RULE NO. 424(b)(5)
REGISTRATION NO. 33-65135

SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS SUPPLEMENT, DATED JUNE 20, 1996

PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED APRIL 4, 1996)

[LOGO]

2,500,000 UNITS
MERRILL LYNCH & CO., INC.

TECHNOLOGY MARKET INDEX TARGET-TERM SECURITIES (Service Mark) DUE JULY , 2001
"MITTS(Registered Service Mark)"

An aggregate principal amount of $25,000,000 of Technology Market Index Target-Term Securities (Service Mark) due July , 2001 (the "Securities" or "MITTS(Registered Service Mark)") of Merrill Lynch & Co., Inc. (the "Company") are being offered hereby. Each $10 principal amount of Securities will be deemed a "Unit" for purposes of trading and transfer. Units will be transferable by the Depository (as hereinafter defined), as more fully described below.

The Securities are debt securities of the Company, which are being issued in denominations of $10 and integral multiples thereof, will bear no periodic payments of interest and will mature on July , 2001. At maturity, a beneficial owner of a Security will be entitled to receive, with respect to each Security, the principal amount thereof plus an interest payment (the "Supplemental Redemption Amount") based on the percentage increase, if any, in the CBOE Technology Index* (the "Index") over the Benchmark Index Value. The Supplemental Redemption Amount will in no event be less than zero or more than $10 per $10 principal amount of Securities, representing a maximum annualized rate of return of 14.35% compounded semi-annually over a term of five years. The Securities are not redeemable or callable by the Company prior to maturity. While at maturity a beneficial owner of a Security will receive the principal amount of such Security plus the Supplemental Redemption Amount, if any, there will be no other payment of interest, periodic or otherwise.

The Supplemental Redemption Amount payable with respect to a Security at maturity will equal the product of (A) the principal amount of the applicable Security, and (B) the percentage increase from the Benchmark Index Value to the Ending Index Value. The Benchmark Index Value will exceed the Starting Index Value on the date the Securities are priced by the Company for initial sale to the public (the "Pricing Date") by 10% to 20% (the actual percentage will be determined on the Pricing Date). The Starting Index Value, as more particularly described herein, will be the closing value of the Index on the Pricing Date. The Benchmark Index Value will be set forth in the final form of this Prospectus Supplement delivered to investors in connection with sales of the Securities. The Ending Index Value, as more particularly described herein, will be the average (arithmetic mean) of the closing values of the Index on certain days, or, if certain events occur, the closing value of the Index on a single day prior to the maturity of the Securities.

FOR INFORMATION AS TO THE CALCULATION OF THE SUPPLEMENTAL REDEMPTION AMOUNT WHICH WILL BE PAID AT MATURITY, THE CALCULATION AND THE COMPOSITION OF THE INDEX, AND CERTAIN TAX CONSEQUENCES TO BENEFICIAL OWNERS OF THE SECURITIES, SEE "DESCRIPTION OF SECURITIES", "THE INDEX", AND "CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS", RESPECTIVELY, IN THIS PROSPECTUS SUPPLEMENT. FOR OTHER INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" BEGINNING ON PAGE S-6 OF THIS PROSPECTUS SUPPLEMENT.

Ownership of the Securities will be maintained in book-entry form by or through the Depository. Beneficial owners of the Securities will not have the right to receive physical certificates evidencing their ownership except under the limited circumstances described herein.

Application will be made to list the Securities on the Chicago Board Options Exchange, Inc. (the "CBOE") and the New York Stock Exchange (the "NYSE") under the symbol "TKM".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

<S>	PRICE TO PUBLIC(1) <C>	UNDERWRITING DISCOUNT(1) <C>	PROCEEDS TO THE COMPANY(2) <C>
Per Unit..............................	$10	$	$
Total.................................	$25,000,000	$	$

</TABLE>

(1) The "Price to Public" and "Underwriting Discount" for any single transaction to purchase 100,000 to (but not including) 500,000 Units will be $ per Unit and $ per Unit, respectively, and the "Price to Public" and "Underwriting Discount" for any single transaction to purchase 500,000 Units or more will be $ per Unit and $ per Unit, respectively.
(2) Before deduction of expenses payable by the Company.

The Securities are offered by the Underwriter, subject to prior sale, when, as, and if issued by the Company and accepted by the Underwriter and subject to certain other conditions. The Underwriter reserves the right to reject orders in whole or in part. It is expected that delivery of the Securities will be made in New York, New York on or about July , 1996.

This Prospectus Supplement and the accompanying Prospectus may be used by the Underwriter in connection with offers and sales related to market-making transactions in the Securities. The Underwriter may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

MERRILL LYNCH & CO.

The date of this Prospectus Supplement is July , 1996.

*The use and reference to the term "CBOE Technology Index" herein has been consented to by the CBOE.
The "CBOE Technology Index" is a service mark of the CBOE.
"MITTS" is a registered service mark and "Market Index Target-Term Securities" is a service mark owned by Merrill Lynch & Co., Inc.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE CHICAGO BOARD OPTIONS EXCHANGE, INC., THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Commissioner of Insurance of The State of North Carolina has not approved or disapproved the offering of the Securities made hereby nor has the Commissioner passed upon the accuracy or adequacy of this Prospectus Supplement or Prospectus.

AVAILABLE INFORMATION

In addition to the locations specified under "Available Information" in the accompanying Prospectus, the Securities and Exchange Commission (the "Commission") maintains a Web site at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants, including the Company, that file electronically with the Commission.

SUMMARY

The following summary does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus Supplement and the accompanying Prospectus.

Issuer..................... Merrill Lynch & Co., Inc.

Securities Offered.......... 2,500,000 Units of Technology Market Index Target-Term Securities due July , 2001. The Securities are to be issued as a series of Senior Debt Securities under the Chemical Indenture described herein.

Listing..................... Application will be made to list the Securities on the CBOE and on the NYSE under the symbol "TKM".

Denominations............... A Unit consisting of $10 principal amount of Securities and integral multiples thereof.

Maturity.................... July , 2001.

