Abstract
This paper examines the factors which explain the liquidity premium in the Spanish government securities market. First, we study the degree of liquidity and the relationship to the factors on which it depends, observing differences between two kinds of assets, bills and notes, and between two markets that can be considered as retail and wholesale markets, respectively. Second by, the analysis of the yield spread between portfolios of newly issued bonds and of older bonds with a similar duration shows a liquidity premium "by security" in the wholesale Spanish government securities market, with this premium depending mainly in the differences in age. Thirdly, a "market" liquidity premium appears when we study the spread between the yields at which a given security is simultaneously traded in different markets.

Keywords
Spanish government securities, fixed interest, liquidity.