

Document 1019

[21019001]

The New York Stock Exchange is expected to launch its own program trading vehicle today , just as controversy over this trading strategy heats up .

ev-w1239f1 ev-w1830f1 ev-w1830f1 ev-w367_u_nobodyf3

[21019002]

The Big Board this morning plans to begin trading its Exchange Stock Portfolio " basket " product , the first program-trading vehicle carrying the exchange 's seal of approval .

ev-w2292f1 ev-w234f4 ev-w3417f2 ev-w445f1f1_u_nobody

[21019003]

ESPs will allow institutional investors to buy or sell all 500 stocks in Standard & Poor 's index in a single trade of a minimum of \$ 5 million .

ev-w86f4 ev-w410f1 ev-w2888f2

[21019004]

" Customized " baskets of fewer stocks will also be available .

ev-w218f2

[21019005]

The Securities and Exchange Commission gave provisional six-month approval to the Big Board basket at a meeting late yesterday .

ev-w1465f9_u_nobody

[21019006]

The SEC at the same time approved a similar but smaller basket product on the Chicago Board Options Exchange , where the minimum will be 1.7 million .

ev-w126f1 ev-w218f2

[21019007]

Also approved was a plan to trade stock portfolios by computer after regular hours on the Midwest Stock Exchange .

ev-w126f1 ev-w3417f2

[21019008]

The basket products are " an evolutionary step " in solving problems in trading big blocks of stock that came to light in the 1987 market crash . said SEC Commissioner Joseph Grundfest .

ev-w218f2 ev-w3066f1 ev-w590f27_u_nobody ev-w163f1 ev-w2833f1

[21019009]

New SEC Chairman Richard Breeden , overseeing his first public meeting , said there have been concerns that the Big Board 's basket could attract investors with a " short-term perspective " who would rapidly turn over the product , thus increasing volatility .

ev-w2161f1 ev-w2833f1 ev-w163f1 v-w22_u_nobodyf1f1_u_nobody ev-w1678f1

[21019010]

But Richard Ketchum , the SEC 's market regulation chief , said he did n't believe " this will spawn dramatic new program-trading strategies that will be destabilizing . "