Payment at Maturity......... At maturity, a beneficial owner of a Security will be entitled to receive (i) the principal amount thereof and (ii) the Supplemental Redemption Amount equal to:

<TABLE>

$$\text{Principal Amount} \times \frac{\text{Ending Index Value--Benchmark Index Value}}{\text{Benchmark Index Value}}$$

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero or more than $10 per $10 principal amount of Securities. The Benchmark Index Value will be the Starting Index Value on the Pricing Date multiplied by a factor equal to 110% to 120% as determined by the Company on the Pricing Date. The Starting Index Value will be the closing Index value on the Pricing Date. The Benchmark Index Value will be set forth in the final form of the Prospectus Supplement delivered to investors in connection with sales of the Securities. The Ending Index Value will equal the average (arithmetic mean) of the closing value of the Index on certain days prior to the maturity of the Securities, or, if Market Disruption Events (as defined below) occur on certain days, then the Ending Index Value will equal the closing value of the Index on a single day.

Index....................... The CBOE Technology Index (the "Index") is a price-weighted stock index designed, developed, maintained and operated by, and is a service mark of, the CBOE. The Index is designed to measure the composite price performance of common stocks of companies involved in the design and manufacture of high technology components and systems.

The Index is being used by the Company with the permission of the CBOE. The Index consists of the stocks of 30 issuers involved in various aspects of the high technology industry segment,

including: computer services, telecommunications equipment, server software and hardware, design software, PC software and hardware, networking, peripherals, and semiconductors. All of the stocks in the Index are securities of U.S. issuers and currently trade on the NYSE or as National Market securities traded through Nasdaq. The Index has a base date of January 3, 1995, on which date the Index equaled 100.00.

Stocks that constitute the Index may be changed or substituted by the CBOE based on certain criteria. See "The Index" herein. The CBOE is under no obligation to continue the calculation and the dissemination of the Index. If the CBOE or any third party discontinues publication of the Index or any Successor Index, the Calculation Agent shall determine for the remaining Calculation Days in the Calculation Period the value to be substituted for the Index for each such Calculation Day based on the formula and method used in calculating the Index in effect on the date the Index or any Successor Index (as defined below) was last published. See "Risk Factors" herein.

Index Symbol on reporting services operated by TXX

Bloomberg, L.P.	
Risk Factors................	The Securities are subject to certain special considerations. On the Pricing Date, the Benchmark Index Value will exceed the Starting Index Value by 10% to 20% (the actual percentage will be determined on the Pricing Date). Investors should be aware that if the Ending Index Value does not exceed the Starting Index Value by more than 10% to 20% (the actual percentage will be determined on the Pricing Date), beneficial owners of the Securities will receive only the principal amount thereof. A beneficial owner of the Securities may receive no Supplemental Redemption Amount at maturity, or a Supplemental Redemption Amount that is below what the Company would pay as interest as of the date hereof if the Company issued non-callable senior debt securities with a similar maturity as that of the Securities. The return of principal of the Securities at maturity and the payment of the Supplemental Redemption Amount, if any, may not reflect the full opportunity costs implied by inflation or other factors relating to the time value of money.
	In no event will the Supplemental Redemption Amount exceed $10 per $10 principal amount of Securities. As a result, beneficial owners of Securities will not benefit from Index increases in excess of approximately 120% to 140% (the actual percentage will be determined on the Pricing Date) above the Starting Index Value determined on the Pricing Date (the "Maximum Index Value").
	There is no precedent to indicate how the Securities will trade in the secondary market or whether such market will be liquid. It is expected that the secondary market for the Securities will be affected by the creditworthiness of the Company and by a number of other factors. The trading value of the Securities is expected to

	depend substantially on the extent of the appreciation, if any, of the Index over the Benchmark Index Value. See "The Index--Historical Data on the Index" in this Prospectus Supplement for historical values of the Index. If, however, Securities are sold prior to the maturity date at a time when the Index exceeds the Benchmark Index Value, the sale price may be at a substantial discount from the amount expected to be payable to the beneficial owner if such excess of the Index over the Benchmark Index Value were to prevail until maturity of the Securities because of the possible fluctuation of the Index between the time of such sale and the time that the Ending Index Value is determined. Furthermore, the price at which a beneficial owner will be able to sell Securities prior to maturity may be at a discount, which could be substantial, from the principal amount thereof, if, at such time the Index is below, equal to or not sufficiently above the Benchmark Index Value. The limitation that the Supplemental Redemption Amount may not exceed $10 per $10 principal amount of Securities may adversely affect the secondary market value of the Securities and such adverse effect could occur even if the value of the Index is below the Maximum Index Value. A discount could also result from rising interest rates.
	The Index does not reflect the payment of dividends on the stocks underlying it and, therefore, the yield based on the Index to the maturity of the Securities will not produce the same yield as if such underlying stocks were purchased and held for a similar period. See "Risk Factors" in this Prospectus Supplement.

The value of the Index and the Supplemental Redemption Amount, if any, may be adversely affected by political, economic and other developments that affect the stocks underlying the Index. Since the stocks underlying the Index are of companies involved in various aspects of the high technology industry segment, factors affecting this industry segment may affect the value of the Index and therefore the trading value of the Securities.

It is suggested that prospective investors who consider purchasing the Securities should reach an investment decision only after carefully considering the suitability of the Securities in light of their particular circumstances.

Investors should also consider the tax consequences of investing in the Securities. See "Certain United States Federal Income Tax Considerations" in this Prospectus Supplement.

RISK FACTORS

PAYMENT AT MATURITY

Benchmark Index Value will Exceed Value of Index on the Pricing Date. On the Pricing Date, the Benchmark Index Value will exceed the Starting Index Value by 10% to 20% (the actual percentage will be determined on the Pricing Date). Investors should be aware that if, at maturity, the Ending Index Value does not exceed the Starting Index Value by more than 10% to 20% (the actual percentage will be determined on the Pricing Date), beneficial owners of the Securities will receive only the principal amount thereof.

Yield may be Below Market Interest Rates on the Pricing Date. A beneficial owner of the Securities may receive no Supplemental Redemption Amount at maturity, or a Supplemental Redemption Amount that is below what the Company would pay as interest as of the Pricing Date if the Company issued non-callable senior debt securities with a similar maturity as that of the Securities. The return of principal of the Securities at maturity and the payment of the Supplemental Redemption Amount, if any, may not reflect the full opportunity costs implied by inflation or other factors relating to the time value of money.

