JOURNAL ARTICLE

Do Competing Specialists and Preferencing Dealers Affect Market Quality?

Get access

, ,

The Review of Financial Studies, Volume 10, Issue 4, October 1997, Pages 969–993, https://doi.org/10.1093/rfs/10.4.969

Published: 04 June 2015

Abstract

We empirically demonstrate that the opportunities the Boston Stock Exchange and the Cincinnati Stock Exchange offer members to take the other side of their customers' orders through affiliated market makers (to internalize orders) have little short-run effect on posted or effective bid-ask spreads. This is true despite substantial movement of order flow away from the New York Stock Exchange when trading under one of these regional stock exchange programs begins. These results contrast with the adverse effects of market fragmentation and internalization predicted by some theoretical market microstructure analyses and the popular financial press.

Oxford University Press

Issue Section: Article

- Activate your purchase/trial code
- Add your ORCID iD

Sign in

Register

Sign in with username/password

Recommend to your librarian

Institutional account management

Sign in as administrator

Purchase

Subscription prices and ordering for this journal

Purchasing options for books and journals across Oxford Academic

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? Register

Do Competing Specialists and Preferencing Dealers Affect Market Quality? - 24 Hours access

EUR €51.00 GBP £44.00 USD $55.00

Rental

Read this now at deepdyve

This article is also available for rental through DeepDyve.