

Table 2. Restricted Index Arbitrage Volume Surrounding 50-Point Dow Moves.

Panel A: Sell-Side Arbitrage Volume Surrounding Down Events						
Category	Before			After		
	Test	Control	t-stat (Test vs. Control)	Test	Control	t-stat (Test vs. Control)
Sell-Side Index Arbitrage Volume (All Accounts)	-123.68	-99.94	-0.58	-44.79	-130.33	1.85*
Sell-Side Index Arbitrage Volume (Principal Accounts Only)	-98.22	-65.93	-0.88	-42.88	-67.52	0.81
Sell-Side Index Arbitrage Volume (Agency Accounts Only)	-25.46	-34.01	0.54	-1.78	-62.81	2.68*

Panel B: Buy-Side Arbitrage Volume Surrounding Up Events						
Category	Before			After		
	Test	Control	t-stat (Test vs. Control)	Test	Control	t-stat (Test vs. Control)
Buy-Side Index Arbitrage Volume (All Accounts)	162.16	133.23	0.44	43.62	127.43	-2.77*
Buy-Side Index Arbitrage Volume (Principal Accounts Only)	127.48	52.18	1.56	41.90	50.52	-0.59
Buy-Side Index Arbitrage Volume (Agency Accounts Only)	34.70	81.05	-1.34	.61	76.91	-3.37*

All volume figures are reported in millions of dollars of S&P 500 component stocks used in index arbitrage programs submitted within 90 minutes of a 50-point Dow move. Principal index arbitrage volume is submitted by NYSE firms for their own account. Agency index arbitrage volume is submitted by NYSE firms for their customers. The t-statistic is used to test the equality of mean index arbitrage volume between the control group and the test group. An asterisk (*) indicates that the difference in mean volume is significant at the five percent level in a one-tailed test.