01-18
13

NQLX

Nasdaq Liffe Markets

December 5, 2001

COMMENT

BY ELECTRONIC MAIL

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: **Proposed Customer Margin Rules for Security Futures**
17 CFR Part 41; 17 CFR Part 242; SEC File No. S7-16-01

Dear Ms. Webb and Mr. Katz:

Nasdaq Liffe Markets, LLC ("NQLX"), welcomes the opportunity to offer our observations and comments on the proposed margining rules for security futures products, which include single-stock futures as well as narrow-based index futures (collectively, "SFPs"). 66 FR 50721 (Oct. 4, 2001). After a brief description of NQLX, our letter focuses on three topics:

- The responsible introduction of a portfolio-based margining system for both SFPs and security options and a brief description of the experience of the London International Financial Futures and Options Exchange (LIFFE) using such a system for single-stock futures;

- The use of open trade equity; and

- The application of the account structures of Regulation T to futures commission merchants.

A. Nasdaq Liffe Markets

NQLX is a new electronic trading market for futures contracts on equity securities and other products. Our trading system, LIFFE CONNECT™, will provide an anonymous and fully transparent central limit order book with each NQLX member having instantaneous, continuous, and equal electronic connectivity to our markets. We are jointly owned by two parents:

- The Nasdaq Stock Market, Inc., which is the world's largest electronic stock market; and
- LIFFE Ventures, Inc., a wholly-owned subsidiary of LIFFE Holdings plc, which operates LIFFE, the premier international market for exchange-traded derivatives.

In August of 2001, NQLX received conditional designation as a contract market for SFPs from the Commodity Futures Trading Commission ("CFTC"). In the near future, NQLX will register as a national securities exchange for SFPs with the Securities and Exchange Commission ("SEC") pursuant to recently established notice registration procedures.

B. Margining Approach: Portfolio-Based vs. Contract-Value Margining

1. Background

In December of last year, the Commodity Futures Modernization Act of 2000 ("CFMA") lifted a nineteen-year ban on trading SFPs and gave the Federal Reserve Board authority to promulgate rules governing initial and maintenance customer margin for these newly permissible products. In turn, the Federal Reserve Board delegated its rule-making authority to the CFTC and SEC (together, the "Commissions"), to be exercised jointly by the two agencies.[1]

The Commissions face significant challenges in fashioning appropriate and responsible customer margin rules. First, the proposed rules attempt to accommodate different methodologies that exist between the futures markets (which use a risk-sensitive, portfolio-based approach to margining) and the standardized security options markets (which use a strategy-based, or percentage of contract value, approach to margining). Second, the CFMA requires consistency in margin requirements and minimum margin levels for SFPs and comparable security options.[2]

The Federal Reserve Board has encouraged the SEC to develop risk-sensitive, portfolio-based margining for securities (including security options) and to facilitate a similar margining approach for SFPs.[3] In fact, Regulation T permits securities exchanges to adopt portfolio-based

---

1 March 6, 2001 letter to James E. Newsome, Acting Chairman, CFTC, and Laura S. Unger, Acting Chairman, SEC, from Jennifer J. Johnson, Secretary of the Federal Reserve Board ("March 6, 2001 Delegation Letter").

2 The Commissions were not given total discretion to formulate customer margin rules. Instead, the CFMA set several statutory constraints, including the following two: First, customer margin requirements for SFPs must be consistent with the margin requirements for comparable option contracts traded on registered exchanges. Second, both initial and maintenance margin levels for SFPs cannot be lower than the lowest level of margin (excluding premium) required for comparable option contracts traded on registered exchanges.

3 Specifically, in its March 6, 2001 Delegation Letter, the Federal Reserve Board stated: "The Board requests that the Commodity Futures Trading Commission and the Securities [and] Exchange

margining for security options, subject to SEC approval; but, this has not yet occurred apparently because of operational delays. As the Commissions recognized in their release, once a portfolio-based margining system is adopted for exchange-traded options by a registered national securities exchange or registered securities association, and approved by the SEC, a comparable portfolio-margining system can be used for SFPs.[4]

Notwithstanding the Federal Reserve Board's clear support of portfolio-based margining, the proposed customer margining rules for SFPs follow a strategy-based approach. Generally, the proposed rules contemplate establishing 20 percent of the current contract value as the minimum initial and maintenance margin required for customers' long or short SFP positions. This percentage generally corresponds to the lowest customer margin levels currently allowed under Regulation T and the rules of securities exchanges for comparable exchange-listed security options.[5] In addition, the proposed rules provide a list of permissible strategy-based offsets and would allow self-regulatory organizations to establish strategy-based offsets that reduce the minimum initial and maintenance margin for SFPs and one or more related securities or futures. However, these offsets are only allowed to the extent that comparable offsets are allowed for exchange-traded option contracts.

2. The Leading International Single-Stock Future Market Employs Portfolio Margining

We believe it is important for the long-term health and success of our financial markets that the U.S. move toward a more risk-sensitive, portfolio-based margining approach for both SFPs and securities options, not only to protect the financial integrity of our markets, but also to promote global competitiveness. While SFPs are new products for the U.S. financial markets, they already trade overseas. In January of this year, LIFFE launched single-stock future contracts (known as "Universal Stock Futures" or "USFs") on the stocks of companies worldwide. Since their inception, USFs have grown considerably in terms of contracts traded,

---

Commission, either jointly or severally, report to the Board annually on their experience exercising the delegated authority. In particular, the Board requests that the Commissions provide an assessment of progress toward adopting more risk-sensitive, portfolio-based approaches to margining security futures products. The Board has encouraged the development of such approaches by, for example, amending its Regulation T so that portfolio-margining systems approved by the Securities [and] Exchange Commission can be used in lieu of the strategy-based system embodied in the Board's regulation. The Board anticipates that the creation of security future products will provide another opportunity to develop more risk-sensitive, portfolio-based approaches for all securities, including security options and security futures products."

[4] 66 FR 50723.

[5] For listed security options, Section §220.12(f)(1) of Regulation T authorizes the securities exchanges and NASD to adopt their own customer margin levels, subject to SEC approval. To date, the securities exchanges and NASD have generally adopted initial and maintenance customer margin levels for security options equal to 20 percent of contract value.

open interest sustained, and new contracts listed. As of November 30, 2001, LIFFE listed USFs on 96 companies' stocks covering ten countries, twenty of which overlie the stock of U.S. companies, including Microsoft, General Electric, and IBM.[6]

Since the introduction of USFs, LIFFE and its clearinghouse have applied the SPAN portfolio-margining system, which has been long used in U.S. futures markets for calculating initial and maintenance margin for customers.[7] SPAN enables the setting of margin levels at a more than 99 percent confidence level under a number of scenarios. During the period July 9 through November 16, 2001—which included the extraordinarily volatile period after the tragic events of September 11th initial customer margin levels for USFs overlying U.S. stocks ranged from 4.37 percent to 28.38 percent of the average contract price.[8] Almost half of the USFs overlying U.S. stock (or nine) had initial margin below 10 percent, two-thirds (or fifteen) had initial margin below 20 percent, and only one had initial margin above 25 percent. Of note, these margin percentages only account for the relative risk of each position and do not reflect overall risk offsets among related positions in a portfolio, which could further reduce the amount of margin prudently required. Therefore, SPAN would enable further customer risk offsets (and margin reductions) for portfolios of related securities, securities options, and futures positions.

3. The Compelling Case for Portfolio Margining to Address Risk and Market Efficiency

The empirical evidence from LIFFE illustrates three reasons for NQLX's strong recommendation for the responsible adoption of portfolio-based margining. First, we believe portfolio-based margining provides the best means to achieve twin regulatory objectives of preserving the financial integrity of markets offering SFPs while controlling systemic risk. Unlike strategy-based margining, which lacks sensitivity to price volatility, portfolio margining sets customer margin levels on the basis of the historical volatility of the instruments as well as the current net exposure of a portfolio of related positions.

Second, portfolio margining provides a more efficient use of capital without compromising the financial integrity of the markets. Strategy-based margining can be both under- and over-inclusive (i.e., it may require too much margin during periods of moderate price

---

6 The seventeen other U.S companies are: American International Group, Inc. (AIG), Amgen, Inc., AOL Time Warner Inc., Bristol-Myers Squibb Company, Citigroup, Inc., Cisco Systems, Inc., EMC Corporation, Exxon Mobil Corporation, Intel Corporation, JDS Uniphase Corporation, Juniper Network Inc., Merck & Co., Inc., Oracle Corporation, Pfizer Inc., Qualcomm Inc., Sun Microsystems, Inc., and Wal-Mart Stores, Inc.

7 SPAN stands for the "Standard Portfolio Analysis of Risk System," which the Chicago Mercantile Exchange developed in 1988. With CFTC approval, SPAN has been available in the U.S., for over a decade, to calculate customer and clearinghouse margins for futures and options on futures.

8 *See* Attachment A for initial margin levels for USFs on U.S.-based companies during the period July 9 to November 16, 2001.

volatility, while potentially requiring too little margin during periods of extraordinarily high price volatility). In contrast, appropriate risk analysis models more effectively and efficiently preserve financial integrity by more accurately measuring potential losses from potential customer defaults under various scenarios. As LIFFE's experience shows, when it comes to establishing responsible customer margin levels for SFPs, one-size-does-not-fit-all. But, requiring higher than necessary and prudent margin levels needlessly raises the cost of trading SFPs, thereby unnecessarily diverting capital that market participants could use for other investments or business initiatives. Worse yet, setting margin levels too high might discourage the use of these products as important risk-management tools.

Third, portfolio margining has become the standard internationally for major futures markets, at both the customer and clearing levels, with a proven record of reliability even in periods of extreme volatility. In addition to LIFFE, over thirty futures exchanges and clearinghouses around the world use SPAN for customer or clearing margin requirements, including all U.S. futures exchanges.[9] We believe that U.S. markets can, and must, responsibly move toward portfolio margining not only because it is the best known way to preserve financial integrity and control risk, but also because it removes unnecessary competitive disadvantages for U.S. markets relative to our foreign counterparts.

Because of the current operational constraints apparently impeding the adoption of portfolio-based margining for securities options,[10] NQLX does not oppose adopting the minimum of 20 percent for both initial and maintenance margin levels for SFPs for customer accounts.[11] However, we believe generally that margin rules related to levels, collection periods, acceptable collateral, and related haircuts—for SFPs carried in futures accounts should remain within the purview of the listing exchange subject to two conditions. For those rules, the listing exchange would have to (1) obtain approval from the Commissions and (2) comply with the CFMA and any margin rules adopted by the Commissions. Such an approach would be consistent with the handling of margining issues for security options.

In addition, we strongly urge the Commissions together to encourage, facilitate, and expedite the phasing in—at the earliest possible time—of a system for portfolio-margining. A phased-in approach would allow the Commissions to assess the effectiveness of the portfolio-

[9] 66 FR 50723. SPAN is not the only portfolio-margining system used in the U.S. The Options Clearing Corporation has used TIMS (which stands for the "Theoretical Intermarket Margin System") to set clearinghouse margins for equity options for approximately ten years with SEC approval.

[10] As to the operational hurdles, we understand that securities brokerage firms have established systems that calculate customers' initial and maintenance margin for security options using the strategy-based approach currently required by Regulation T. Therefore, those systems would need to be altered or replaced to implement risk-sensitive, portfolio-margining systems.

[11] However, because of the similarities between the instruments, if a lower minimum percentage is allowed for security options, then that same lower percentage should also apply to SFPs.

margining models used and operational readiness of the markets and their participants. Further, we strongly recommend that the Commissions spearhead a broad-based industry effort to adopt appropriate standards for the use of portfolio-margining systems across all relevant markets. We are committed to assisting in, and supporting, all initiatives to phase-in then timely adopt—portfolio margining across markets for SFPs, securities, securities options, and futures.

C. Open Trade Equity/Excess Margin

We support allowing customers to use their excess margin from marked-to-market gains on open SFP positions in their accounts (known as "open trade equity") to margin other positions. Such gains, while at risk, are part of the customer's equity base and should be available for use elsewhere within that customer's account.[12]

The Commissions, in the proposing release, appear to contemplate allowing customers to use open trade equity to margin other positions. However, in the proposing release (but not in the proposed rules), the Commissions appear to suggest that the only way to use open trade equity to margin other positions is by moving the excess margin into, then out of, a special memorandum account.[13] Fully-registered futures commission merchants ("FCMs") that are not fully-registered as broker-dealers, generally do not maintain special memorandum accounts or the other accounts delineated in Regulation T.[14] These FCMs would likely incur substantial costs to alter their back office systems to establish special memorandum accounts. Therefore, we recommend that the Commissions make clear in the final rules that FCMs may recognize open trade equity of SFPs within traditional futures account and allow their customers to apply any associated excess margin to other positions within those customers' respective accounts.

D. Account Structures

In addition to the open trade equity issue, the proposed rules raise a number of other difficult questions relating to account administration and whether FCMs that notice register as broker-dealers need to maintain the account structure set out in Regulation T for their customers who trade SFPs. We believe that if these FCMs are required to implement the account structure established in Regulation T, they will incur unnecessary additional accounting, bookkeeping, compliance, and operational costs that may discourage them from offering SFPs to their customers. Therefore, we recommend that the final margin rules allow FCMs (that are notice-

---

[12] However, we recognize that the use of open trade equity in SIPC accounts may cause a number of operational issues that must be resolved.

[13] *See* 66 FR 50722.

[14] The Commissions also suggest that an FCM may use a special memorandum account to record open trade equity if the FCM is also fully registered with the SEC as a broker-dealer. *See* 66 FR 50722. We do not believe that FCMs should be required to fully register as broker-dealers to provide their customers who trade SFPs with the ability to apply their open trade equity to other positions.

registered as broker-dealers) to maintain their existing account structure for futures customers who trade SFPs.

We anticipate that the Commissions will receive comments from industry groups, such as the FIA-SIA, which will detail other critical practical and operational implications of the proposed customer margining rules. We urge the Commissions to carefully consider those comments when assessing the costs to directly applying Regulation T to customer margining for SFPs not only in monetary terms, but also in time and diversion of resources.

E. Conclusion

We believe that SFPs will provide important new tools for market participants to manage the risks of their investment portfolios, while enhancing capital formation by increasing demand for the underlying securities. But, the success of these products will depend, to a critical degree, on carefully crafting margin rules that promote financial integrity without unnecessarily diverting liquid capital to competitive markets with sophisticated portfolio-margining systems. NQLX believes that the new market for SFPs envisioned by Congress in the CFMA will be best served by the full commitment of the regulators, markets, and market participants to rapidly implement a sound risk-based, portfolio-margining system. NQLX stands ready to assist the Commissions and the industry in achieving this pressing initiative.