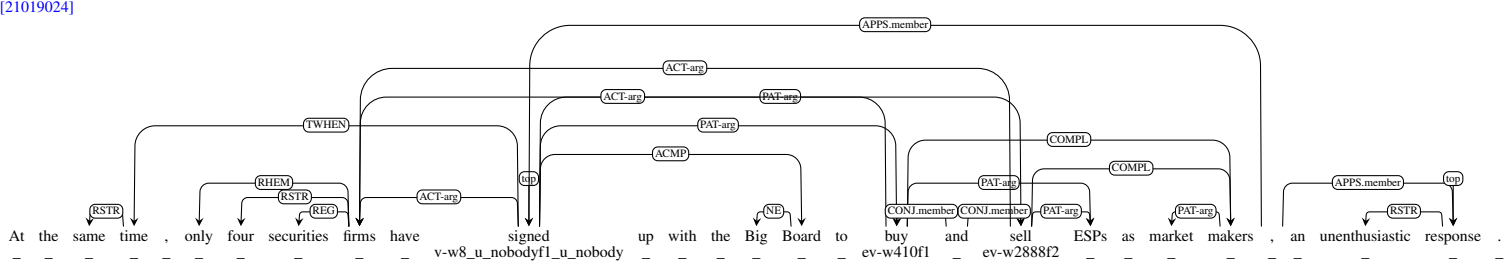
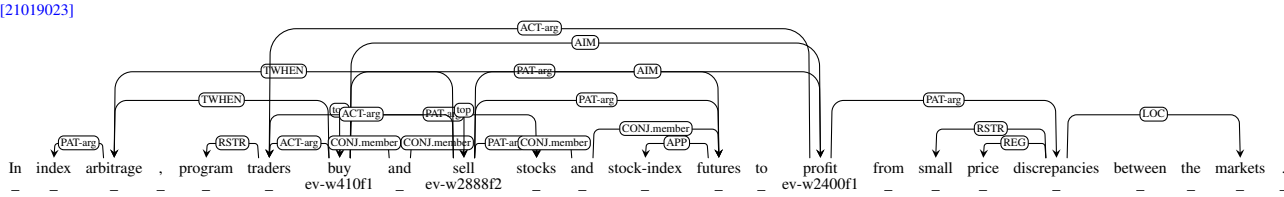
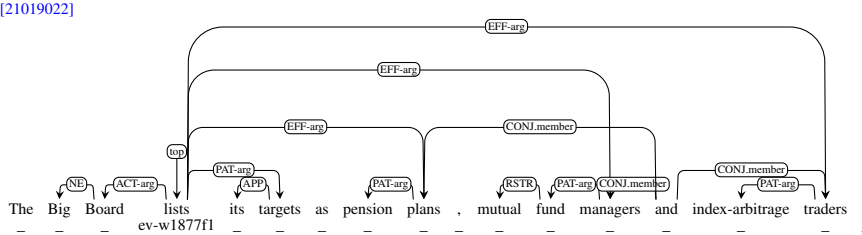
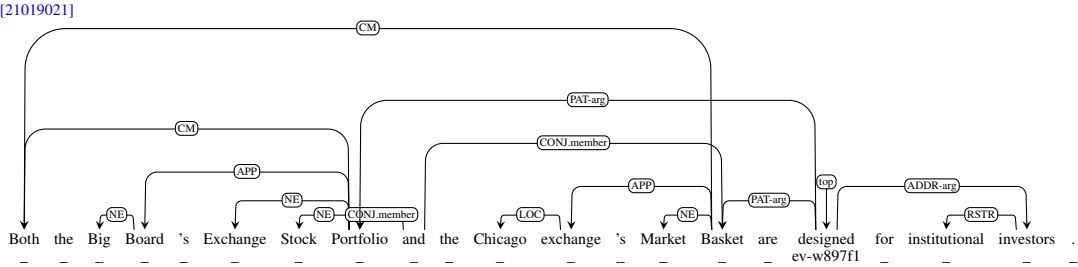
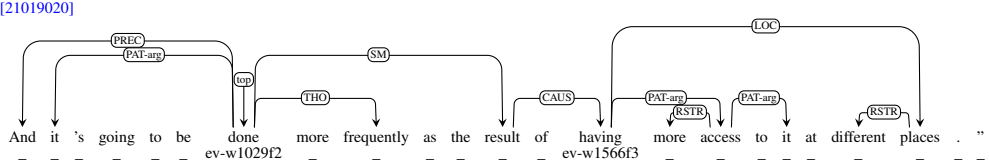
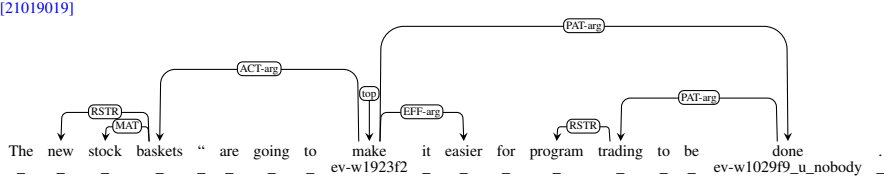
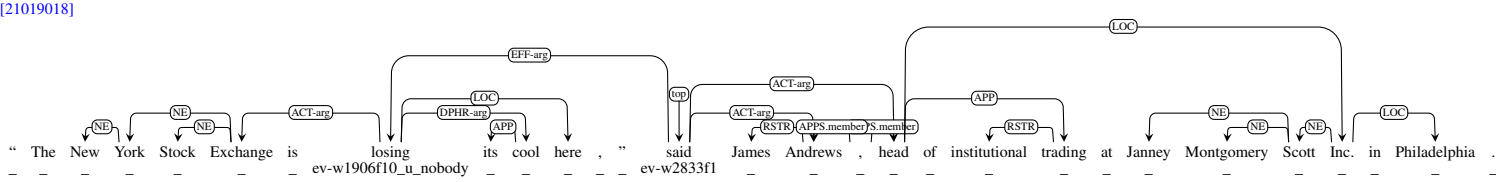
