



Regulatory Circular RG01-124

Date: August 1, 2001  
To: Members and Member Firms  
From: The Index Market Performance Committee  
Re: Options on the NASDAQ 100 Index (NDX)

The Index Market Performance Committee (the "Committee") has recently reviewed the market conditions in the basket of stocks underlying NDX options. The Committee has also reviewed the modified bid/ask differentials which are being applied to NDX options in consideration of the width of the market in the basket of underlying stocks. As a result of that review and in accordance with Rule 8.7(b)(iv), the Committee has determined to continue the extension of the bid/ask differentials relief. The modified bid/ask differentials are as follows:

- If the bid is less than \$2, the bid/ask spread may be up to .75 cents wide.
- If the bid is from \$2 to \$4.90, the bid/ask spread may be \$1 wide.
- If the bid is from \$5 to \$9.90, the bid/ask spread may be \$1.50 wide.
- If the bid is from \$10 to \$19.90, the bid/ask spread may be \$3 wide.
- If the bid is from \$20 to \$39.90, the bid/ask spread may be \$6 wide.
- If the bid is from \$40 to \$79.90, the bid/ask spread may be \$12 wide.
- If the bid is from \$80 to \$199.90, the bid/ask spread may be \$18 wide.
- If the bid is greater than \$200, the bid/ask spread may be \$22 wide.

The above bid/ask differentials are the maximum allowable. In many instances, however, the actual market width may be narrower than the above stated. This extended relief is granted from July 23, 2001 through the October 2001 Expiration Cycle unless withdrawn by the Committee prior to that time.

Any questions regarding this memorandum may be directed to Daniel Hustad at (312) 786-7715.

Replaces Regulatory Circular 01-89