Limitation of Supplemental Redemption Amount. Because the Supplemental Redemption Amount will not exceed $10 per $10 principal amount of Securities, beneficial owners of Securities will not benefit from Index increases in excess of approximately 120% to 140% (the actual percentage will be determined on the Pricing Date) above the Starting Index Value determined on the Pricing Date (the "Maximum Index Value"). In no event will the Supplemental Redemption Amount exceed $10 per $10 principal amount of Securities.

Yield on Securities will not Reflect Dividends. The Index does not reflect the payment of dividends on the stocks underlying it and therefore the yield based on the Index to the maturity of the Securities will not produce the same yield as if such underlying stocks were purchased and held for a similar period.

TRADING

Application will be made to list the Securities on the CBOE and on the NYSE under the symbol "TKM". There is no precedent to indicate how the Securities will trade in the secondary market or whether such market will be liquid. It is expected that the secondary market for the Securities will be affected by the creditworthiness of the Company and by a number of other factors.

The trading value of the Securities is expected to depend substantially on the extent of the appreciation, if any, of the Index over the Benchmark Index Value. See "The Index--Historical Data on the Index" in this Prospectus Supplement for historical values of the Index. If, however, Securities are sold prior to the maturity date at a time when the Index exceeds the Benchmark Index Value, the sale price may be at a substantial discount from the amount expected to be payable to the beneficial owner if such excess of the Index over the Benchmark Index Value were to prevail until maturity of the Securities because of the possible fluctuation of the Index between the time of such sale and the time that the Ending Index Value is determined. Furthermore, the price at which a beneficial owner will be able to sell Securities prior to maturity may be at a discount, which could be substantial, from the principal amount thereof, if, at such time, the Index is below, equal to, or not sufficiently above the Benchmark Index Value. The limitation that the Supplemental Redemption Amount will not exceed $10 per $10 principal amount of Securities may adversely affect the secondary market value of the

Securities and such adverse effect could occur even if the value of the Index is below the Maximum Index Value. A discount could also result from rising interest rates.

In addition to the value of the Index, the trading value of the Securities may be affected by a number of interrelated factors, including the creditworthiness of the Company and those factors listed below. The relationship among these factors is complex, including how these factors affect the relative value of the principal amount of the Securities to be repaid at maturity and the value of the Supplemental Redemption Amount.

Accordingly, investors should be aware that factors other than the level of the Index are likely to affect the Securities' trading value. The expected effect on the trading value of the Securities of each of the factors listed below, assuming in each case that all other factors are held constant, is as follows:

Interest Rates. Because the Securities repay at a minimum the principal amount thereof at maturity, the trading value of the Securities will likely be affected by changes in interest rates. In general, if U.S. interest rates increase, the trading value of the Securities is expected to decrease. If U.S. interest rates decrease, the trading value of the Securities is expected to increase. Interest rates may also affect the U.S. economy, and, in turn, the value of the Index. Rising interest rates may lower the value of the Index and, thus, may decrease the trading value of the Securities. Falling interest rates may increase the value of the Index and, thus, may increase the trading value of the Securities.

Volatility of the Index. If the volatility of the Index increases, the trading value of the Securities is expected to increase. If the volatility of the Index decreases, the trading value of the Securities is expected to decrease.

Time Remaining to Maturity. The Securities may trade at a value above that which may be inferred from the level of interest rates and the Index. This difference will reflect a "time premium" due to expectations concerning the value of the Index during the period prior to maturity of the Securities. As the time remaining to maturity of the Securities decreases, however, this time premium is expected to decrease, thus decreasing the trading value of the Securities. In addition, the price at which a beneficial owner may be able to sell Securities prior to maturity may be at a discount, which may be substantial, from the principal amount of the Securities if the value of the Index is below, equal to, or not sufficiently above the Benchmark Index Value.

Dividend Rates in the United States. If dividend rates on the stocks comprising the Index increase, the trading value of the Securities is expected to decrease. Conversely, if dividend rates on the stocks comprising the Index decrease, the value of the Securities is expected to increase. However, in general, rising U.S. corporate dividend rates may increase the value of the Index and, in turn, increase the trading value of the Securities. Conversely, falling U.S. corporate dividend rates may decrease the value of the Index and, in turn, decrease the trading value of the Securities.

The impact of the factors specified above, excluding the value of the Index, may offset, partially or in whole, any increase in the trading value of the Securities that is attributable to an increase in the value of the Index. For example, an increase in U.S. interest rates may cause the Securities to trade at a discount from their initial offering price, even if the Index has appreciated significantly. In general, assuming all relevant factors are held constant, the effect on the trading value of the Securities of a given change in interest rates, Index volatility and/or dividend rates of stocks comprising the Index is expected to be less if it occurs later in the term of the Securities than if it occurs earlier in the term of the Securities. The effect on the trading value of the Securities of a given appreciation of the Index in excess of the Benchmark Index Value is expected to be greater if it occurs later in the term of the Securities than if it occurs earlier in the term of the Securities, assuming all other relevant factors are held constant.

THE INDEX

The value of the Index and the Supplemental Redemption Amount, if any, may be adversely affected by political, economic and other developments that affect the stocks underlying the Index. Since the stocks underlying the Index are of companies involved in various aspects of the high technology industry segment, factors affecting this industry segment may affect the value of the Index and therefore the trading value of the Securities.

OTHER CONSIDERATIONS

It is suggested that prospective investors who consider purchasing the Securities should reach an investment decision only after carefully considering the suitability of the Securities in light of their particular circumstances.

Investors should also consider the tax consequences of investing in the Securities. See "Certain United States Federal Income Tax Considerations" in this Prospectus Supplement.

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") or its affiliates may from time to time engage in transactions involving the stocks underlying the Index for their proprietary accounts and for other accounts under their management, which may influence the value of such stocks and therefore the value of the Securities. MLPF&S and its affiliates will also be the counterparties to the hedge of the Company's obligations under the Securities. See "Use of Proceeds" herein. Accordingly, under certain circumstances, conflicts of interest may arise between MLPF&S's responsibilities as Calculation Agent with respect to the Securities and its obligations under its hedge and its status as a subsidiary of the Company. Under certain circumstances, the duties of MLPF&S as Calculation Agent in determining the existence of Market Disruption Events could conflict with the interests of MLPF&S as an affiliate of the issuer of the Securities, Merrill Lynch & Co., Inc., and with the interests of the holders of the Securities.