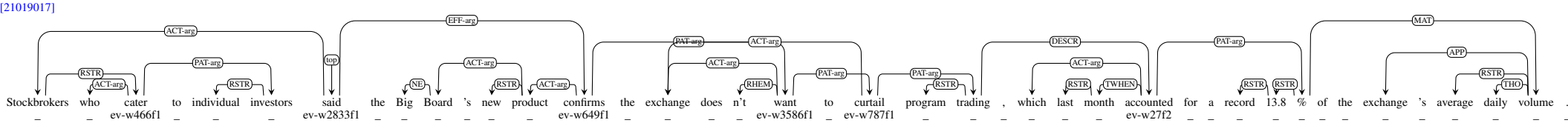
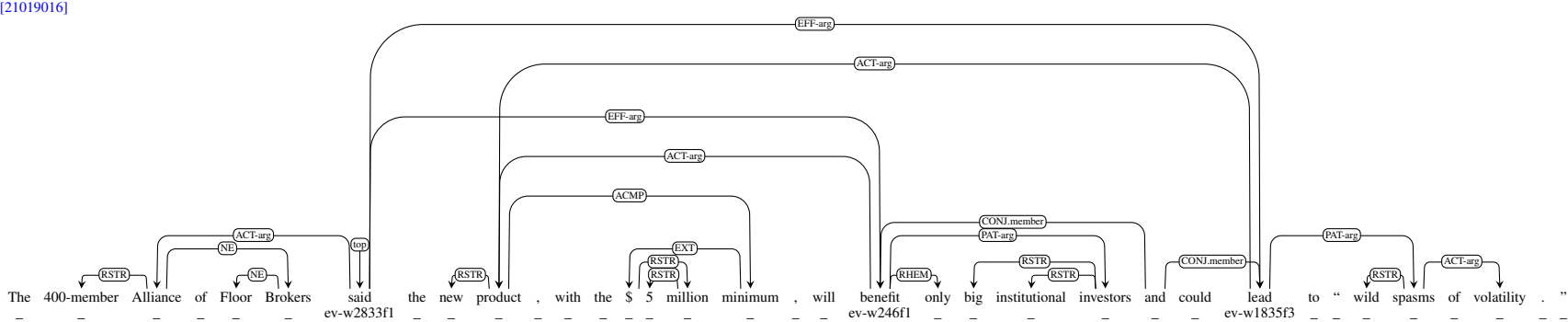
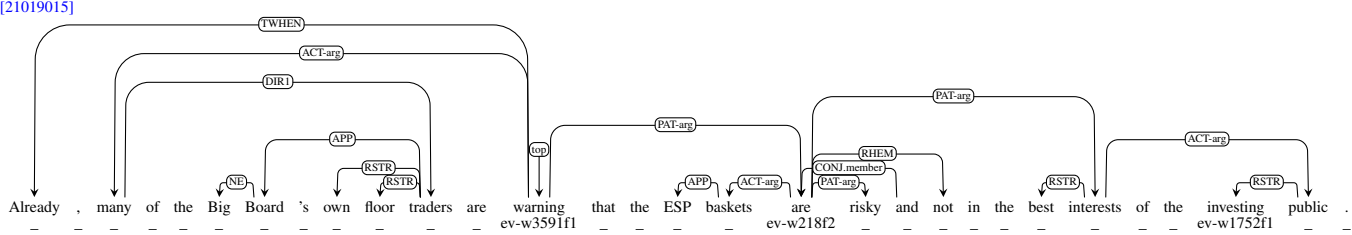
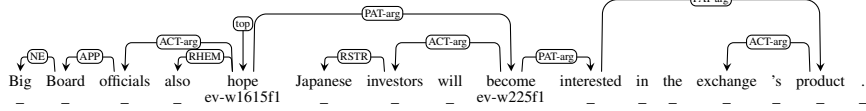
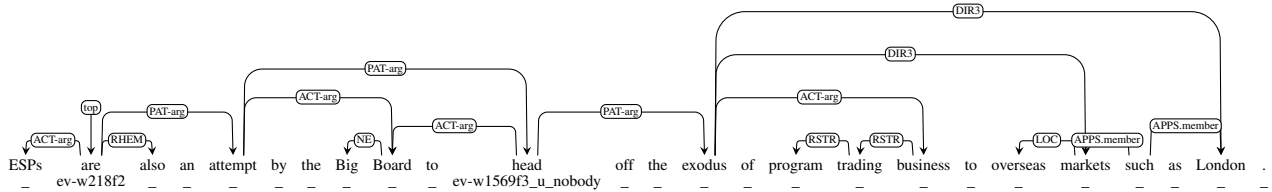
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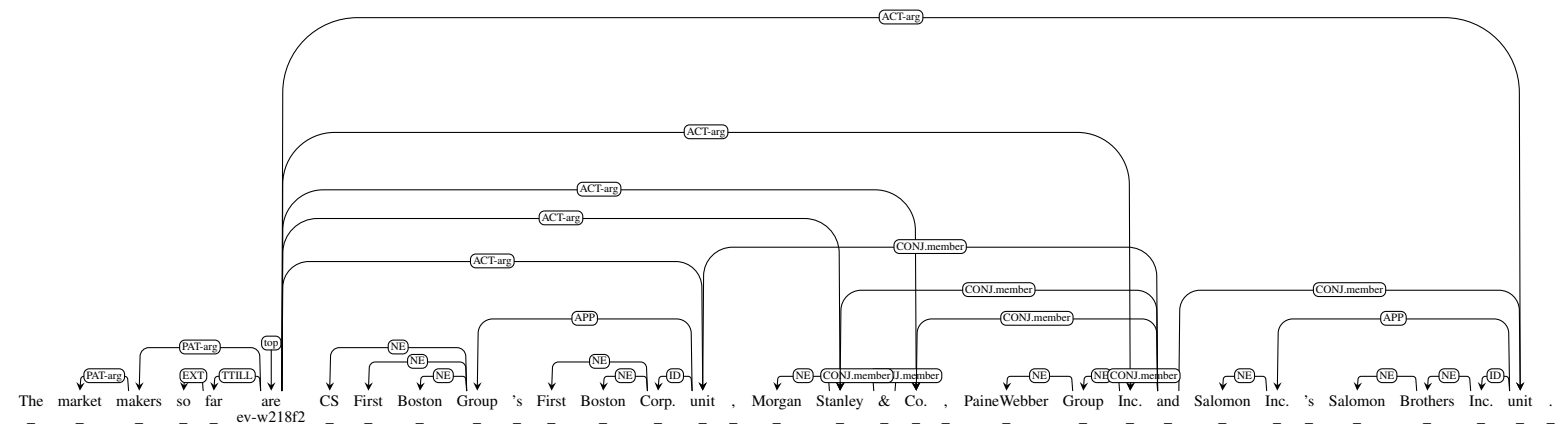
[21019012]