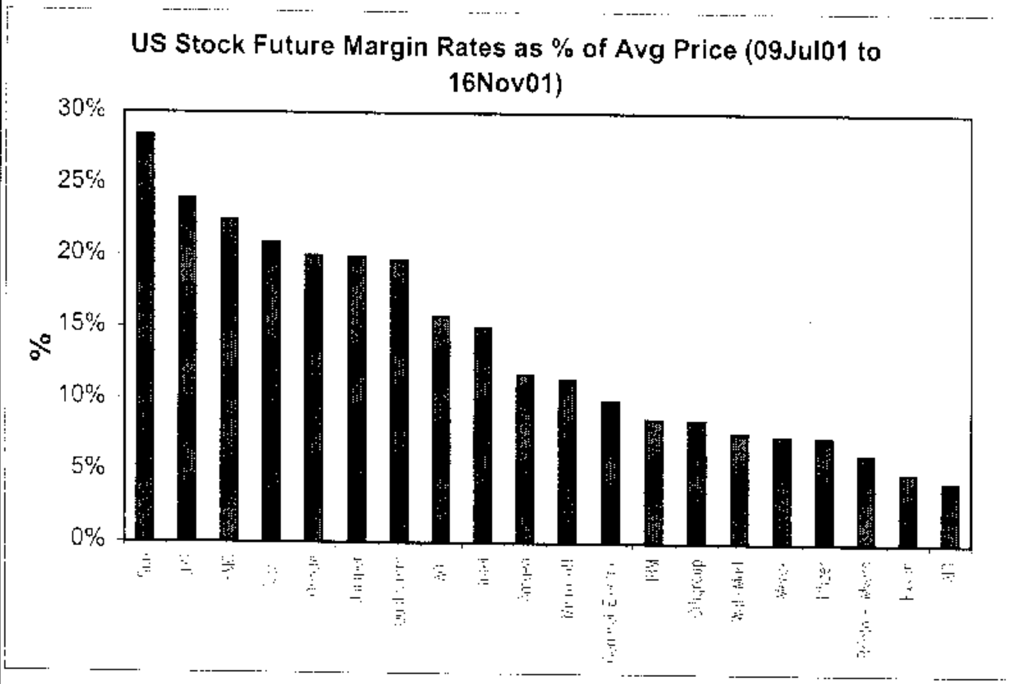
We thank the Commissions for giving us the opportunity to express our views on these important proposed rules. If the Commissions or members of their staff have any questions about this letter, please contact me at (212) 482-3000.

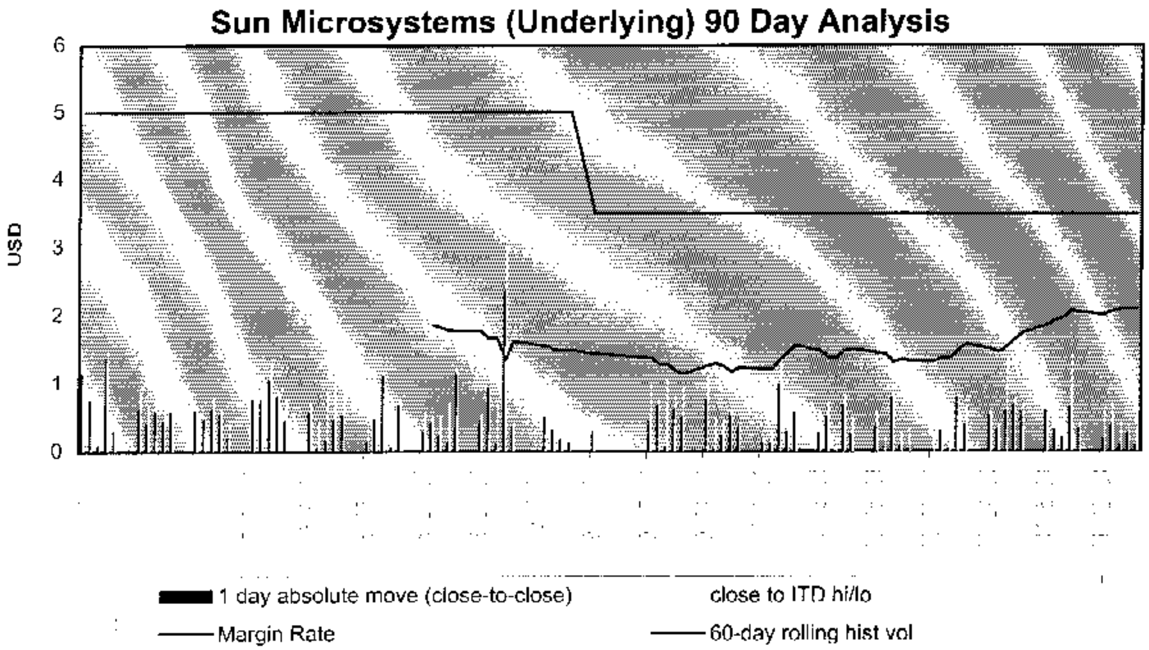
Sincerely,

/signed/

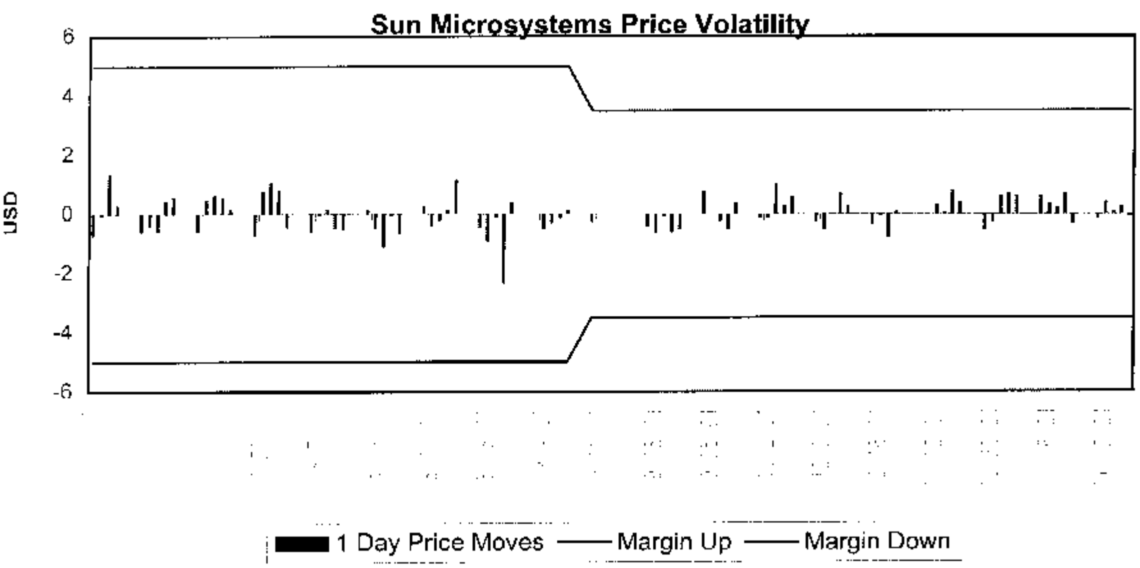
Kathleen M. Hamm
Director of Market Regulation
Senior V.P. Regulation and Compliance
Nasdaq Liffe Markets, LLC

Stock	Average Price	Margin Rate ($)	Margin as %
Sun	12.33	3.50	28.38%
JDS	8.35	2.00	23.96%
EMC	15.54	3.50	22.52%
Cisco	16.75	3.50	20.89%
Oracle	14.99	3.00	20.01%
Juniper	20.07	4.00	19.93%
Qualcomm	55.84	11.00	19.70%
AOL	37.99	6.00	15.79%
Intel	26.72	4.00	14.97%
Amgen	59.67	7.00	11.73%
Microsoft	61.26	7.00	11.43%
General Electric	40.20	4.00	9.95%
IBM	103.81	9.00	8.67%
Citigroup	46.52	4.00	8.60%
Wal-Mart	51.81	4.00	7.72%
Merck	66.60	5.00	7.51%
Pfizer	40.55	3.00	7.40%
Bristol- Myers	56.19	3.50	6.23%
Exxon	40.65	2.00	4.92%
AIG	80.08	3.50	4.37%
	Average		**13.73%**

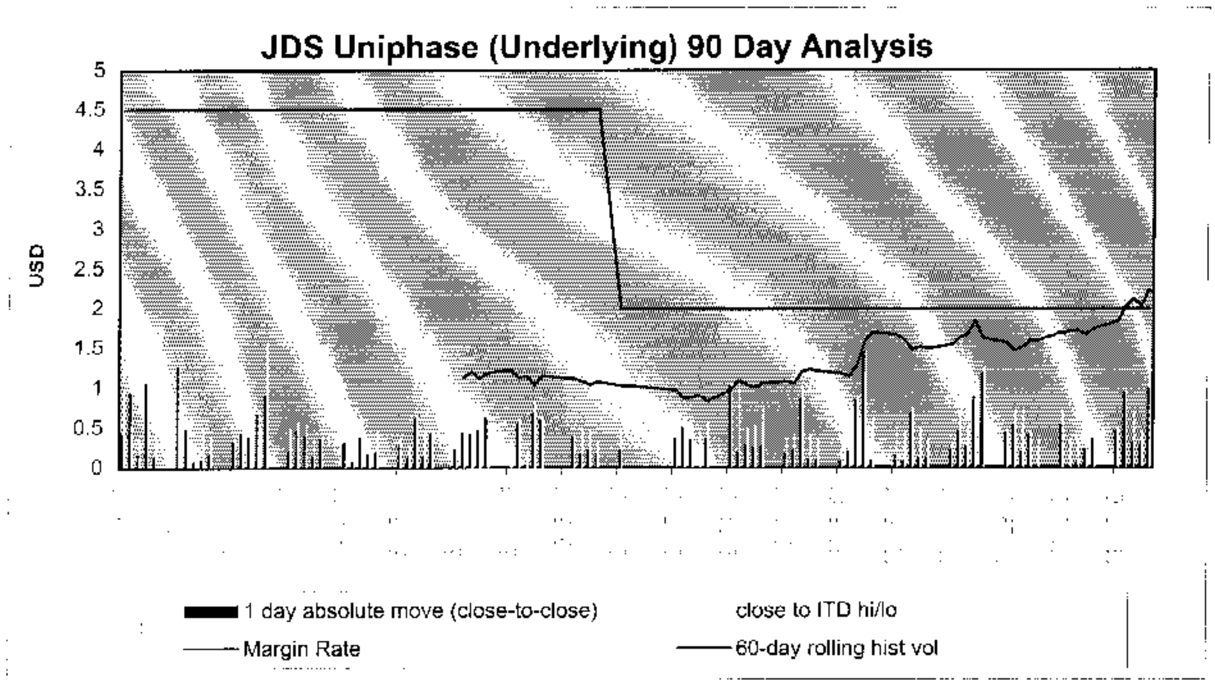




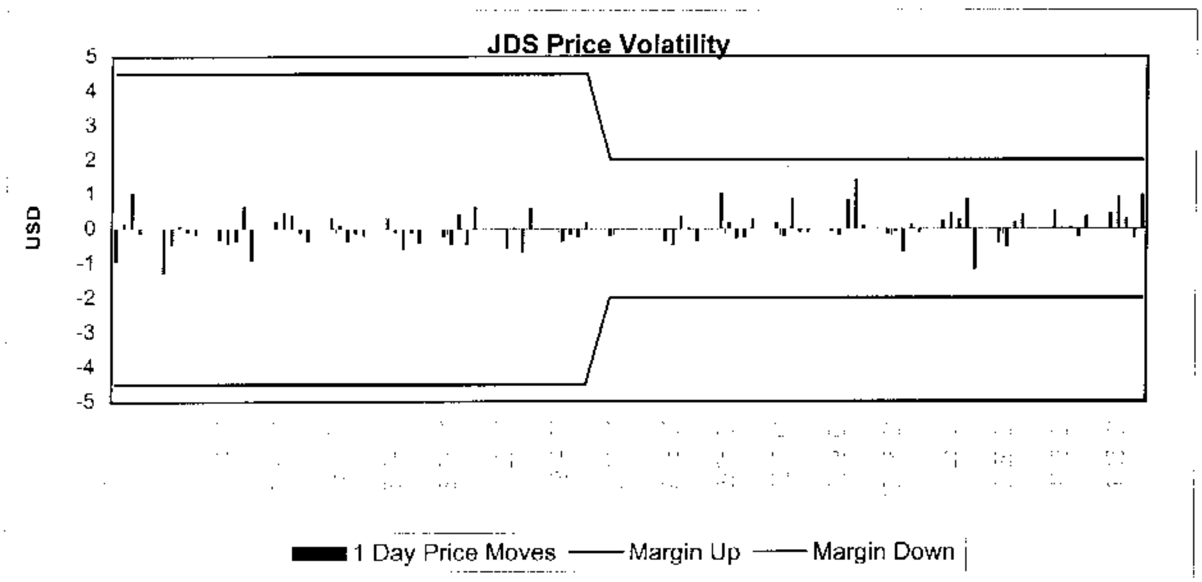
Sun Microsystems (Underlying) 90 Day Analysis
USD
6
5
4
3
2
1
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol



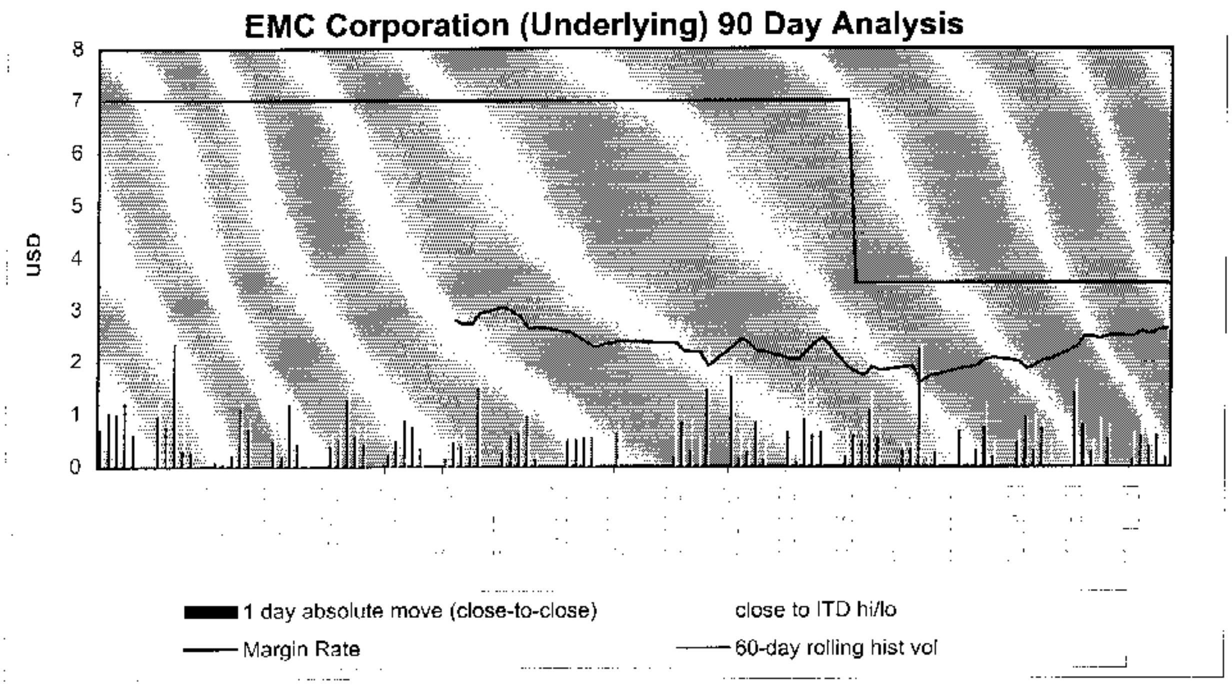
Sun Microsystems Price Volatility
USD
6
4
2
0
-2
-4
-6
1 Day Price Moves
Margin Up
Margin Down