RECENT DEVELOPMENTS

The following summary of consolidated financial information was derived from, and is qualified in its entirety by reference to, the financial statements and other information and data contained in the Company's Annual Report on Form 10-K for the year ended December 29, 1995 and Quarterly Report on Form 10-Q for the period ended March 29, 1996 (the "Quarterly Report"). See "Incorporation of Certain Documents by Reference" in the accompanying Prospectus. The condensed consolidated financial statements contained in the Quarterly Report are unaudited; however, in the opinion of management of the Company, all adjustments (consisting only of normal recurring accruals) necessary for a fair statement of the results of operations have been included.

The Company conducts its business in highly volatile markets. Consequently, the Company's results can be affected by many factors, including general market conditions, the liquidity of secondary markets, the level and volatility of interest rates and currency values, the valuation of securities positions, competitive conditions, and the size, number, and timing of transactions. In periods of unfavorable market activity, profitability can be adversely affected because certain expenses remain relatively fixed. As a result, net earnings and revenues can vary significantly from period to period.

INCOME STATEMENT INFORMATION (IN MILLIONS, EXCEPT RATIOS)	THREE MONTHS ENDED MARCH 31, 1995	THREE MONTHS ENDED MARCH 29, 1996
Revenues	$ 5,204	$ 6,019
Net revenues	$ 2,421	$ 3,261
Earnings before income taxes	$ 380	$ 671
Net earnings	$ 228	$ 409
Ratio of earnings to fixed charges(1)	1.1	1.2

BALANCE SHEET INFORMATION(2) (IN MILLIONS)	AT DECEMBER 29, 1995	AT MARCH 29, 1996
Total assets	$176,857	$195,884
Long-term borrowings	$ 17,340	$ 20,226
Stockholders' equity	$ 6,141	$ 6,364

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(1) For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consists of earnings from continuing operations before income taxes and fixed charges. "Fixed charges" consists of interest costs, amortization of debt expense, preferred stock dividend requirements of majority-owned subsidiaries, and that portion of rentals estimated to be representative of the interest factor.

(2) To finance its diverse activities, the Company and certain of its subsidiaries borrow substantial amounts of short-term funds on a regular basis. Although the amount of short-term borrowings significantly varies with the level of general business activity, on March 29, 1996, $526 million of bank loans and $17,222 million of commercial paper were

outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At March 29, 1996, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to $3,768 million and $61,657 million, respectively. From March 30, 1996 to June 14, 1996, long-term borrowings, net of repayments and repurchases, increased by approximately $1,683 million.

FIRST QUARTER 1996

Global financial markets were generally strong during 1995, led by a stable U.S. economy, declining interest rates, and heightened investor activity. Market expectations for additional declines in interest rates continued through February 1996, fueling further market advances, strong investor and issuer activity, higher fee-based revenues, and improved trading profits industrywide. In March 1996, inflationary fears were stirred by the release of U.S. economic statistics indicating stronger than anticipated growth and the Federal Reserve's decision to hold short-term interest rates at current levels. This led to increases in long-term interest rates and greater market volatility, although interest rates remained low relative to the year-ago period.

Net earnings for the 1996 first quarter were a record $409 million, up 80% from 1995 first quarter net earnings of $228 million. Earnings per common share were $2.03 primary and fully diluted in the 1996 first quarter, compared with $1.08 primary and fully diluted in the 1995 first quarter. Total revenues were a record $6,019 million in the first quarter of 1996, up 16% from the 1995 first quarter. Net revenues (revenues after interest expense) totaled $3,261 million in the first quarter of 1996, up 35% from the 1995 first quarter.

Commissions revenues rose 44% to a record $989 million from $685 million in the 1995 first quarter. Commissions revenues from listed and over-the-counter securities increased to record levels due to higher trading volumes on most major U.S. and international exchanges. Mutual fund commissions advanced to record levels due to strong sales of both domestic and offshore funds.

Interest and dividend revenues decreased to $3,010 million from $3,030 million in the 1995 first quarter. Interest expense, which includes dividend expense, decreased to $2,758 million from $2,783 million in the year-ago quarter. Net interest and dividend profit was $252 million, up slightly from $247 million in 1995, with increases in net interest-earning assets substantially offset by the effect of lower interest rates.

Principal transactions revenues increased 46% from the 1995 first quarter to a record $982 million, as higher investor activity and market volatility led to increases in virtually all trading products. Equities and equity derivatives trading revenues, in the aggregate, were up 109% to $347 million. Trading revenues from most equity products increased, due primarily to higher trading volume and rising stock prices. International equities trading revenues, in particular, benefited from the addition of Smith New Court trading activity. Taxable fixed-income trading revenues rose 62% to $265 million due primarily to higher revenues from non-U.S. governments and agencies, mortgage-backed securities, and high-yield bonds. Non-U.S. governments and agencies trading revenues advanced due to improved results from trading of Japanese Government Bonds, as well as increased trading volume in certain Latin American emerging markets as credit ratings improved and investors sought higher returns. Mortgage-backed securities trading revenues increased due primarily to improved liquidity and increased customer demand compared with the year-ago period. Trading revenues from high-yield bonds were up due to lower interest rates and improved credit ratings of certain issuers. Interest rate and currency swap trading revenues increased 9% to $255 million due to higher trading revenues from non-U.S. dollar-denominated transactions, partially offset by decreases in revenues from U.S. dollar-denominated transactions. Foreign exchange and commodities trading revenues, in the aggregate, rose 94% from the 1995 first quarter to $40 million, as foreign exchange trading revenues continued to benefit from the strengthening of the U.S. dollar versus other major currencies. Municipal securities trading revenues declined 17% to $75 million, primarily due to continued weak investor demand for tax-exempt investments.

Investment banking revenues were $378 million, up 52% from $249 million in the 1995 first quarter. Underwriting revenues increased 82%, benefiting from strong levels of debt and equity underwriting industrywide, with higher fees from convertibles, corporate bonds and preferred stock, equities, and high-yield securities. Strategic services revenues were down slightly from a year ago, but remained comparable to record 1995 levels, benefiting from continued strong merger and acquisition activity.

