

## **Corporate Bond Market Liquidity in Israel at Heterogeneous Trade Sizes**

Dustin Plotnick and Gitit Gur-Gershgoren

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### Abstract

The study provides a review of the structure of the corporate bond market in Israel, descriptive statistics regarding the order book and an assessment of order book liquidity in heterogeneous trading volumes. In addition, it assesses in depth book liquidity for a wide sample of Israeli bonds over an extensive period of time. The study analyses an extensive sample of bonds from March 2009 to January 2012. For comparison purposes, the study also assessed in depth book liquidity for stocks traded on the Tel Aviv Stock Exchange in January 2010. Using the information contribution test proposed by Benston and others (Benston et al., 2000), the study yields that in depth book liquidity measures contribute additional information to investors in a stock sample. This recommendation is in line with findings by Benston and his colleagues. Nevertheless, these measures do not contribute additional information in the bond sample.

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