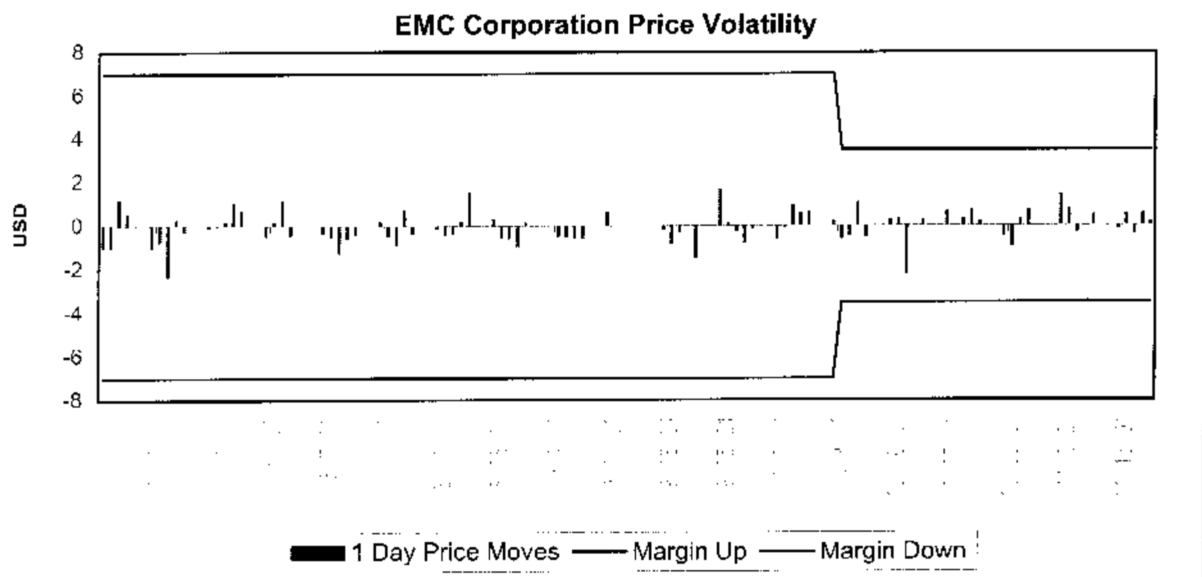


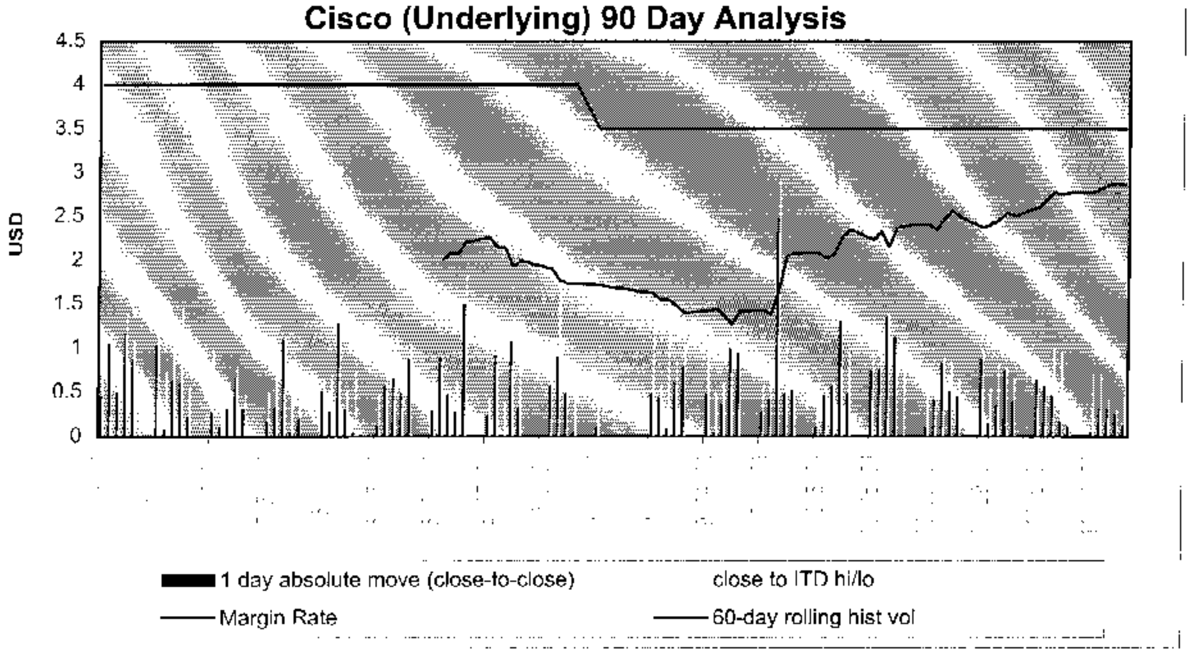
JDS Uniphase (Underlying) 90 Day Analysis
USD
5
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

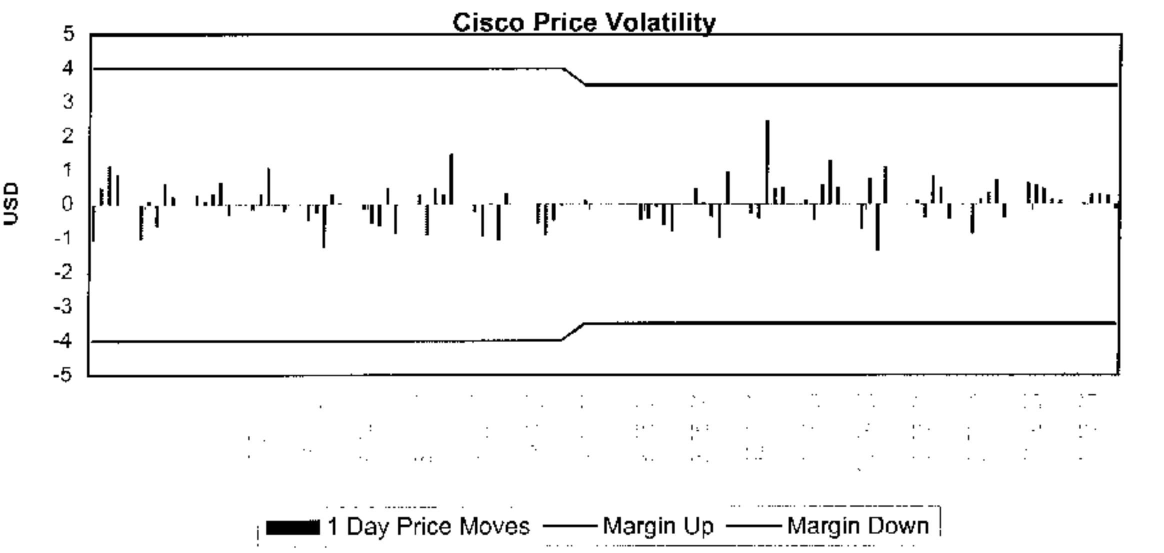


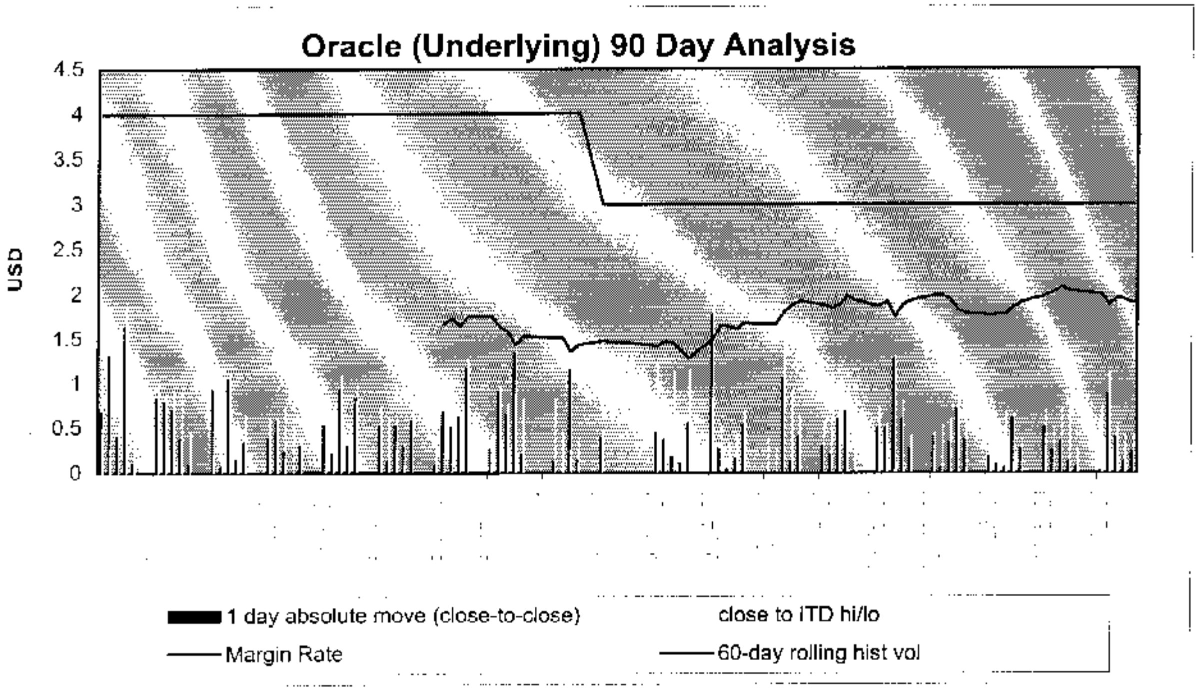
JDS Price Volatility
USD
5
4
3
2
1
0
-1
-2
-3
-4
-5
1 Day Price Moves
Margin Up
Margin Down

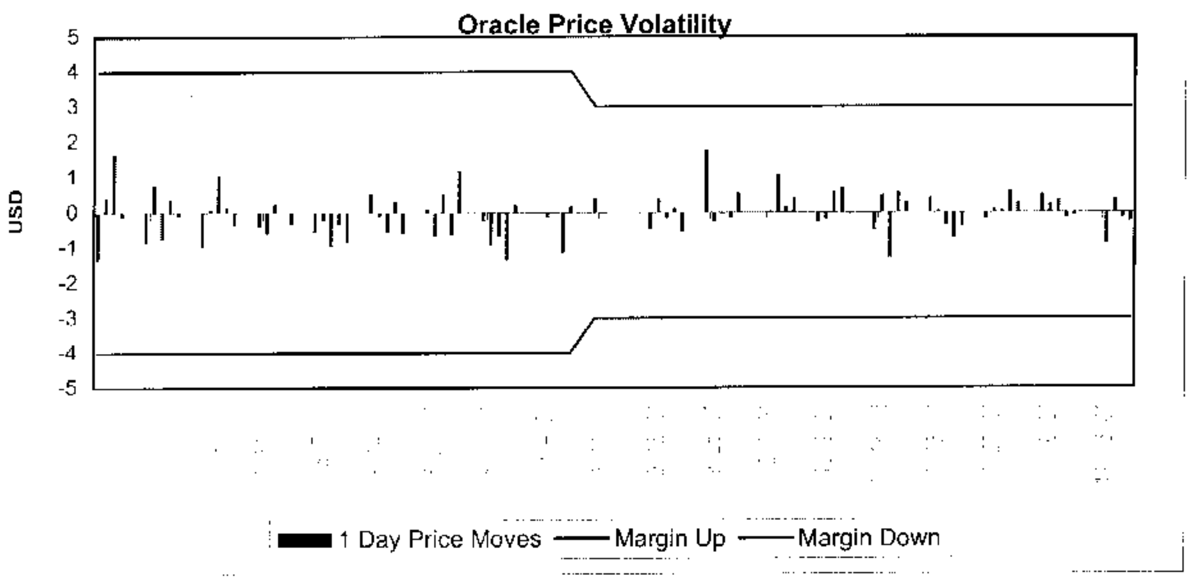

EMC Corporation (Underlying) 90 Day Analysis
USD
8
7
6
5
4
3
2
1
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

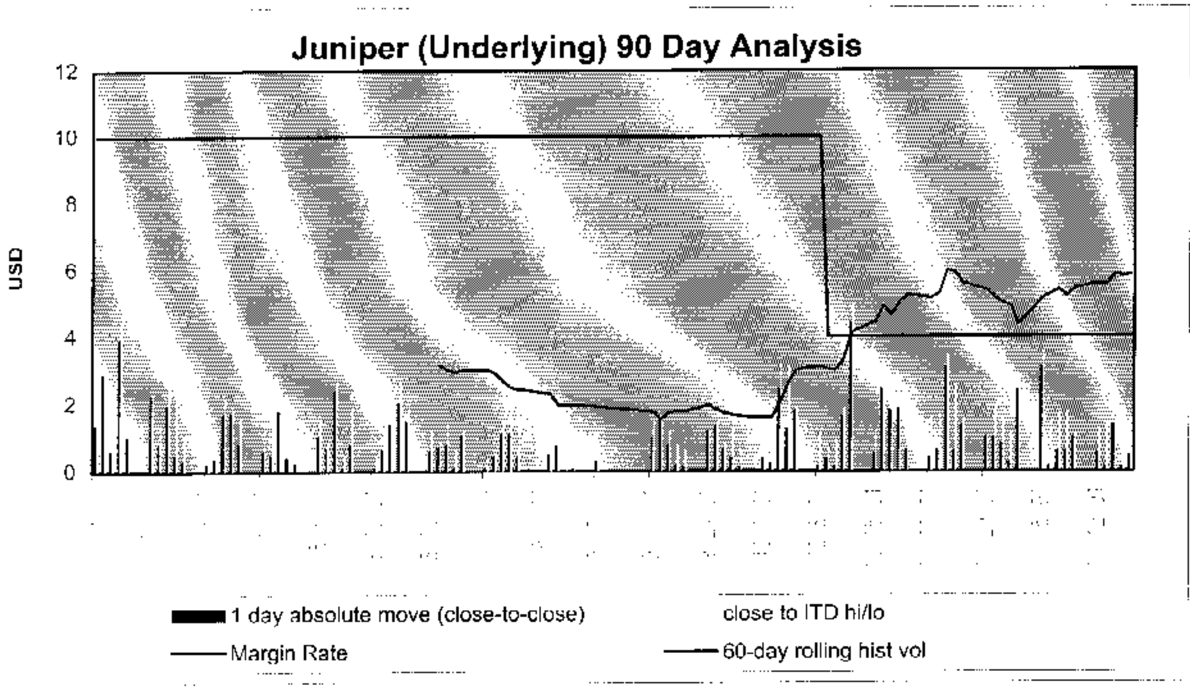

EMC Corporation Price Volatility
USD
8
6
4
2
0
-2
-4
-6
-8
1 Day Price Moves
Margin Up
Margin Down

