

Contents

<i>Acknowledgments</i>	page vii
<i>Introduction and Overview of the Book</i>	ix
PART I. THE EFFECT OF LIQUIDITY COSTS ON SECURITIES PRICES AND RETURNS	
Introduction and Overview	1
1 Asset Pricing and the Bid–Ask Spread	
Summary and Implications	9
Article by <i>Yakov Amihud and Haim Mendelson</i>	18
2 Liquidity, Maturity, and the Yields on U.S. Treasury Securities	
Summary and Implications	47
Article by <i>Yakov Amihud and Haim Mendelson</i>	52
3 Market Microstructure and Securities Values: Evidence from the Tel Aviv Stock Exchange	
Summary and Implications	69
Article by <i>Yakov Amihud, Haim Mendelson, and Beni Lauterbach</i>	72
PART II. LIQUIDITY RISK	
Introduction and Overview	101
4 Illiquidity and Stock Returns: Cross-Section and Time-Series Effects	
Summary and Implications	105
Article by <i>Yakov Amihud</i>	110
5 Asset Pricing with Liquidity Risk	
Summary and Implications	137
Article by <i>Viral V. Acharya and Lasse Heje Pedersen</i>	143

vi	<i>Contents</i>	
	PART III. LIQUIDITY CRISES	
	Introduction and Overview	185
6	Market Liquidity and Funding Liquidity	
	Summary and Implications	196
	Article by <i>Markus K. Brunnermeier and Lasse Heje Pedersen</i>	199
7	Liquidity and the 1987 Stock Market Crash	
	Summary and Implications	245
	Article by <i>Yakov Amihud, Haim Mendelson, and Robert Wood</i>	248
8	Slow Moving Capital	
	Summary and Implications	258
	Article by <i>Mark Mitchell, Lasse Heje Pedersen, and Todd Pulvino</i>	260
	<i>References for Introductions and Summaries</i>	271
	<i>Index</i>	275