

MEMO# 11126

July 19, 1999

SEC APPROVES NYSE PROPOSED RULE CHANGE AMENDING OPENING IMBALANCE PUBLICATION PROCEDURES FOR EXPIRATION DAYS

1 Securities Exchange Act Release No. 41598 (July 6, 1999), 64 FR 38228 (July 15, 1999). 2 The special stock list consists of the 50 most highly capitalized stocks in the S&P 500 Stock Price Index, any stocks in the Major Market Index (XMI) that are not among the 50, and the 10 most highly capitalized stocks in the S&P 400 MidCap Index. [11126] July 19, 1999 TO: EQUITY MARKETS ADVISORY COMMITTEE No. 26-99 RE: SEC APPROVES NYSE PROPOSED RULE CHANGE AMENDING OPENING IMBALANCE PUBLICATION PROCEDURES FOR EXPIRATION DAYS

The Securities and Exchange Commission ("SEC") has approved a proposed rule change (attached) filed by the New York Stock Exchange ("NYSE") amending its opening imbalance publication procedures for expiration days.¹ The proposed rule change expands the number of stocks for which opening market order imbalances must be published. Current procedures require that market order imbalances be published for stocks contained on the NYSE's "special stock" list. ² The proposal, however, eliminates the use of the special stock list and requires order imbalance publication for all stocks with imbalances of 50,000 shares or more. Moreover, market order imbalances of under 50,000 shares will be permitted to be published upon approval of a floor official. Ari Burstein Assistant Counsel Attachment