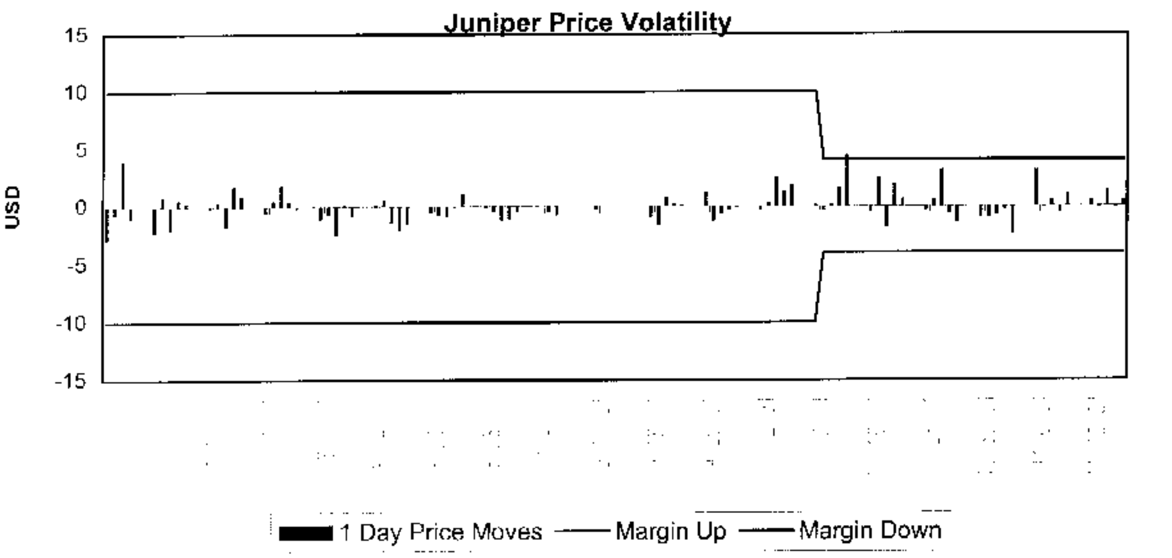

Cisco (Underlying) 90 Day Analysis
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
USD
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

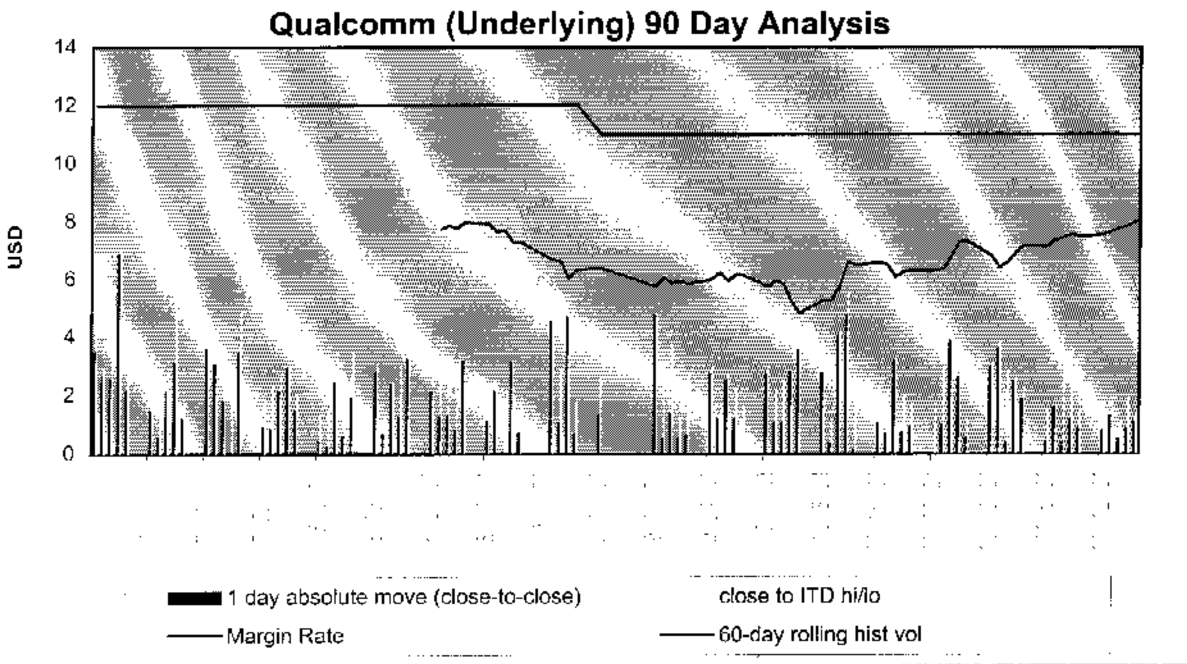

Cisco Price Volatility
5
4
3
2
1
0
-1
-2
-3
-4
-5
USD
1 Day Price Moves
Margin Up
Margin Down

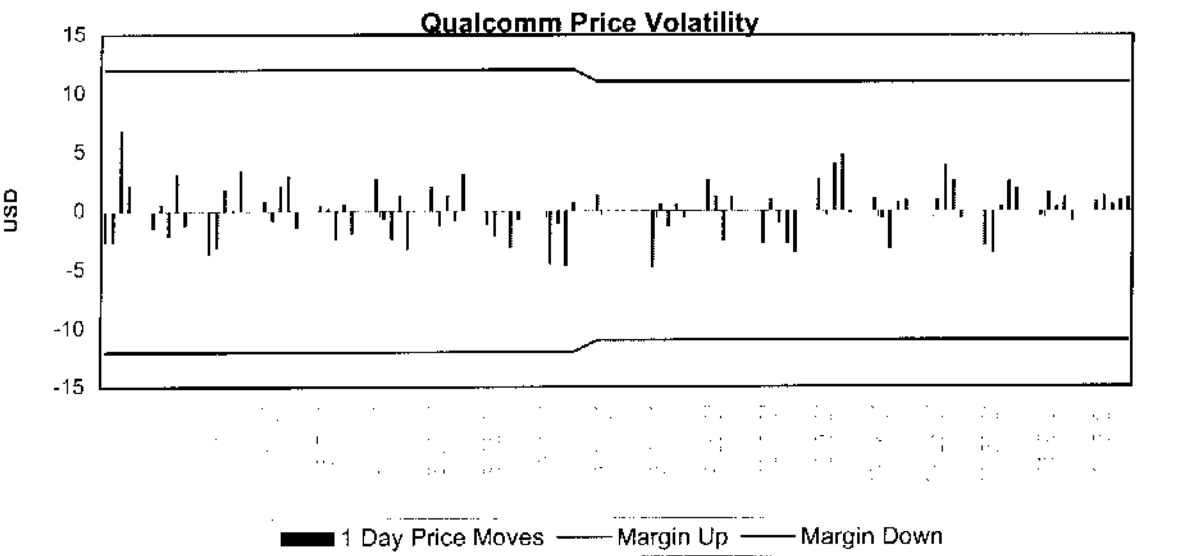

Oracle (Underlying) 90 Day Analysis
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
USD
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

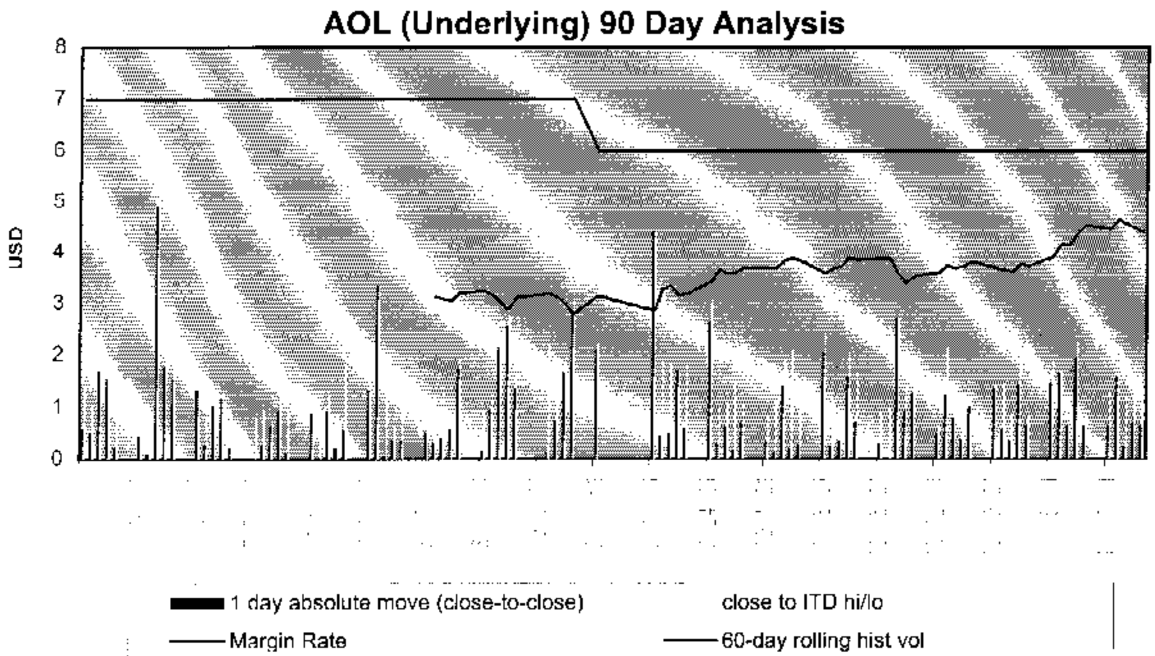

Oracle Price Volatility
5
4
3
2
1
0
-1
-2
-3
-4
-5
USD
1 Day Price Moves
Margin Up
Margin Down


Juniper (Underlying) 90 Day Analysis
USD
12
10
8
6
4
2
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

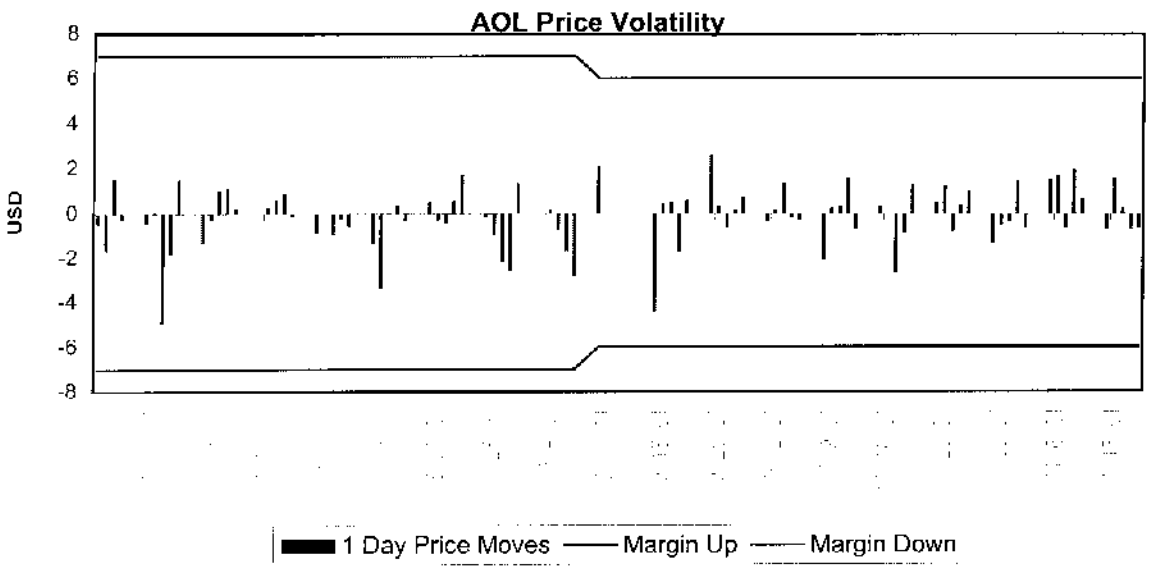

Juniper Price Volatility
USD
15
10
5
0
-5
-10
-15
1 Day Price Moves
Margin Up
Margin Down


Qualcomm (Underlying) 90 Day Analysis
USD
14
12
10
8
6
4
2
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

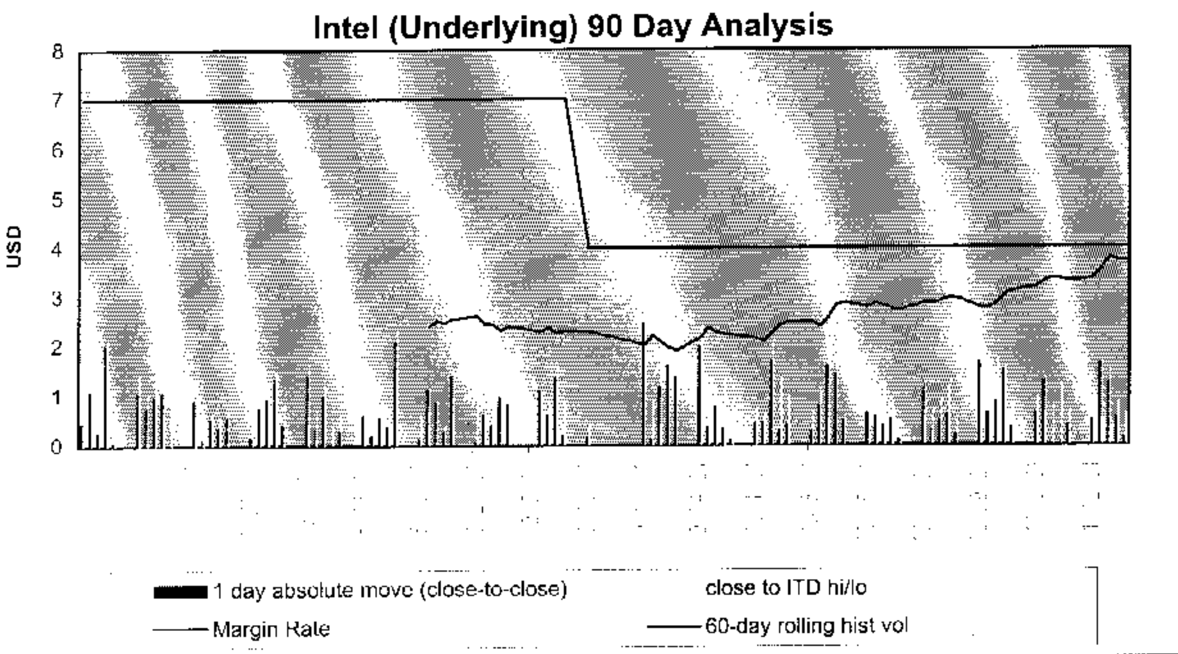

Qualcomm Price Volatility
USD
15
10
5
0
-5
-10
-15
1 Day Price Moves
Margin Up
Margin Down

