

The Price of Future Liquidity: Time-Varying Liquidity in the U.S. Treasury Market

[Get access >](#)

David Goldreich , Bernd Hanke , Purnendu Nath

Review of Finance, Volume 9, Issue 1, 2005, Pages 1–32,

<https://doi.org/10.1007/s10679-005-2986-x>

Published: 01 January 2005

Abstract

This paper examines the price differences between very liquid on-the-run U.S. Treasury securities and less liquid off-the-run securities over the on/off cycle. Comparing pairs of securities in time-series regressions allows us to disregard any fixed cross-sectional differences between securities. Also, since the liquidity of Treasury notes varies predictably over time, we can distinguish between current and future liquidity. We compare a variety of (microstructure-based) direct measures of liquidity to compare their effects on prices. We show that the liquidity premium depends primarily on the amount of remaining future liquidity.

This content is only available as a PDF.

© Springer

Subject: [The Eurozone](#), [Market Microstructure](#)

Issue Section: [Articles](#)

You do not currently have access to this article.

Sign in

 [Get help with access](#)

Personal account

- Sign in with email/username & password
- Get email alerts

Institutional access



Sign in through your
institution

- [Save searches](#)
- [Purchase content](#)
- [Activate your purchase/trial code](#)
- [Add your ORCID iD](#)

[Sign in >](#)

[Register](#)

[Sign in through your institution](#)

[Sign in with a library card](#)

[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](#)

Rental



This article is also available for rental through DeepDyve.