Asset management and portfolio service fees rose 20% in 1996 to a record $538 million from $448 million in the first quarter of 1995, primarily as a result of strong inflows of client assets. Other revenues were $122 million, up 4% from $117 million reported in the 1995 first quarter.

Non-interest expenses were $2,590 million, up 27% from $2,041 million in the year-ago period. Compensation and benefits expense, which represented approximately 65% of non-interest expenses, increased 33% due primarily to higher incentive and production-related compensation as well as a 6% increase in the number of full-time employees, largely due to acquisitions. Compensation and benefits expense as a percentage of net revenues was 51.8% in the first quarter of 1996, compared with 52.5% in the 1995 first quarter.

Occupancy costs increased 5% from the 1995 first quarter primarily due to international growth. Other facilities-related costs, which include communications and equipment rental expense and depreciation and

amortization expense, rose 16% primarily due to higher levels of business activity and increased use of market data services, as well as higher depreciation expense from the purchase of technology-related assets over the past year.

Professional fees increased 32% from the year-ago period, primarily as a result of higher systems development costs related to upgrading technology and processing capabilities. Advertising and market development expenses increased 33% from the 1995 first quarter. Increased international travel and higher advertising and client promotion costs contributed to this advance. Brokerage, clearing, and exchange fees rose 27% as a result of higher trading volume, particularly in international markets. Other expenses increased 4% from 1995, primarily due to goodwill amortization related to Smith New Court.

Income tax expense totaled $262 million in the 1996 first quarter. The effective tax rate in the 1996 first quarter was 39.0%, compared with 40.0% in the first quarter of 1995. The decrease in the effective tax rate was primarily attributable to increases in dividends qualifying for the Federal dividends received deduction, lower state taxes, and expanded international business activities.

CERTAIN BALANCE SHEET INFORMATION AS OF MARCH 29, 1996

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its business.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its investment banking, market making, and derivative structuring activities. These activities are subject to additional risks related to the creditworthiness of the issuers and the liquidity of the market for such securities.

At March 29, 1996, the fair value of long and short non-investment grade trading inventories amounted to $6,026 million and $529 million, respectively, and in the aggregate (i.e., the sum of long and short trading inventories) represented 6.6% of aggregate consolidated trading inventories.

At March 29, 1996, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated $517 million (excluding unutilized revolving lines of credit and other lending commitments of $75 million), consisting primarily of senior term and subordinated financings to 34 medium-sized corporations. In addition, at March 29, 1996, the Company had an outstanding bridge loan of $90 million, and as of May 6, 1996, the Company had an outstanding bridge loan commitment for $100 million. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated $189 million at March 29, 1996, representing investments in 62 enterprises. At March 29, 1996, the Company held interests in partnerships, totaling $82 million, that invest in highly leveraged transactions and non-investment grade securities. At March 29, 1996, the Company also committed to invest an additional $83 million in partnerships that invest in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. Non-investment grade securities were 4.7% of total insurance investments at March 29, 1996. Non-investment grade securities of insurance subsidiaries are classified as available-for-sale and are carried at fair value.

At March 29, 1996, the largest non-investment grade concentration consisted of various issues of a South American sovereign totaling $764 million, which primarily represented on-balance-sheet hedges for off-balance-sheet financial instruments. No one industry sector accounted for more than 31% of total non-investment grade positions. At March 29, 1996, the Company held an aggregate carrying value of $169 million in debt and equity securities of issuers in various stages of bankruptcy proceedings or in default, of which 80% resulted from the Company's market-making activities in such securities.

DESCRIPTION OF SECURITIES

GENERAL

The Securities are to be issued as a series of Senior Debt Securities under the Senior Indenture, referred to as the "Chemical Indenture", which is more fully described in the accompanying Prospectus. The Securities will mature on July , 2001.

While at maturity a beneficial owner of a Security will receive the principal amount of such Security plus the Supplemental Redemption Amount, if any, there will be no other payment of interest, periodic or otherwise. (See "Payment at Maturity" below.)

The Securities are not subject to redemption by the Company or at the option of any beneficial owner prior to maturity. Upon the occurrence of an Event of Default with respect to the Securities, beneficial owners of the Securities may accelerate the maturity of the Securities, as described under "Description of Securities--Events of Default and Acceleration" in this Prospectus Supplement and "Description of Debt Securities--General-- Events of Default" in the accompanying Prospectus.

The Securities are to be issued in denominations of whole Units.

PAYMENT AT MATURITY

At maturity, a beneficial owner of a Security will be entitled to receive the principal amount thereof plus a Supplemental Redemption Amount, if any, all as provided below. If the Ending Index Value does not exceed the Benchmark Index Value a beneficial owner of a Security will be entitled to receive only the principal amount thereof.

At maturity, a beneficial owner of a Security will be entitled to receive, with respect to each such Security, (i) the principal amount thereof ($10 for each Unit), and (ii) the Supplemental Redemption Amount equal in amount to:

<TABLE>
<S> <C>

$$\text{Principal Amount} \times \frac{\text{Ending Index Value--Benchmark Index Value}}{\text{Benchmark Index Value}}$$

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero or more than $10 per $10 principal amount of Securities. The Benchmark Index Value will be the Starting Index Value on the Pricing Date multiplied by a factor equal to 110% to 120% as determined by the Company on the Pricing Date. The Starting Index Value will be the closing index value on the date the Securities are priced by the Company for initial sale to the public. The Benchmark Index Value will be set forth in the final form of the Prospectus Supplement delivered to investors in connection with sales of the Securities. The Ending Index Value will be determined by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Calculation Agent") and will equal the average (arithmetic mean) of the closing values of the Index determined on each of the first five Calculation Days during the Calculation Period. If there are fewer than five Calculation Days, then the Ending Index Value will equal the average (arithmetic mean) of the closing values of the Index on such Calculation Days, and if there is only one Calculation Day, then the Ending Index Value will equal the closing value of the Index on such Calculation Day. If no Calculation Days occur during the Calculation Period because of Market Disruption Events, then the Ending Index Value will equal the closing value of the Index determined on the last scheduled Index Business Day in the Calculation Period, regardless of the occurrence of a Market Disruption Event on such day. The "Calculation Period" means the period from and including the seventh scheduled Index Business Day prior to the maturity date to and including the second scheduled Index Business Day prior to the maturity date. "Calculation Day" means any Index Business Day during the Calculation Period on which a Market Disruption Event has not occurred. For purposes of determining the Ending Index Value, an "Index Business Day" is a day on which the NYSE is open for trading and trading generally occurs in the over-the-counter market for equity securities and the Index or any Successor Index is calculated and published. All determinations made by the Calculation Agent shall be at the sole discretion of the Calculation Agent and, absent a determination by the Calculation Agent of a manifest error, shall be conclusive for all purposes and binding on the Company and beneficial owners of the Securities.