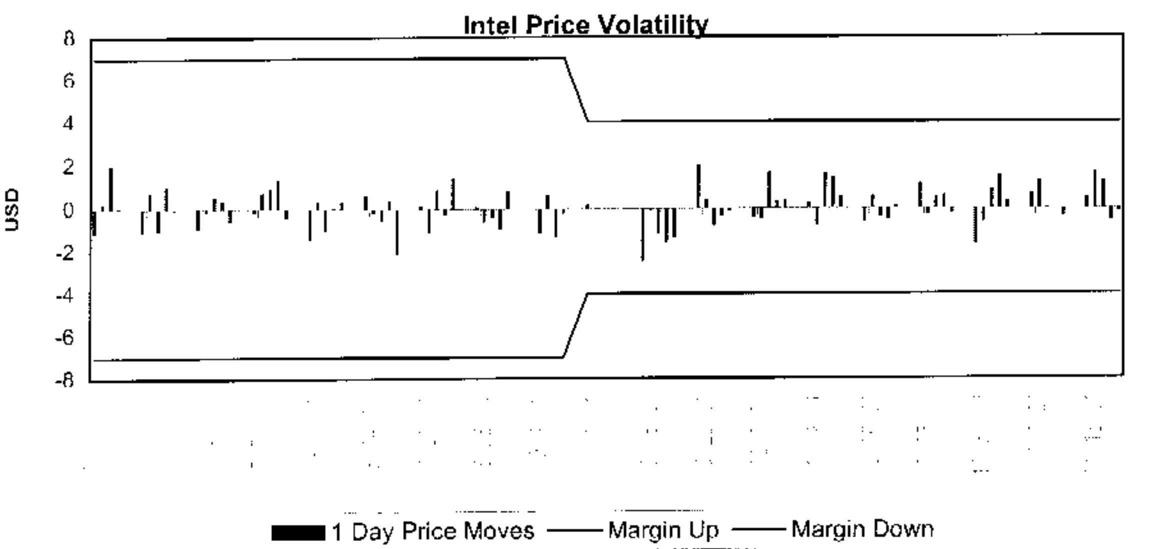


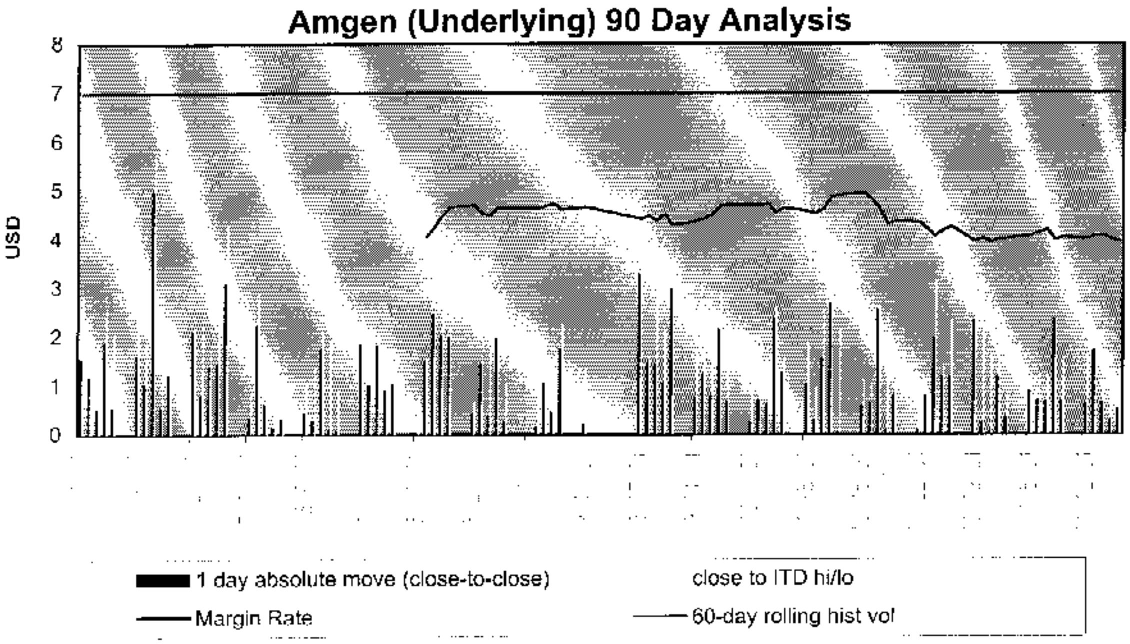
AOL (Underlying) 90 Day Analysis
USD
8
7
6
5
4
3
2
1
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

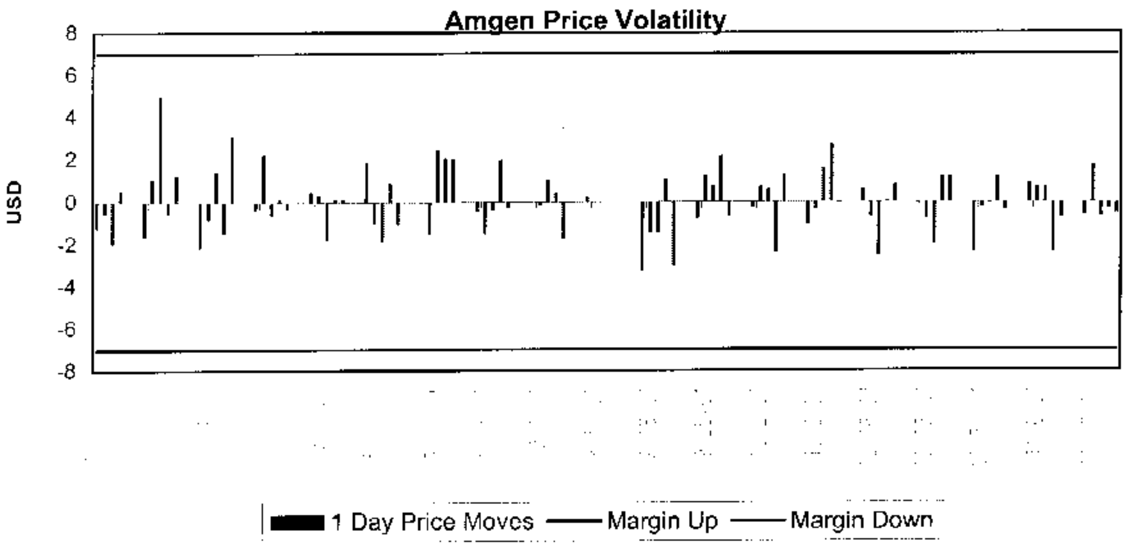


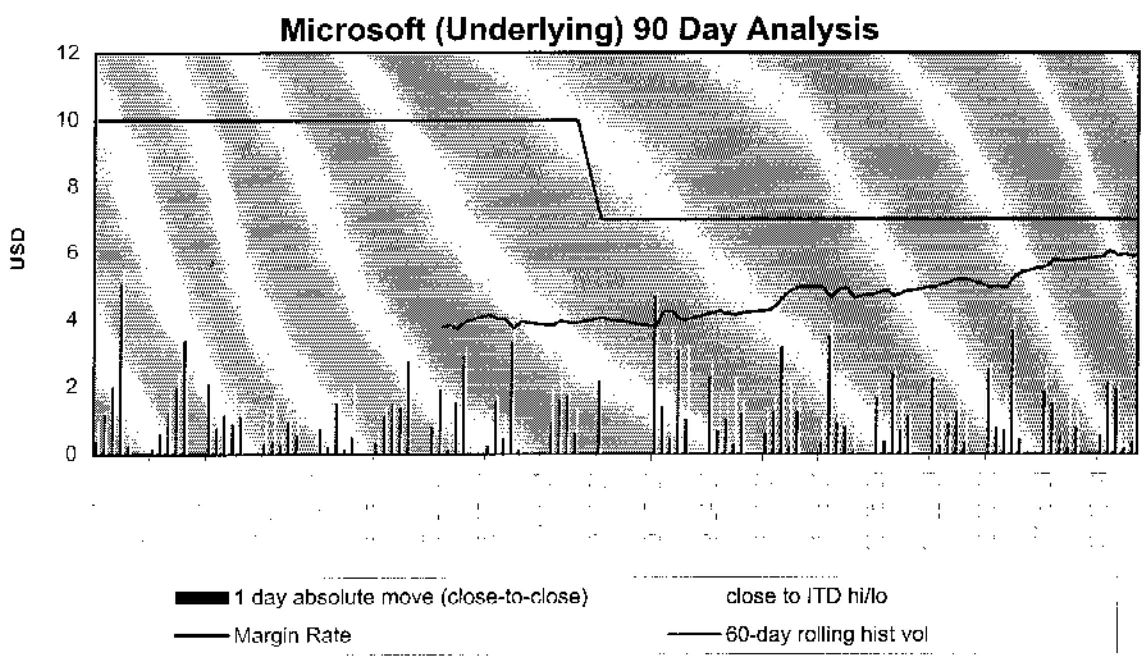
AOL Price Volatility
USD
8
6
4
2
0
-2
-4
-6
-8
1 Day Price Moves
Margin Up
Margin Down

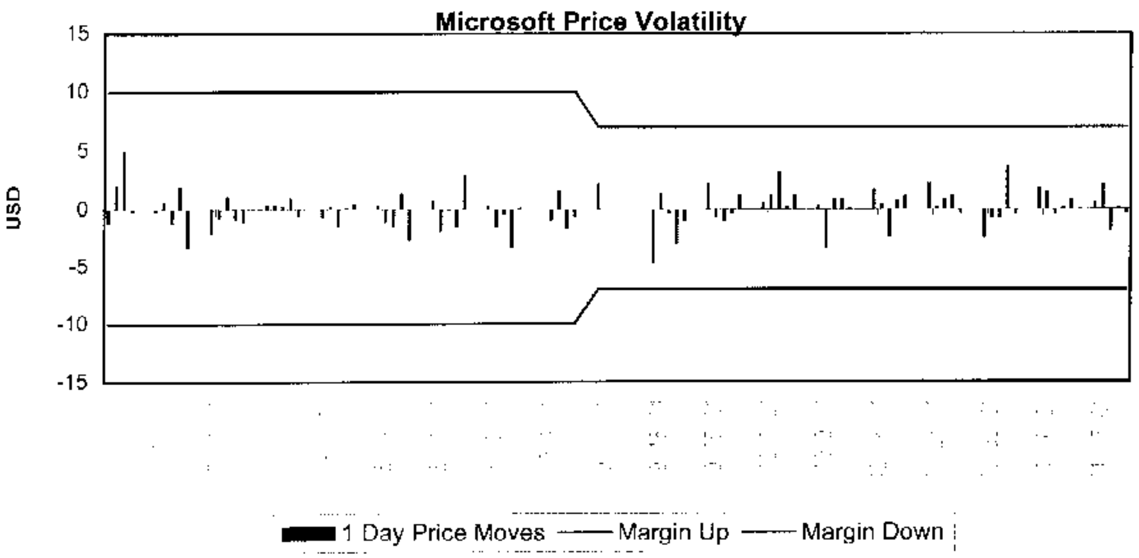

Intel (Underlying) 90 Day Analysis
USD
8
7
6
5
4
3
2
1
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

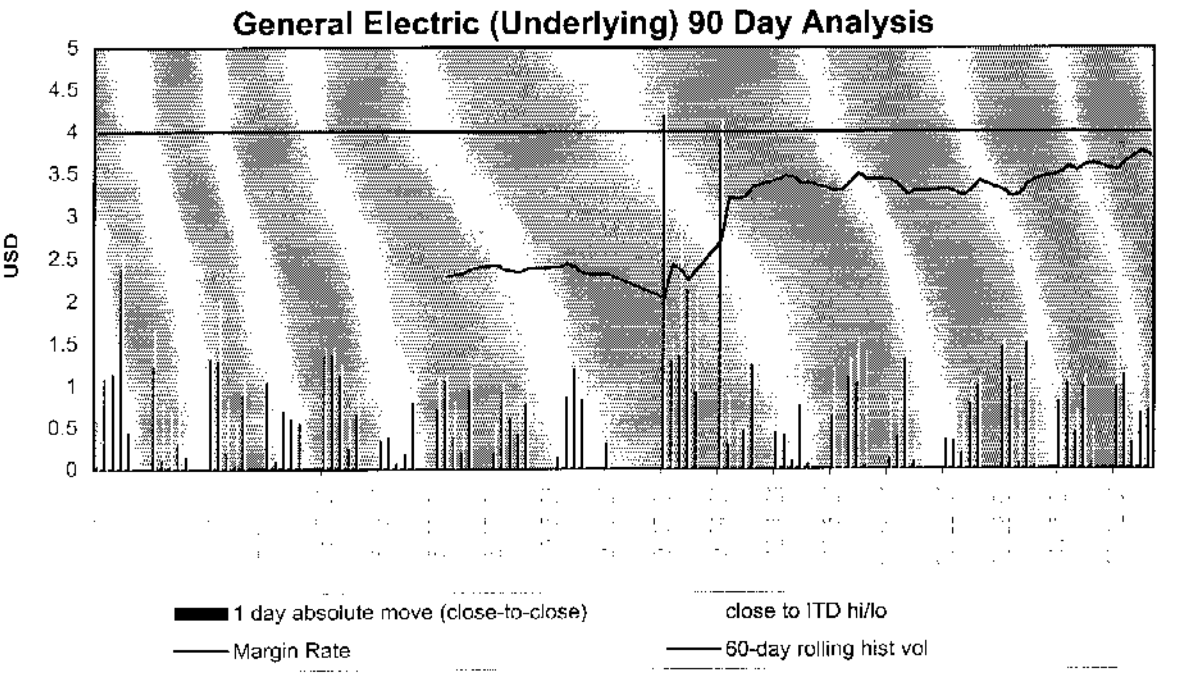

Intel Price Volatility
USD
8
6
4
2
0
-2
-4
-6
-8
1 Day Price Moves
Margin Up
Margin Down


Amgen (Underlying) 90 Day Analysis
USD
8
7
6
5
4
3
2
1
0
1 day absolute move (close-to-close)
Margin Rate
close to ITD hi/lo
60-day rolling hist vol

