

provided as soon as reasonably practicable following each fiscal year-end of the GMO Trust (unless the Chief Financial Analyst shall notify applicants in writing that such information need no longer be submitted).

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-14360 Filed 6-6-96; 8:45 am]

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Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (INCSTAR Corporation, Common Stock, \$.01 Par Value) File No. 1-9800

June 3, 1996.

INCSTAR Corporation ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the American Stock Exchange, Inc. ("Amex").

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, its Board of Directors unanimously approved resolutions on February 28, 1996 to withdraw the Security from listing on the Amex and instead, to list the Security on the National Association of Securities Dealers Automated Quotations National Market System ("Nasdaq/NMS").

The decision of the Board followed a thorough study of the matter and was based upon the belief that listing the Security on the Nasdaq/NMS will be more beneficial to the Company's stockholders than the present listing on the Amex for the following reasons:

(a) The Nasdaq/NMS system of competing market makers should result in increased visibility and sponsorship for the Security of the Company than is currently the case under the single specialist system on the Amex;

(b) Greater liquidity and less volatility in prices per share when trading volume is light might be expected as a result of listing on the Nasdaq/NMS than is presently the case on the Amex;

(c) Listing on the Nasdaq/NMS system might be expected to result in there being a greater number of market makers in the Security of the Company and

expanded capital base available for trading in such stock; and

(d) Because it might be expected that a larger number of firms will make a market in the Security, it might also be expected that there will be a greater interest in information and research reports respecting the Company and as a result there may be an increase in the number of institutional research and advisory reports reaching the investment community with respect to the Company.

Any interested person may, on or before June 24, 1996 submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan F. Katz,

Secretary.

[FR Doc. 96-14354 Filed 6-6-96; 8:45 am]

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[Release No. 34-37257; International Series Release No. 989; File No. SR-CBOE-96-33]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating To Strike Prices for Options on the Mexican Indice de Precios y Cotizaciones

May 30, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78c(b)(1), notice is hereby given that on May 30, 1996, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which items have been prepared by the CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE hereby gives notice that it proposes to add Interpretation .06 to Rule 24.9, Terms of Index Option Contracts, concerning the use of "implied forward levels" instead of the "current index level" in determining the strike prices to add for options on the Indice de Precios y Cotizaciones ("IPC" or "Index").

The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of this rule proposal is to permit the Exchange to list strike prices on the IPC based upon the "implied forward level" instead of upon the current index level. Currently, under Interpretation .05 to Rule 24.9, the Exchange may list strike prices, except in the case of long-term options, up to the lesser of 50 points or 15% above or below the current index level. In the case of long-term options (other than reduced value long-term options), the Exchange may list strike prices within 25% of the current index level.

Because of the high prevailing market interest rates in Mexico (currently about 28%), CBOE believes that centering strike prices around the current index value is impractical. Although IPC options are traded in terms of U.S. dollars, they are priced using these high Mexican rates. According to CBOE, high interest rates imply a high cost of holding the underlying securities because an investor must borrow at 28% to purchase the Mexican securities) or forego earning 28% on money previously invested). Therefore, over a given period of time, for example three months, the expected value of the IPC is approximately 7% (28% times 1/4

year) higher than the current value.¹ Based on a current index value of approximately 335,² 7% implies a forward price of the Index of about 360 at the end of three months. Therefore, the strike prices for a three month option would need to bracket 360 rather than 335.

To address this problem, the Exchange intends to center the strike prices around the implied forward price of the IPC, rather than around the current index value. The implied forward price will change for each expiration month since one component of determining the implied forward price is the time to expiration. The formula for determining the implied forward price will be the index level times $e^{-r \cdot t}$, where r equals the current Mexican interest rate,³ and t equals the time to expiration.

CBOE will adhere to all other rules, interpretations and policies regarding strike price introduction, with the exception that the index level will be calculated as described above. CBOE will monitor the implied forward rate on a continuous basis and CBOE market-makers will monitor the rate continuously for purposes of trading the options. Finally, CBOE will issue a circular to the membership describing this policy for centering strike prices around the implied forward level.

By interpreting the current rules in such a manner that the Exchange may list strike prices that more accurately reflect the expected value of the IPC, CBOE believes the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act, in that it is designed to perfect the mechanisms of a free and open market and to protect investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

¹ This same pricing situation occurs in options based on U.S. securities, however, since U.S. interest rates are low relative to Mexico, the effect is quite small and does not necessitate the need for pricing off of an implied forward level.

² Full value IPC index options are priced at $1/10$ the value of the IPC Index.

³ The Mexican interest rate generally used in the calculation would be the Cetes rate with the appropriate maturity.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change constitutes a stated policy, practice or interpretation with respect to the enforcement of an existing CBOE rule, it has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to the File No. SR-CBOE-96-33 and should be submitted by June 28, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁴

Jonathan G. Katz,
Secretary.

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⁴ 17 CFR 200.30-3(a)(12) (1994).

[Release No. 34-37264; File No. SR-CBOE-96-26]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto by the Chicago Board Options Exchange, Incorporated Relating to Continuous Representation of Orders

May 31, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on April 18, 1996, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. On May 30, 1996, the CBOE filed Amendment No. 1 to the proposal.¹ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE is hereby setting forth its interpretation of the meaning of an existing Exchange rule which concerns the obligation of a floor broker to continuously represent certain orders at the trading station where the option class is traded. The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

¹ Amendment No. 1 corrects a technical error in Exhibit A of the CBOE's filing, and is not substantive in nature. See Letter from Timothy Thompson, Senior Attorney, CBOE, to James McHale, Attorney, Office of Market Supervision, Division of Market Regulation, Commission, dated May 16, 1996 ("Amendment No. 1").