The following table illustrates, for a range of hypothetical Ending Index Values, (i) the total amount payable at maturity for each $10 principal amount of Securities (assuming a Benchmark Index Value which equals 115% (the midpoint of an expected offering range of 110% to 120%) of the Starting Index Value), (ii) the pretax annualized rate of return to beneficial owners of Securities, and (iii) the pretax annualized rate of return of an investment in the stocks underlying the Index (which includes an assumed aggregate dividend yield of 0.20% per annum, as more fully described below).

HYPOTHETICAL ENDING INDEX VALUE	PERCENTAGE CHANGE OVER THE STARTING INDEX VALUE	TOTAL AMOUNT PAYABLE AT MATURITY(1)	PRETAX ANNUALIZED RATE OF RETURN ON THE SECURITIES(2)	PRETAX ANNUALIZED RATE OF RETURN OF STOCKS UNDERLYING THE INDEX(2)(3)
85	-50%	$10.00	0.00%	-13.20%
102	-40%	$10.00	0.00%	-9.77%
119	-30%	$10.00	0.00%	-6.81%
136	-20%	$10.00	0.00%	-4.22%
153	-10%	$10.00	0.00%	-1.90%
170(4)	0%	$10.00	0.00%	0.20%
187	10%	$10.00	0.00%	2.12%
204	20%	$10.43	0.84%	3.88%
221	30%	$11.30	2.46%	5.52%
238	40%	$12.17	3.97%	7.05%
255	50%	$13.04	5.38%	8.49%
272	60%	$13.91	6.71%	9.84%
289	70%	$14.78	7.97%	11.12%
306	80%	$15.65	9.16%	12.33%
323	90%	$16.52	10.30%	13.48%
340	100%	$17.39	11.38%	14.58%
357	110%	$18.26	12.41%	15.63%
374	120%	$19.13	13.40%	16.64%
391	130%	$20.00	14.35%	17.60%
408	140%	$20.00	14.35%	18.53%
425	150%	$20.00	14.35%	19.43%

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(1) The total amount payable at maturity assumes a Benchmark Index Value which equals 115% (the midpoint of an expected offering range of 110% to 120%) of the Starting Index Value.

(2) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.

(3) This rate of return assumes (i) an investment of a fixed amount in the stocks underlying the Index with the allocation of such amount reflecting the relative weights of such stocks in the Index; (ii) a percentage change in the aggregate price of such stocks that equals the percentage change in the Index from the Starting Index Value to the relevant hypothetical Ending Index Value; (iii) a constant dividend yield of 0.20% per annum, paid quarterly from the date of initial delivery of Securities, applied to the value of the Index at the end of each such quarter assuming such value increases or decreases linearly from the Starting Index Value to the applicable hypothetical Ending Index Value; (iv) no transaction fees or expenses; (v) a five year maturity of the Securities from the date of issuance; and (vi) a final Index value equal to the Ending Index Value. The aggregate dividend yield of the stocks underlying the Index as of June 11, 1996 was approximately 0.20%.

(4) Approximate value of the Index on June 11, 1996.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the pretax annualized rate of return resulting therefrom will depend entirely on the actual Ending Index Value determined by the Calculation Agent as provided herein. Historical data regarding the Index is included in this Prospectus Supplement under "The Index--Historical Data on the Index".

ADJUSTMENTS TO THE INDEX; MARKET DISRUPTION EVENTS

If at any time the method of calculating the Index, or the value thereof, is changed in any material respect, or if the Index is in any other way modified so that such Index does not, in the opinion of the Calculation Agent, fairly represent the value of the Index had such changes or modifications not been made, then, from and after such time, the Calculation Agent shall, at the close of business in New York, New York, on each date that the closing value with respect to the Ending Index Value is to be calculated, make such adjustments as, in the good faith judgment of the Calculation Agent, may be necessary in order to arrive at a calculation of a value of a stock index comparable to the Index as if such changes or modifications had not been made, and calculate such closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of such Index is a fraction or a multiple of what it would have been if it had not been modified (e.g., due to a split in the Index), then the Calculation Agent shall adjust such Index in order to arrive at a value of the Index as if it had not been modified (e.g., as if such split had not occurred).

"Market Disruption Event" means either of the following events, as determined by the Calculation Agent:

(i) the suspension or material limitation (limitations pursuant to New York Stock Exchange Rule 80A (or any applicable rule or regulation enacted or promulgated by the New York Stock Exchange or any other self regulatory organization or the Securities and Exchange Commission of similar scope as determined by the Calculation Agent) on trading during significant market fluctuations shall be considered "material" for purposes of this definition), in each case, for more than two hours of trading in 5 or more of the securities included in the Index, or

(ii) the suspension or material limitation, in each case, for more than two hours of trading (whether by reason of movements in price otherwise exceeding levels permitted by the relevant exchange or otherwise) in option contracts on the Index which are traded on the Chicago Board Options Exchange, Inc.

For the purposes of this definition, a limitation on the hours in a trading day and/or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange.

DISCONTINUANCE OF THE INDEX

If the CBOE discontinues publication of the Index and the CBOE or another entity publishes a successor or substitute index that the Calculation Agent determines, in its sole discretion, to be comparable to such Index (any such index being referred to hereinafter as a "Successor Index"), then, upon the Calculation Agent's notification of such determination to the Trustee and the Company, the Calculation Agent will substitute the Successor Index as calculated by the CBOE or such other entity for the Index and calculate the Ending Index Value as described above under "Payment at Maturity". Upon any selection by the Calculation Agent of a Successor Index, the Company shall cause notice thereof to be given to Holders of the Securities.