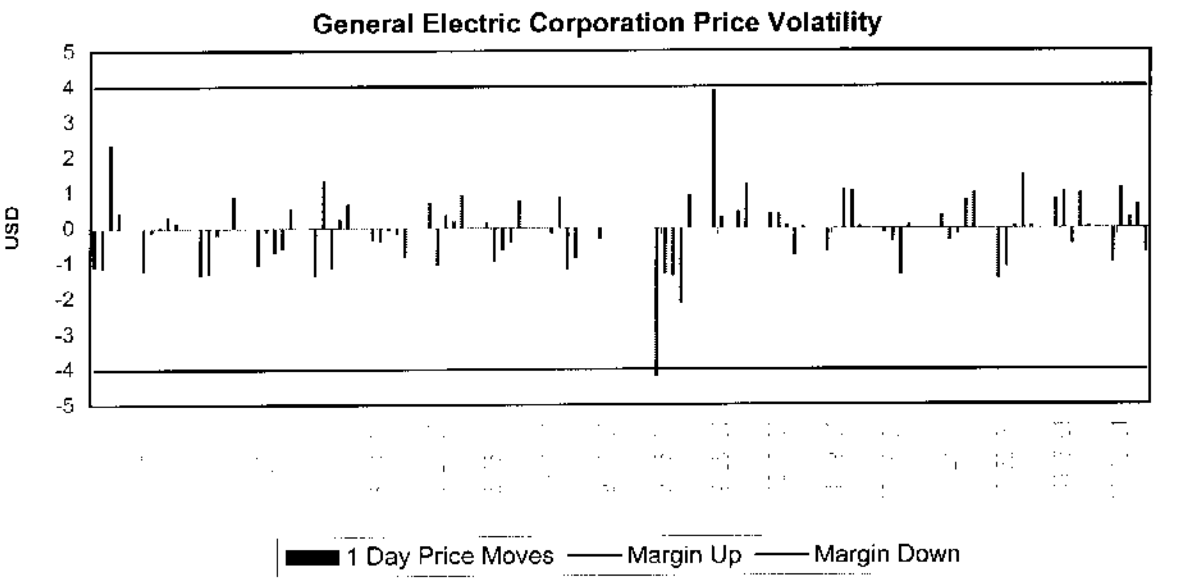

Amgen Price Volatility
USD
8
6
4
2
0
-2
-4
-6
-8
1 Day Price Moves
Margin Up
Margin Down


Microsoft (Underlying) 90 Day Analysis
12
10
8
6
4
2
0
USD
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

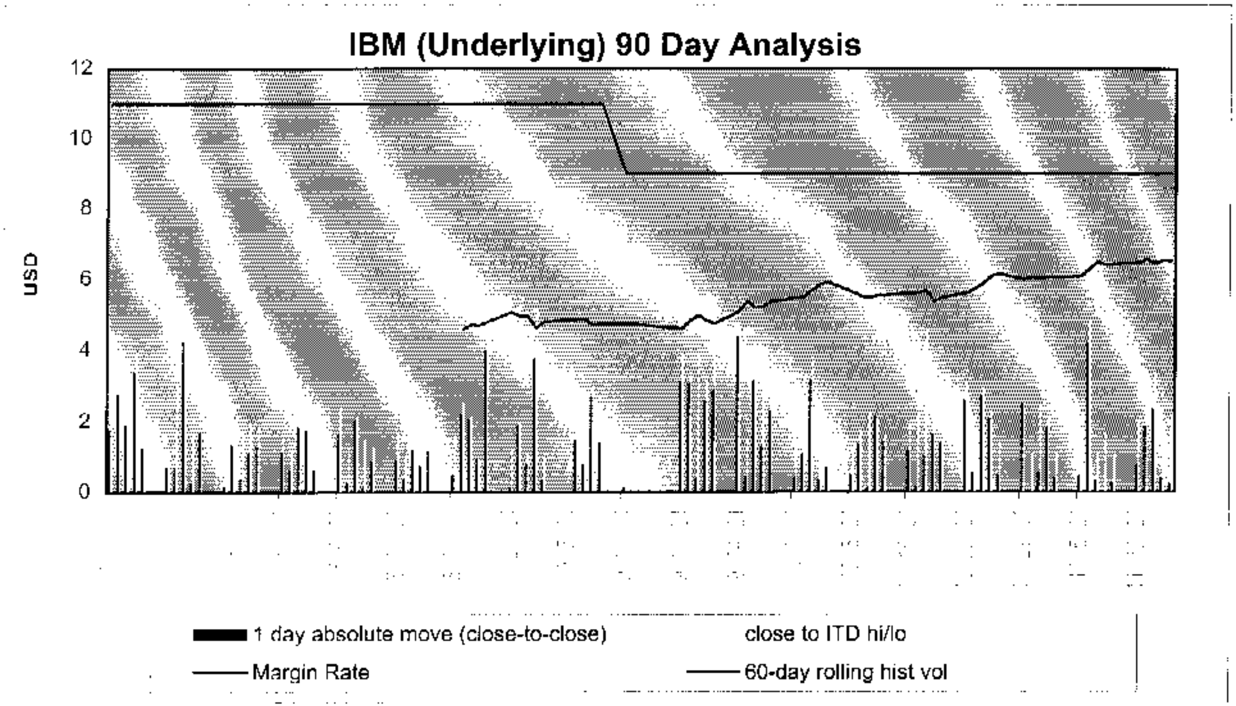

Microsoft Price Volatility
15
10
5
0
-5
-10
-15
USD
1 Day Price Moves
Margin Up
Margin Down

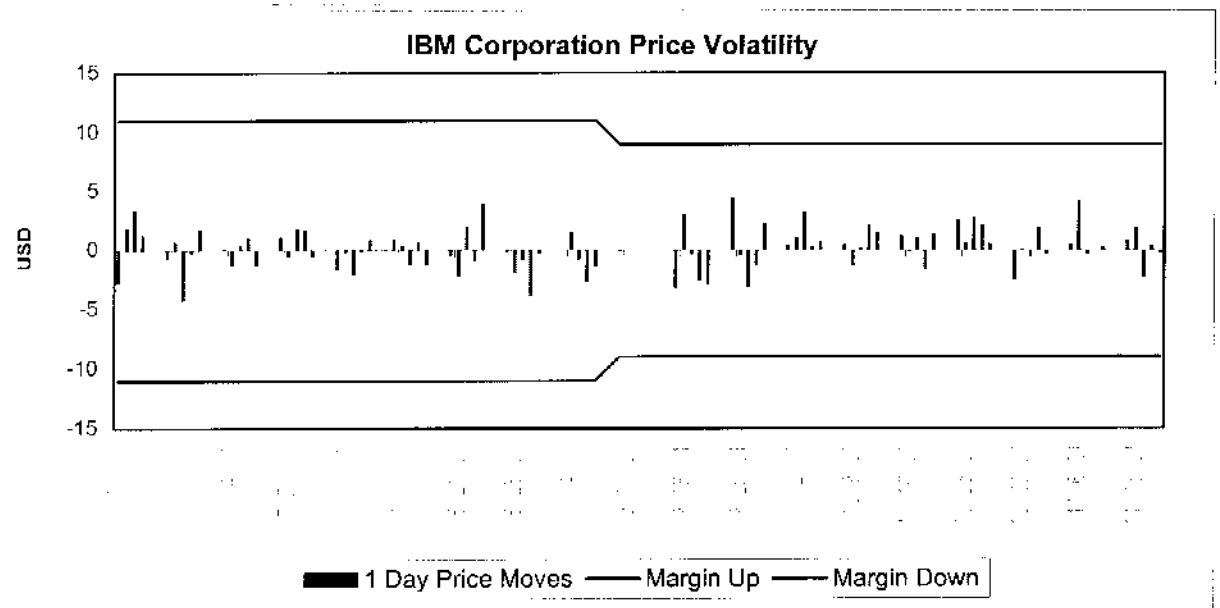


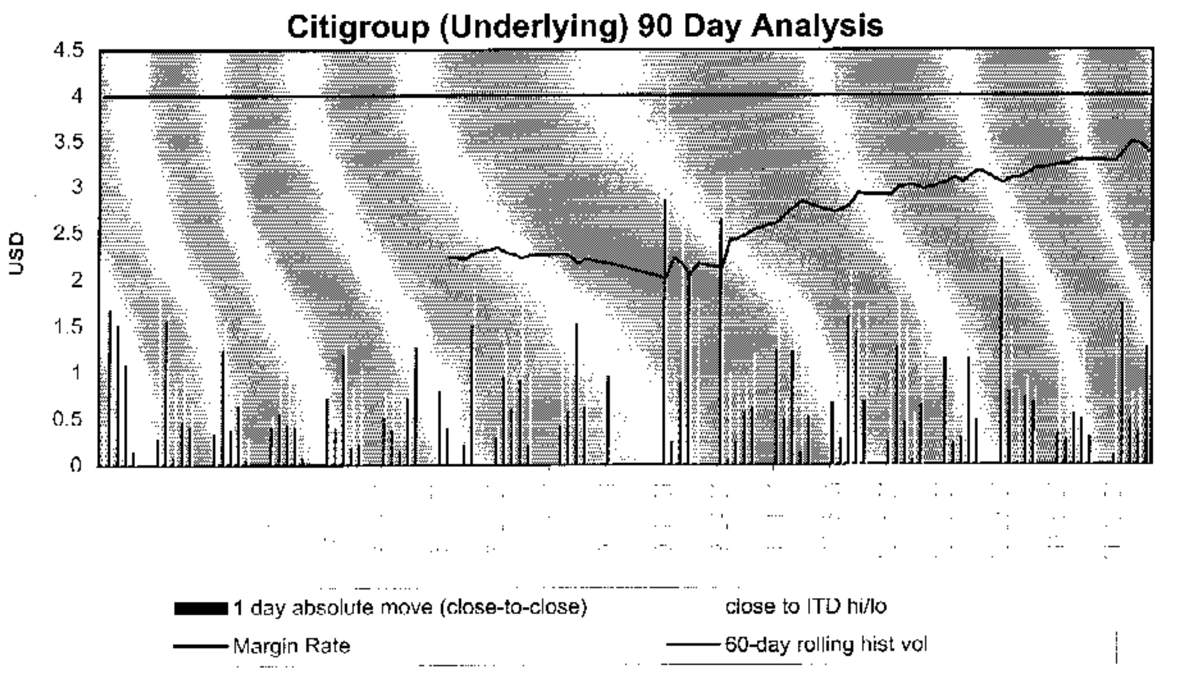
General Electric (Underlying) 90 Day Analysis
USD
5
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

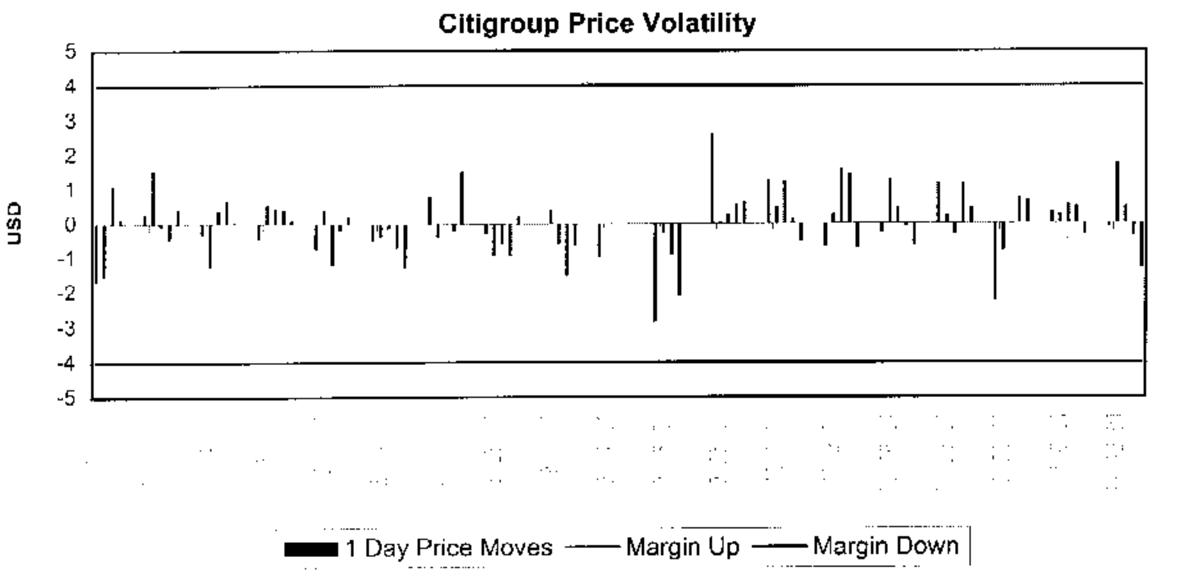


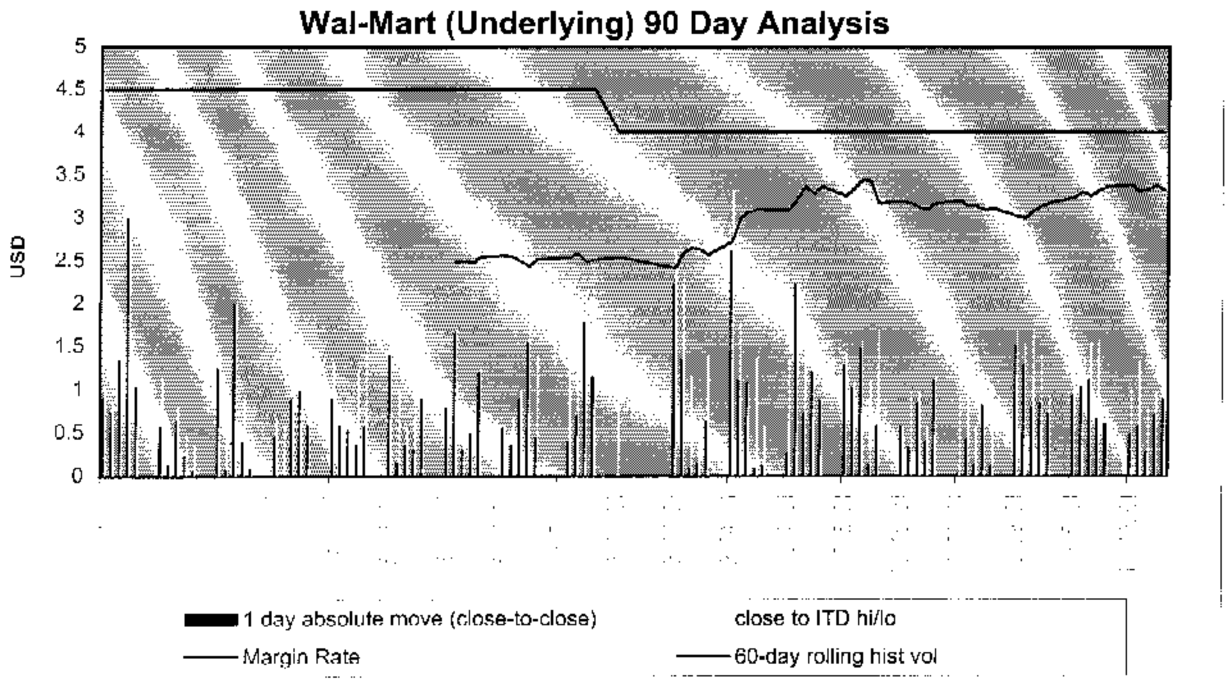
General Electric Corporation Price Volatility
USD
5
4
3
2
1
0
-1
-2
-3
-4
-5
1 Day Price Moves
Margin Up
Margin Down