The Big Board argues that its new product will help rather than hurt the situation by possibly drawing business from more-volatile forms of program trading .

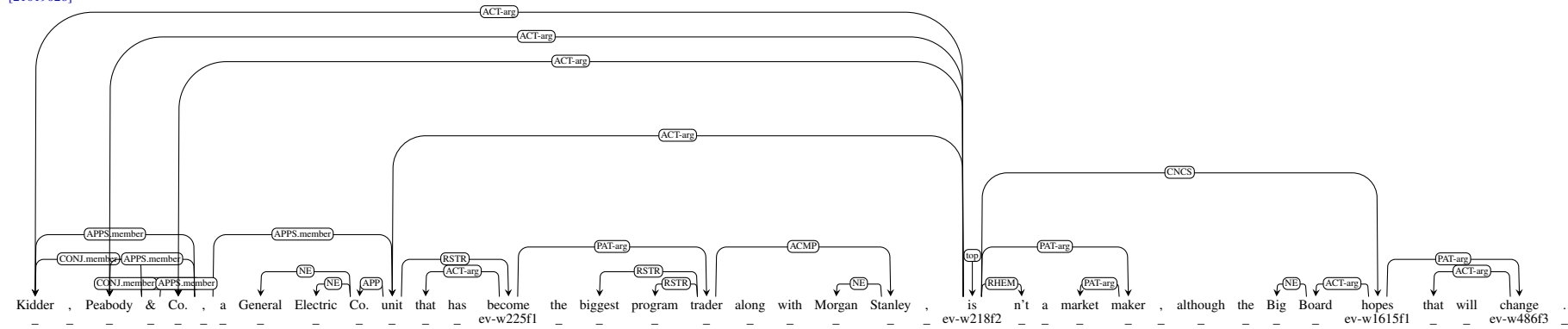
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[21019013]

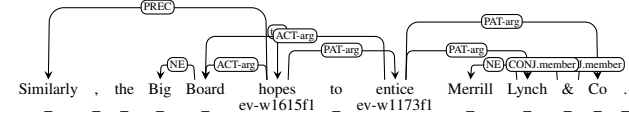




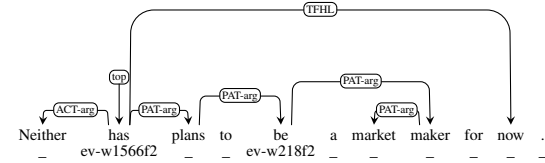
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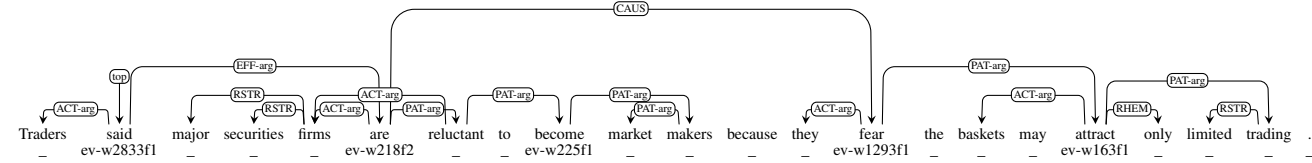
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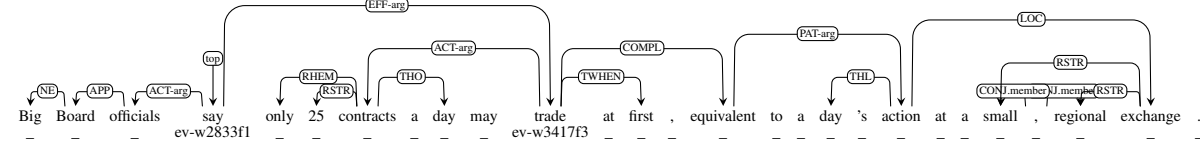
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[21019029]



[21019030]



[21019033]

