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| To | Greg Richmond | From | Graham Joblin |
| Copies to |  | Date | 7 December 1999 |
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**Year End Pricing**

You recently asked me to look into the effect of using the middle order book price for sets stocks for 31st December 1999, valuation purposes. Because of the perceived Millennium Bug problem most institutions will cease trading, except in exceptional circumstances, well before the year-end. It is therefore, unlikely that they will enter any deals on the order book at that time. This will just leave the market makers, who again, will be very reluctant to trade. It is likely that should they decide to put small amounts on the order book it will at very wide spreads. I would envisage that some spreads could be as high as 20%, or in some cases no orders on the book or on one side of the book. If this were to be the situation there would, of course, be no middle price.

As far as non order book stocks are concerned there should be no change in the normal spreads, with regular prices shown.

GMJ