IBM (Underlying) 90 Day Analysis
USD
12
10
8
6
4
2
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

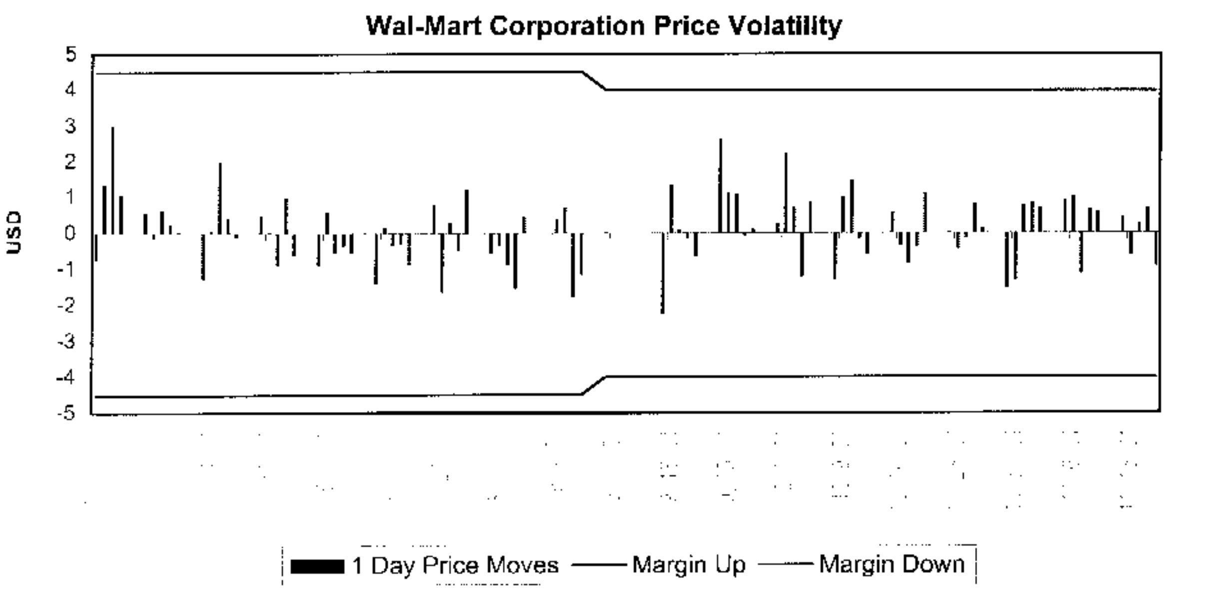

IBM Corporation Price Volatility
USD
15
10
5
0
-5
-10
-15
1 Day Price Moves
Margin Up
Margin Down


Citigroup (Underlying) 90 Day Analysis
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
USD
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

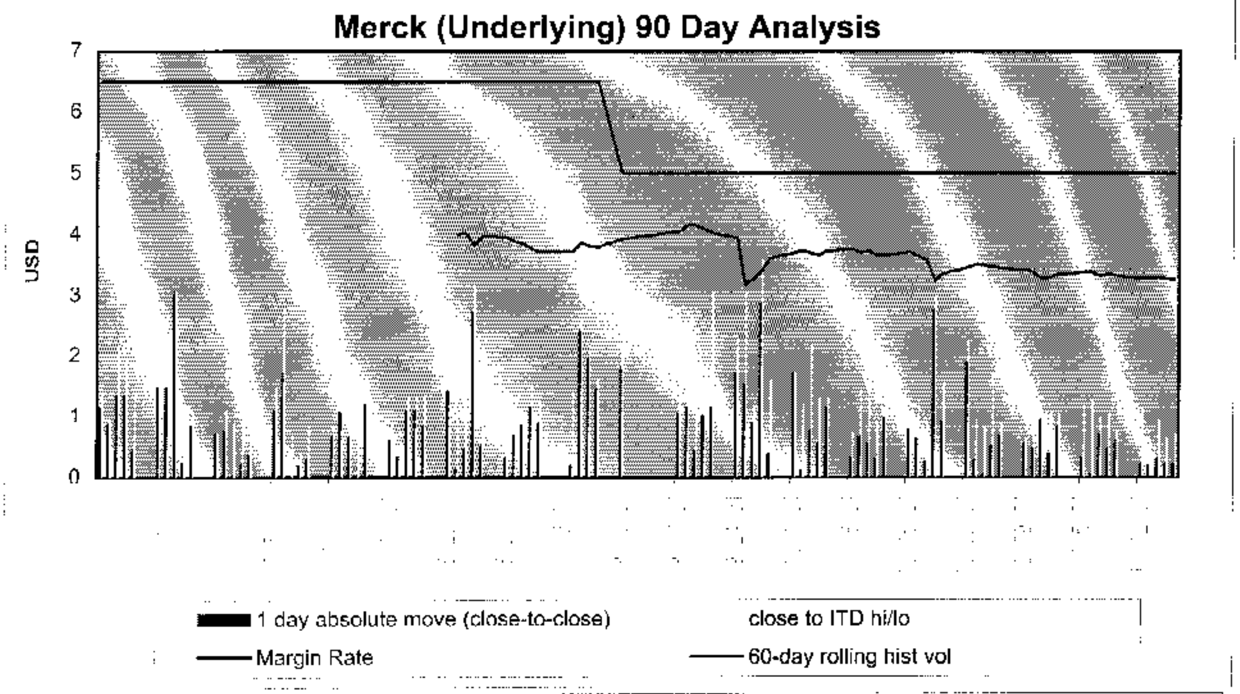

Citigroup Price Volatility
5
4
3
2
1
0
-1
-2
-3
-4
-5
USD
1 Day Price Moves
Margin Up
Margin Down

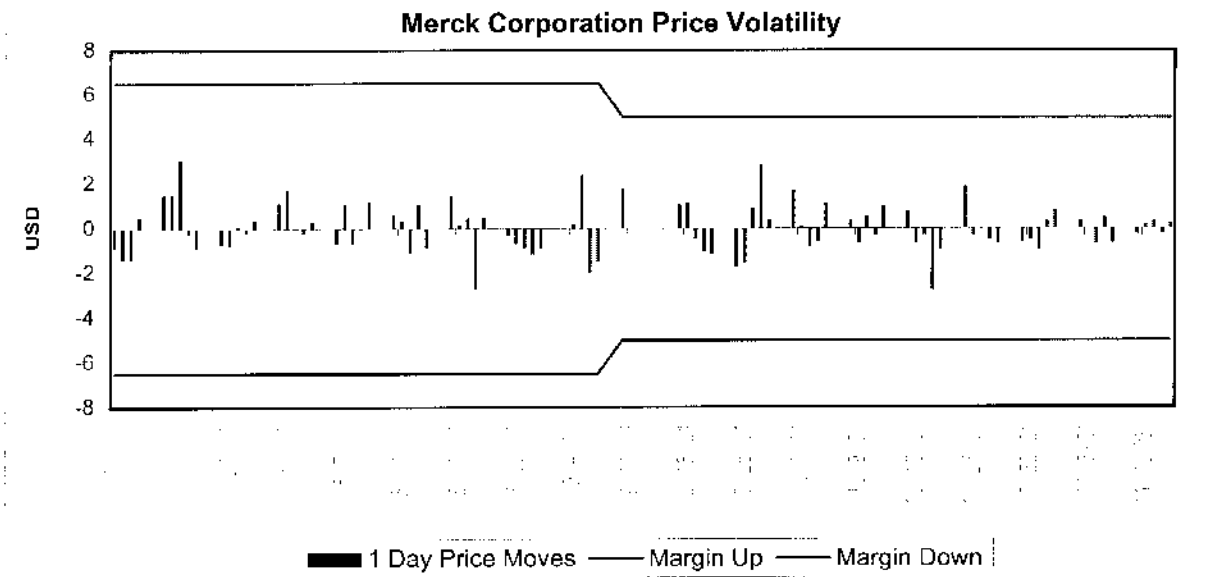


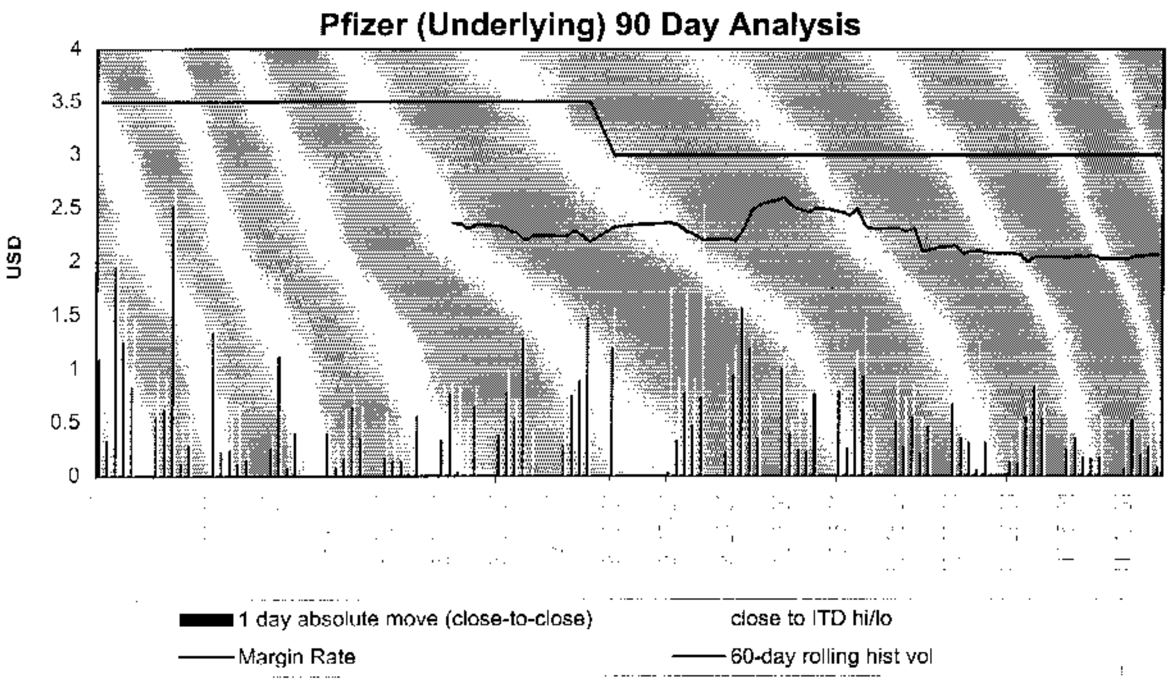
Wal-Mart (Underlying) 90 Day Analysis
USD
5
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

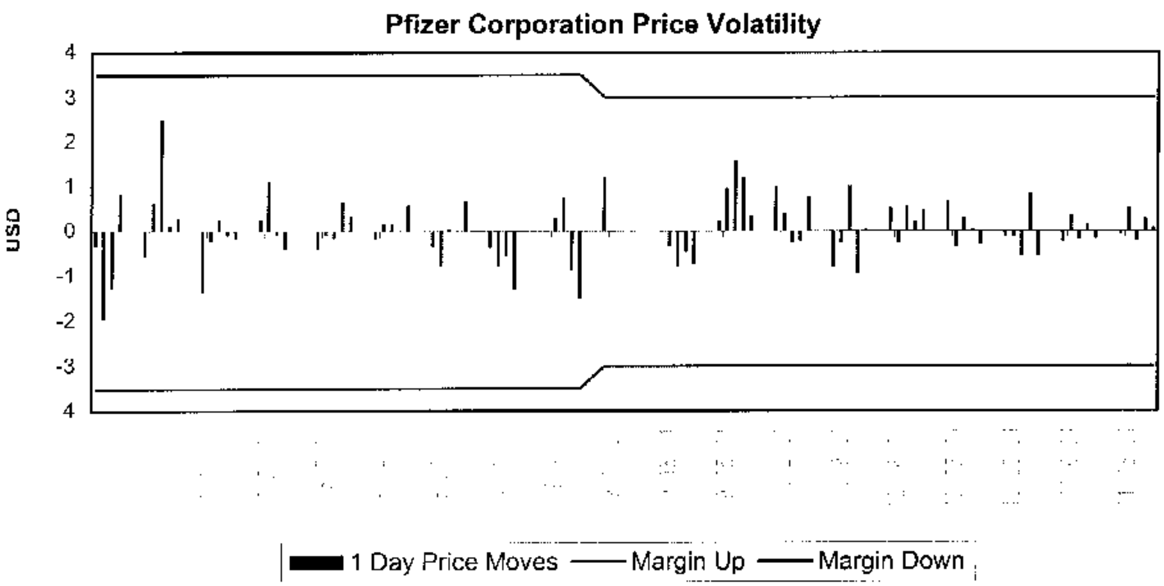


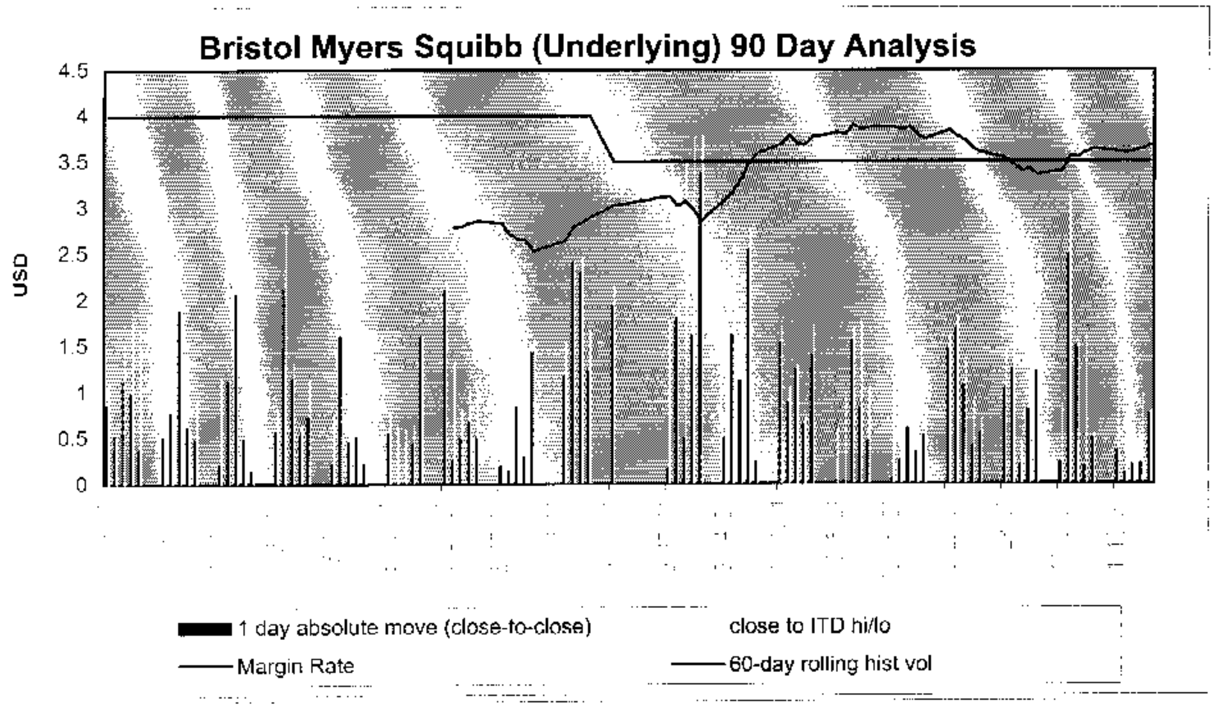
Wal-Mart Corporation Price Volatility
USD
5
4
3
2
1
0
-1
-2
-3
-4
-5
1 Day Price Moves
Margin Up
Margin Down

