

Quote Disclosure and Price Discovery in Multiple-Dealer Financial Markets

[Get access >](#)

, , ,

The Review of Financial Studies, Volume 12, Issue 1, January 1999, Pages 37–59,
<https://doi.org/10.1093/rfs/12.1.37>

Published: 01 June 2015

Abstract

We examine the effects of price disclosure on market performance in a continuous experimental multiple-dealer market in which seven professional market makers trade a single security. The dealers trade with one another and with computerized informed and liquidity traders. Our key comparison is between fully public price queues (pretrade transparent market) and bilateral quoting (pretrade opaque). We find that opening spreads are wider and trading volume is lower in the opaque markets due to higher search costs there. More importantly, however, higher search costs also induce more aggressive pricing strategies, so that price discovery is much faster in the opaque markets.

© 1999 The Review of Financial Studies

Issue Section: [Article](#)

You do not currently have access to this article.

Sign in

 [Get help with access](#)

Personal account

- Sign in with email/username &

Institutional access

Oxford University Press uses cookies to enhance your experience on our website. By selecting 'accept' you are agreeing to our use of cookies. You can change your cookie settings at any time. More information can be found in our [Cookie Policy](#).

- [Activate your purchase/trial code](#)

[Recommend to your librarian](#)

[Sign in](#) >

[Register](#)

**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](#)

Quote Disclosure and Price Discovery in Multiple-Dealer Financial Markets - 24 Hours access

EUR €51.00

GBP £44.00

USD \$55.00

Rental



This article is also available for rental through DeepDyve.