will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-94–60 and should be submitted by February 16, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

#### Margaret H. McFarland,

Deputy Secretary. [FR Doc. 95–1978 Filed 1–25–95; 8:45 am] BILLING CODE 8010–01–M

[Release No. 34–35247; International Series Release No. 774 File No. SR-CBOE-95-01]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Listing of Warrants on the Deutscher Aktien Index ("DAX Index")

January 19, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b–4 thereunder,² notice is hereby given that on January 5, 1995, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 proposes to list and trade warrants based on the Deutscher Aktien Index ("DAX Index" or "Index"), a broad-based index.<sup>3</sup> The Exchange represents that the listing and trading of warrants on the Exchange is permitted by CBOE Rule 31.5(E). 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 Exchange 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 Exchange represents that it is permitted to list and trade index warrants under CBOE Rule 31.5(E). The Exchange is now proposing to list and trade index warrants based upon the DAX Index. The Exchange further represents that the listing and trading of Index warrants will comply in all respects with CBOE Rule 31.5(E), as discussed below.

## Index Design<sup>4</sup>

The DAX Index is a capitalization-weighted index of 30 German blue-chip equity securities listed on the Frankfurt Stock Exchange ("FSE").<sup>5</sup> The Exchange represents that warrants on the DAX Index will provide investors with a low-cost means of participating in the German economy and hedging against the risk of investing in that economy.

The 30 stocks comprising the DAX Index were selected by the FSE for their high market capitalization and high degree of liquidity. The DAX Index stocks are drawn from a broad base of industries and are representative of the industrial composition of the broader German equity market. The CBOE represents that the stocks contained in the Index account for 70% of the trading volume on the FSE.

The DAX Index is weighted by the market capitalization of the component stocks. The capitalization of a particular stock in the Index is calculated by

multiplying the listed capital<sup>6</sup> by the price of the stock and a multiple determined by the FSE.

As of August 31, 1994, the CBOE represents that the 30 stocks contained in the Index range in market capitalization from DM 1.8 billion (US\$1.14 billion)<sup>7</sup> to DM 50.1 billion (US\$31.7 billion) with the median capitalization of the firms in the Index of DM 9.9 billion (US\$6.3 billion). Also as of that date, the largest 13 stocks in the Index accounted for approximately 75% of the total weight of the Index with no single security accounting for more than 10.87% or less than 0.37% of the total weight of the Index. Average daily trading volume in the components of the Index for the period from March 1, 1994, through August 31, 1994, ranged from a low of 50,981 shares to a high of 820,738 shares, with an average daily trading volume for all components during that period of approximately 295,000 shares. The Index is composed of ten broad industry groups, including, among others, chemicals, automobile, and insurance companies which, the CBOE represents, reflect the industry composition of the German equity market.

#### Calculation

The DAX Index reflects changes in the capitalization of the component stocks relative to the base value of 1,000 on December 30, 1987. The base value was reached by multiplying the price of each stock by the number of listed shares of that stock, obtaining the sum for all components, and then dividing by a divisor determined to give the Index an initial value of 1,000. The Index had a closing value of 2,212.85 on August 31, 1994.

The value of the DAX Index is calculated every minute by the FSE from 9:30 a.m. to 1:30 p.m., Frankfurt time (3:30 a.m. to 7:30 a.m. Eastern time), based on last sale prices of the component stocks. The value of the Index is not disseminated by the FSE until opening prices are avilable for at least 15 components of the Index representing at least 70 percent of the capitalization of the Index. Thereafter, with respect to any stock that has not yet opened for trading, the Index value is calculated using the previous day's closing price for those components.

<sup>&</sup>lt;sup>8</sup> 17 CFR 200.30–3(a)(12) (1994).

<sup>&</sup>lt;sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>&</sup>lt;sup>2</sup> 17 CFR 240.19b-4 (1991).

<sup>&</sup>lt;sup>3</sup>The Exchange previously submitted a rule filing to permit the listing and trading of index options on a reduced-value DAX Index. See Securities Exchange Act Release No. 35130 (December 20, 1994), 59 FR 66985 (December 28, 1994) (notice of File No. SR-CBOE-94-47).

<sup>&</sup>lt;sup>4</sup>The Commission notes that the Exchange incorporates by reference to its proposal to list Index options, most of the information and representations contained in this section and in the following sections on Index calculation and maintenance. *Id.* For convenience, the Commission has adapted the text of that filing for inclusion herein.

<sup>&</sup>lt;sup>5</sup>The components of the Index are as follows: Allianz AG Holdings, BASF AG, Bayer AG, Bayer Hypo/Wech, BMW, Bayer Vereinsbank AG, Commerzbank AG, Continental AG, Daimler-Benz AG; Deutsche Bahcock AG; Deutsche Bank AG; Degussa AG; Dresdner Bank AB; Henkel KGAA–Pfd; Hoechst AG; Karstadt AG; Kaufhof Holdings AG; Lufthansa AG; Linde AG; Man AG; Metallgesellsch; Mannesmann AG; Preussag AG; RWE AG; Schering AG; Siemens AG; Thyssen AG; Veba AG; Viag AG; and Volkswagen AG.

<sup>&</sup>lt;sup>6</sup>Listed capital is determined based on the issuer's preferred and common shares registered for trading on the FSE. The CBOE notes that domestic indexes, such as the S&P 500 Index, are calculated based on the shares of common stock only.

 $<sup>^7\,\</sup>mathrm{Based}$  on the exchange rate of DM 1.5815/US\$1 prevailing on August 31, 1994.