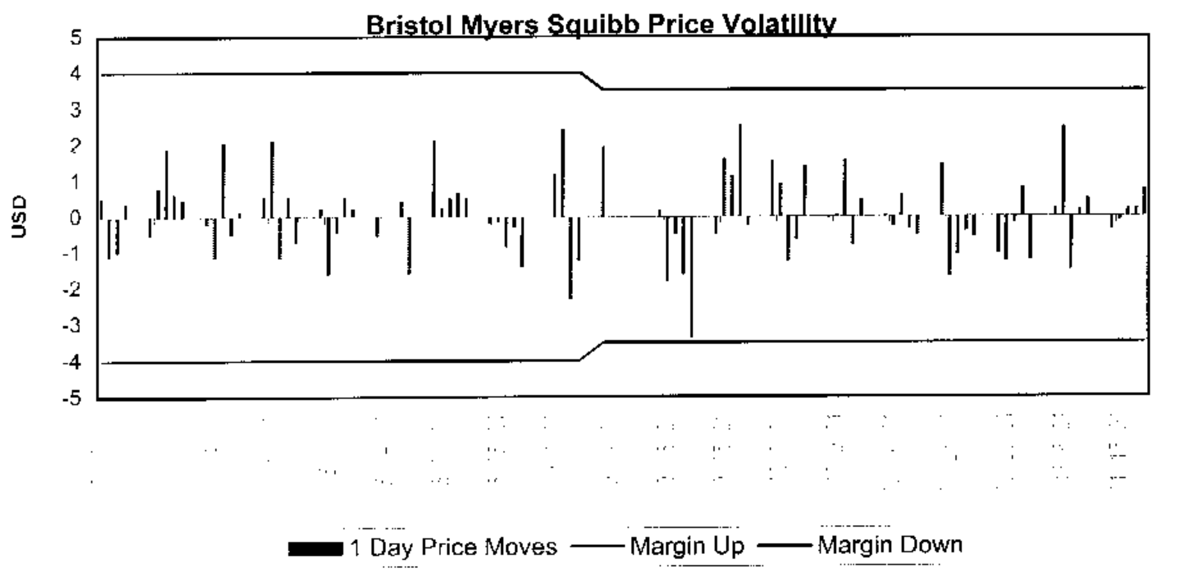

Merck (Underlying) 90 Day Analysis
USD
7
6
5
4
3
2
1
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

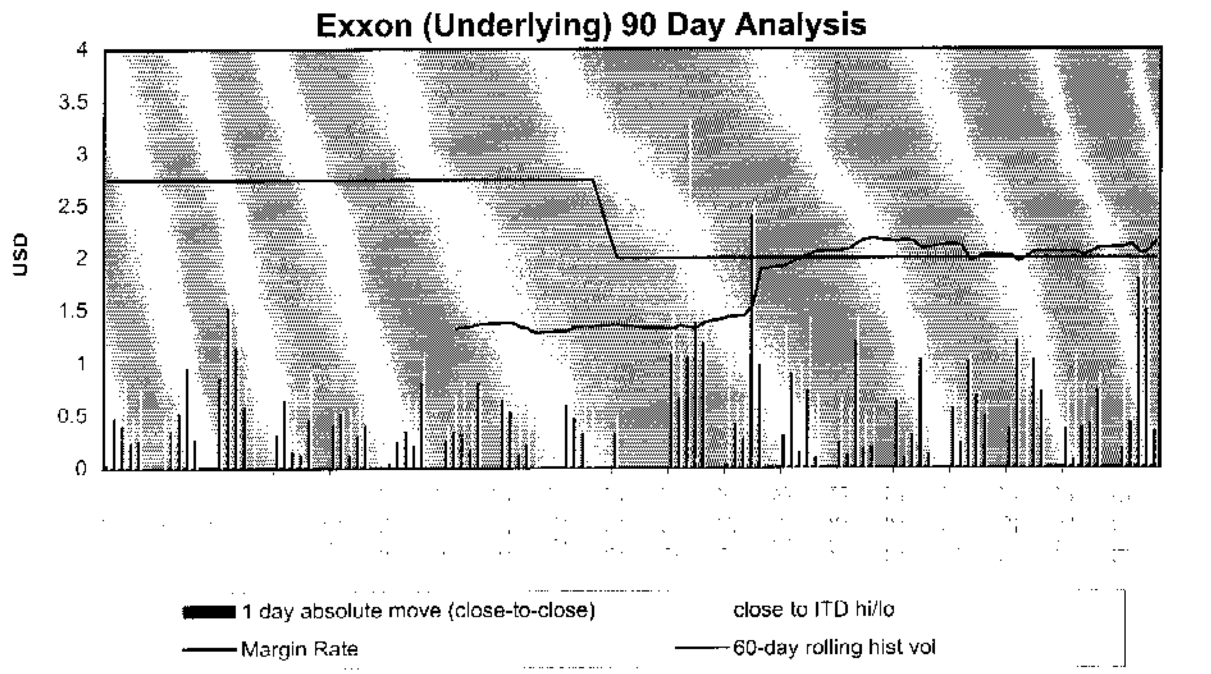

Merck Corporation Price Volatility
USD
8
6
4
2
0
-2
-4
-6
-8
1 Day Price Moves
Margin Up
Margin Down

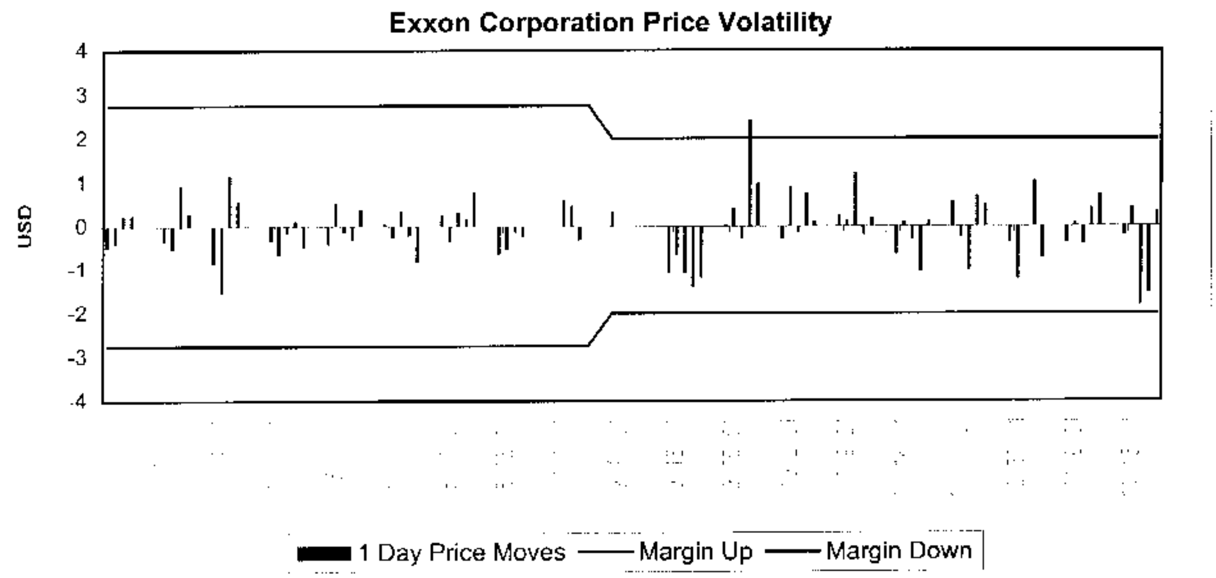

Pfizer (Underlying) 90 Day Analysis
USD
4
3.5
3
2.5
2
1.5
1
0.5
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol

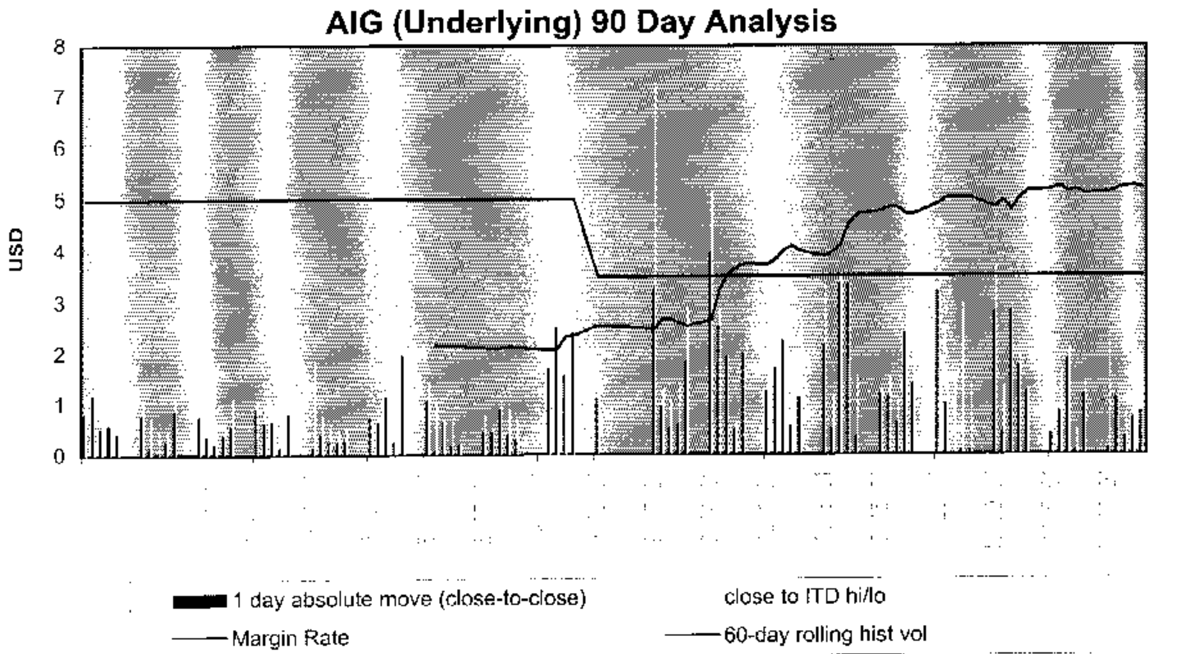

Pfizer Corporation Price Volatility
USD
4
3
2
1
0
-1
-2
-3
4
1 Day Price Moves
Margin Up
Margin Down

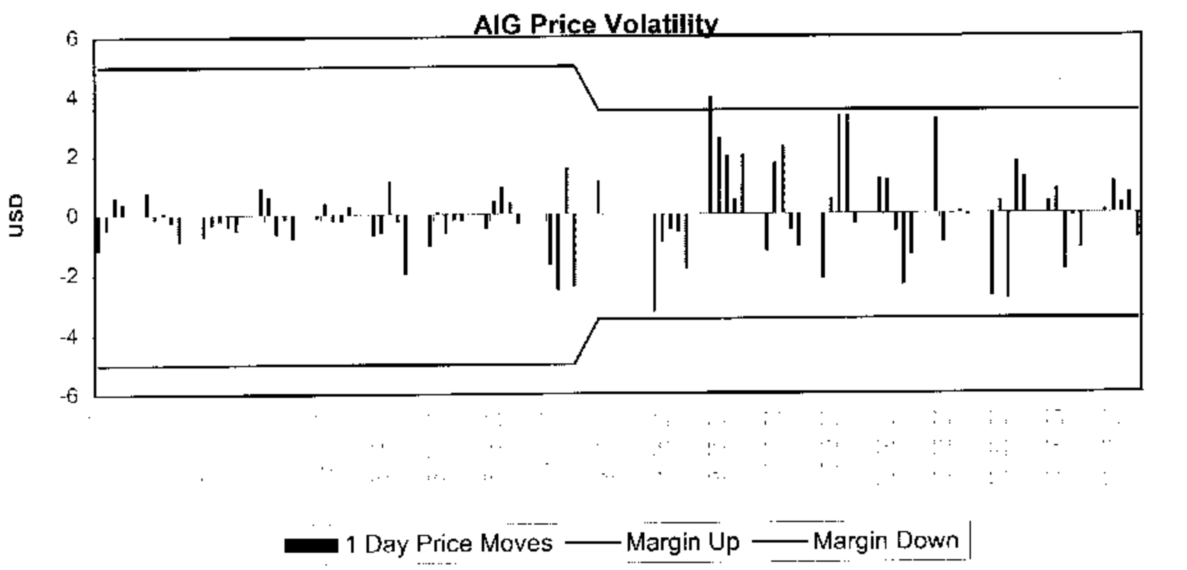

Bristol Myers Squibb (Underlying) 90 Day Analysis
USD
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol


Bristol Myers Squibb Price Volatility
USD
5
4
3
2
1
0
-1
-2
-3
-4
-5
1 Day Price Moves
Margin Up
Margin Down


Exxon (Underlying) 90 Day Analysis
USD
4
3.5
3
2.5
2
1.5
1
0.5
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol


Exxon Corporation Price Volatility
USD
4
3
2
1
0
-1
-2
-3
-4
1 Day Price Moves
Margin Up
Margin Down


AIG (Underlying) 90 Day Analysis
USD
8
7
6
5
4
3
2
1
0
1 day absolute move (close-to-close)
close to ITD hi/lo
Margin Rate
60-day rolling hist vol


AIG Price Volatility
USD
6
4
2
0
-2
-4
-6
1 Day Price Moves
Margin Up
Margin Down