. During unchanged or less risky market conditions, the return on the bond hedging portfolio is small or negative, and credit spreads are less sensitive. Second, on average, credit spreads do not relate to a similar hedging portfolio constructed from equity volume data. The return on the stock hedging portfolio, however, captures some variation in credit spreads for riskier bond classes. Third, in contrast to the results for equity markets, where stock returns and volume are weakly related, this paper finds a strong link between volume and credit spreads in corporate bond markets.