If the CBOE discontinues publication of the Index and a Successor Index is not selected by the Calculation Agent or is no longer published on any of the Calculation Days, the value to be substituted for the Index for any such Calculation Day used to calculate the Supplemental Redemption Amount at maturity will be a value computed by the Calculation Agent for each Calculation Day in accordance with the procedures last used to calculate the Index prior to any such discontinuance. If a Successor Index is selected or the Calculation Agent calculates a value as a substitute for the Index as described below, such Successor Index or value shall be substituted for the Index for all purposes, including for purposes of determining whether a Market Disruption Event exists.

If the CBOE discontinues publication of the Index prior to the period during which the Supplemental Redemption Amount is to be determined and the Calculation Agent determines that no Successor Index is available at such time, then on each Business Day until the earlier to occur of (i) the determination of the Ending Index Value and (ii) a determination by the Calculation Agent that a Successor Index is available, the Calculation Agent shall determine the value that would be used in computing the Supplemental Redemption Amount as

described in the preceding paragraph as if such day were a Calculation Day. The Calculation Agent will cause notice of each such value to be published not less often than once each month in The Wall Street Journal (or another newspaper of general circulation), and arrange for information with respect to such values to be made available by telephone. Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the Securities.

EVENTS OF DEFAULT AND ACCELERATION

In case an Event of Default with respect to any Securities shall have occurred and be continuing, the amount payable to a beneficial owner of a Security upon any acceleration permitted by the Securities, with respect to each $10 principal amount thereof, will be equal to: (i) the initial issue price ($10), plus (ii) an additional amount of contingent interest calculated as though the date of early repayment were the maturity date of the Securities. See "Description of Securities--Payment at Maturity" in this Prospectus Supplement. If a bankruptcy proceeding is commenced in respect of the Company, the claim of the beneficial owner of a Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the Security plus an additional amount of contingent interest calculated as though the date of the commencement of the proceeding were the maturity date of the Securities.

In case of default in payment at the maturity date of the Securities (whether at their stated maturity or upon acceleration), from and after the maturity date the Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of % per annum (to the extent that payment of such interest shall be legally enforceable) on the unpaid amount due and payable on such date in accordance with the terms of the Securities to the date payment of such amount has been made or duly provided for.

DEPOSITORY

Upon issuance, all Securities will be represented by one or more fully registered global securities (the "Global Securities"). Each such Global Security will be deposited with, or on behalf of, The Depository Trust Company ("DTC"), as Depository, registered in the name of DTC or a nominee thereof. Unless and until it is exchanged in whole or in part for Securities in definitive form, no Global Security may be transferred except as a whole by the Depository to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor of such Depository or a nominee of such successor.

DTC has advised the Company as follows: DTC is a limited-purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants ("Participants") and to facilitate the clearance and settlement of securities transactions among its Participants in such securities through electronic book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. DTC's Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is owned by a number of Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants").

Purchases of Securities must be made by or through Participants, which will receive a credit on the records of DTC. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Participants' or Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations

providing details of the transaction, as well as periodic statements of their holdings, from the Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Ownership of beneficial interests in such Global Security will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by DTC (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons held through Participants). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in Global Securities.

So long as DTC, or its nominee, is the registered owner of a Global Security, DTC or its nominee, as the case may be, will be considered the sole owner or Holder of the Securities represented by such Global Security for all purposes under the Chemical Indenture. Except as provided below, Beneficial Owners in a Global Security will not be entitled to have the Securities represented by such Global Securities registered in their names, will not receive or be entitled to receive physical delivery of the Securities in definitive form and will not be considered the owners or Holders thereof under the Chemical Indenture, including for purposes of receiving any reports delivered by the Company or the Trustee pursuant to the Chemical Indenture. Accordingly, each Person owning a beneficial interest in a Global Security must rely on the procedures of DTC and, if such Person is not a Participant, on the procedures of the Participant through which such Person owns its interest, to exercise any rights of a Holder under the Chemical Indenture. The Company understands that under existing industry practices, in the event that the Company requests any action of Holders or that an owner of a beneficial interest in such a Global Security desires to give or take any action which a Holder is entitled to give or take under the Chemical Indenture, DTC would authorize the Participants holding the relevant beneficial interests to give or take such action, and such Participants would authorize Beneficial Owners owning through such Participants to give or take such action or would otherwise act upon the instructions of Beneficial Owners. Conveyance of notices and other communications by DTC to Participants, by Participants to Indirect Participants, and by Participants and Indirect Participants to

Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of the principal of, and any Supplemental Redemption Amount with respect to, Securities registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the Holder of the Global Securities representing such Securities. None of the Company, the Trustee or any other agent of the Company or agent of the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for supervising or reviewing any records relating to such beneficial ownership interests. The Company expects that DTC, upon receipt of any payment of principal or any Supplemental Redemption Amount in respect of a Global Security, will credit the accounts of the Participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interest in such Global Security as shown on the records of DTC. The Company also expects that payments by Participants to Beneficial Owners will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants.

If (x) any Depository is at any time unwilling or unable to continue as Depository and a successor depository is not appointed by the Company within 60 days, (y) the Company executes and delivers to the Trustee a Company Order to the effect that the Global Securities shall be exchangeable or (z) an Event of Default has occurred and is continuing with respect to the Securities, the Global Securities will be exchangeable for Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of $10 and integral multiples thereof. Such definitive Securities shall be registered in such name or names as the Depository shall instruct the Trustee. It is expected that such instructions may be based upon directions received by the Depository from Participants with respect to ownership of beneficial interests in such Global Securities.

SAME-DAY SETTLEMENT AND PAYMENT

Settlement for the Securities will be made by the Underwriter in immediately available funds. All payments of principal and the Supplemental Redemption Amount, if any, will be made by the Company in immediately available funds so long as the Securities are maintained in book-entry form.

THE INDEX

THE INDEX

Unless otherwise stated, all information herein on the Index is derived from the CBOE or other publicly available sources. Such information reflects the policies of the CBOE as stated in such sources and such policies are subject to change by the CBOE.

