

The role of floor brokers in the supply of liquidity: An empirical analysis

Henk Berkman, Laura Hayes

First published: 16 February 2000

[https://doi.org/10.1002/\(SICI\)1096-9934\(200003\)20:3<205::AID-FUT1>3.0.CO;2-J](https://doi.org/10.1002/(SICI)1096-9934(200003)20:3<205::AID-FUT1>3.0.CO;2-J)



Abstract

This article analyses the role of floor brokers in the supply of liquidity on the Australian Stock Exchange Derivatives market. Floor brokers have valuable order execution skills because of their information advantage over off-floor traders and their ability to mitigate some problems related to the option-like characteristics of limit orders. Our results indicate that floor broker participation in the execution of limit orders tends to be high when the above qualities are most valuable. © 2000 John Wiley & Sons, Inc. *Jrl Fut Mark* 20:205–218, 2000

BIBLIOGRAPHY

Berkman, H. (1996). Large option trades, market makers, and limit orders. *Review of Financial Studies*, 9, 977–1002.

[Web of Science®](#) | [Google Scholar](#)

Benveniste, L. M., Marcus, A. J., & Wilhelm, W. J. (1992). What's special about the specialist? *Journal of Financial Economics*, 32, 61–86.

[Web of Science®](#) | [Google Scholar](#)

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

Manage Preferences

Accept All

Reject Non-Essential

Handa, P., Schwartz, R., & Tiwari, A. (1998). The economic value of the Amex trading floor. Working article, University of Iowa.

[Google Scholar](#) 

Harris, L. Liquidity, trading rules, and electronic trading systems. New York University Salomon Center Monograph Series in Finance in Economics, Monograph 1990-1994.

[Google Scholar](#) 

Harris, L. (1996). Does a large minimum price variation encourage order exposure? Working Article, University of Southern California.

[Google Scholar](#) 

Madhavan, M., & Sofianos, G. (1998). An empirical analysis of NYSE specialist trading. *Journal Of Financial Economics*, 48, 189-210.

[Web of Science®](#)  | [Google Scholar](#) 

Madhavan, A., & Cheng, M. (1997). In search of liquidity: Block trades in the upstairs and downstairs markets. *Review of Financial Studies*, 10, 175-205.

[Web of Science®](#)  | [Google Scholar](#) 

Seppi, D. (1997). Liquidity provision with limit orders and a strategic specialist. *Review of Financial Studies*, 10, 103-150.

[Web of Science®](#)  | [Google Scholar](#) 

Sofianos, G., & Werner, I. (1997). The trades of NYSE floor brokers. NYSE working article 97-04.

[Google Scholar](#) 

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

Manage Preferences

Accept All

Reject Non-Essential

ABOUT WILEY ONLINE LIBRARY

[Privacy Policy](#)

[Terms of Use](#)

[About Cookies](#)

[Manage Cookies](#)

[Accessibility](#)

[Wiley Research DE&I Statement and Publishing Policies](#)

HELP & SUPPORT

[Contact Us](#)

[Training and Support](#)

[DMCA & Reporting Piracy](#)

[Sitemap](#)

OPPORTUNITIES

[Subscription Agents](#)

[Advertisers & Corporate Partners](#)

CONNECT WITH WILEY

[The Wiley Network](#)

[Wiley Press Room](#)

Copyright © 1999-2026 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.

WILEY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

[Manage Preferences](#)

[Accept All](#)

[Reject Non-Essential](#)

