Malta’s Stock Exchange is characterised by a relatively small market and transactions typically amount to a few hundreds on a good day. Unitary lawyer and PhD candidate SILVIO CAMILLERI analyses the situation. He was speaking to Christopher Sultana.

What are the perceived benefits of low activity on the Malta Stock Exchange? As a small market, it offers lower commissions to brokers, which in turn offers better prices. Investors may have negotiated better rates for their transactions, which in turn improves liquidity. Lower transaction volumes also translate into lower transaction costs, which may be beneficial for both investors and issuers.

What are your views on exchange activity? Some market participants believe that lower activity is beneficial, as it reduces transaction costs and can lead to better prices. Others, however, argue that lower activity can lead to a lack of liquidity, which can impact the ability of investors to buy or sell securities at desirable prices. In my view, the impact of low activity on the market depends on the specific circumstances and the market conditions at the time. Generally, I believe that the benefits of lower activity should be weighed against the potential costs of reduced liquidity.

Malta’s Stock Exchange is relatively small, meaning that transactions involving larger companies may not be as efficient as those in larger markets. However, smaller markets can still be beneficial for smaller companies that may not have the resources to operate in larger markets.

Interview conducted by...