The Index is a price-weighted stock index designed, developed, maintained and operated by, and is a service mark of, the CBOE. The Index is designed to provide an indication of the composite price performance of the common stocks of companies involved in the U.S. high technology industry segment (i.e., companies involved in the design and manufacture of high technology components and systems). The Index consists of the stocks of 30 issuers involved in various aspects of the high technology industry segment, including: computer services, telecommunications equipment, server software and hardware, design software, PC software and hardware, networking, peripherals, and semiconductors. (See the table below for a list of the stocks underlying the Index as of June 11, 1996.) The CBOE selects companies for inclusion in the Index with the aim of representing the spectrum of companies that develop components and systems that define high technology. Relevant criteria employed by the CBOE include the viability of the particular company, the extent to which that company represents the high technology sector, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the technology sector and the market value and trading activity of the common stock of that company. As of June 11, 1996, the 30 companies included in the Index were divided into five main individual groups. These individual groups comprised the following (with the number of companies currently included in each group indicated in parentheses): Computer Hardware (8), Computer Software (6), Computer Systems & Services (6), Telecommunications (5) and Semiconductors (5). The CBOE may from time to time, in its sole discretion, add companies to, or delete companies from, the Index to achieve the objectives stated above. The Index has a base date of January 3, 1995.

The common stocks comprising the Index are currently listed either on the New York Stock Exchange or traded through Nasdaq. As of June 11, 1996, the 30 companies included in the Index had an aggregate market value $454.4 billion, with an average capitalization of $15.1 billion. The Index components ranged in size from $72.5 billion to $1.2 billion, with a median capitalization of $5.2 billion. All of the stocks are currently the subject of listed options trading in the U.S.

The average monthly trading volumes per Index component over the six month period ending May 31, 1996 ranged from a low of 5.5 million shares to a high of 203.5 million shares. As of June 11, 1996, the largest stock in the Index, by value, accounted for 8.05% of the Index, while the smallest represented 0.93% of the Index. Also on that date, the top five stocks in the Index accounted for 31.90% of the Index by value.

The Index satisfies the CBOE's generic maintenance standards for options on narrow-based stock indexes.

COMPUTATION OF THE INDEX

The Index is a price-weighted index (i.e., the weight in the Index of a stock underlying the Index (an "Underlying Stock") is based on its price per share rather than the total market capitalization of the issuer of such stock) and reflects changes in the prices of the Underlying Stocks relative to the index base date, January 3, 1995, when the Index equaled 100.00. Specifically, the Index value is calculated by (i) totaling the prices of a single share of each of the Underlying Stocks (the "Market Price Aggregate"), and (ii) dividing the Market Price Aggregate by the Index Divisor. The Index Divisor was originally chosen to result in an Index value of 100 on January 3, 1995, and is subject to periodic adjustments as set forth below. The stock prices used to calculate the Index are those reported by a primary market for the Underlying Stocks.

The CBOE adjusts the foregoing Index Divisor to negate the effects of changes in the price of an Underlying Stock that are determined by the CBOE to be arbitrary and not due to market fluctuations. Such adjustments may result from stock splits, certain consolidations and acquisitions, the grant to shareholders of the right to

purchase other securities of the issuer (e.g., spinoffs and rights issuances). The CBOE may also adjust the Index Divisor because of the substitution of an Underlying Security. In all such cases, the CBOE first recalculates the Market Price Aggregate and then determines a new Index Divisor based on the following formula:

<TABLE>

<S>	<C>	<C>	<C>	<C>
Old Divisor	X	New Market Price Aggregate	=	New Divisor

		Old Market Price Aggregate		

</TABLE>

The Index will be maintained by the CBOE. The Index is reviewed on approximately a monthly basis by the CBOE staff. The CBOE may change the composition of the Index at any time to reflect changes affecting the components of the Index or the technology industry generally. If it becomes necessary to remove a stock from the Index (for example, because of a takeover or merger), the CBOE will only add a stock having characteristics that will permit the Index to remain within the maintenance criteria specified in CBOE Rules and within the applicable rules of the Securities and Exchange Commission. These maintenance criteria currently provide, among other things, that each component security must have (1) a market capitalization of a least $75 million, except that securities accounting for the bottom 10% of the weight of the Index may have market capitalizations of at least $50 million, and (2) trading volume of at least 500,000 shares in each of the last six months, except that securities accounting for the bottom 10% of the weight of the Index may have trading volumes of at least 400,000 shares in each of the last six months. Additionally, as of the first trading day of each January and July, no single security may account for over 25% of the weight of the Index and no five securities may account for over 50% of the weight of the Index. Furthermore, each component security must be a reported security as defined in Rule 11Aa3-1 of the Securities Exchange Act of 1934, as amended. Finally, at least 90% of the weight of the Index and 80% of the number of components in the Index must be eligible for standardized options trading pursuant to CBOE Rules or, if currently listed for options trading, must meet the applicable maintenance standards specified in CBOE Rules. The CBOE will also take into account the capitalizations, liquidity, volatility, and name recognition of any proposed replacement stock.

Absent prior approval of the Securities and Exchange Commission, the CBOE will not increase to more than 40, or decrease to fewer than 20, the number of stocks in the Index. Additionally, the CBOE will not make any change in the composition of the Index that would cause fewer than 90% of the stocks by weight, or fewer than 80% of the total number of stocks in the index, to qualify as stocks eligible for equity options trading under CBOE rules.

The CBOE is under no obligation to continue the calculation and dissemination of the Index and the method by which the Index is calculated and the name "CBOE Technology Index" may be changed at the discretion of the CBOE.

The Securities are not sponsored, endorsed, sold or promoted by the CBOE. No inference should be drawn from the information contained in this Prospectus Supplement that the CBOE makes any representation or warranty, implied or express, to the Company, the beneficial owners of Securities or any member of the public regarding the advisability of investing in securities generally or in the Securities in particular or the ability of the Index to track general stock market performance. The CBOE has no obligation to take the needs of the Company or the beneficial owners of Securities into consideration in determining, composing or calculating the Index. The CBOE is not responsible for, and has not participated in the determination of the timing of prices for or quantities of, the Securities to be issued or in the determination or calculation of the equation by which the Supplemental Redemption Amount is determined. The CBOE has no obligation or liability in connection with the administration, marketing or trading of the Securities.

The use of and reference to the Index in connection with the Securities have been consented to by the CBOE.

Except with respect to the responsibility of the Calculation Agent to make certain calculations under certain circumstances as described herein, none of the Company, the Trustee, the Calculation Agent or the Underwriter has undertaken independent diligence of the calculation, maintenance or publication of the Index or any Successor Index. The CBOE disclaims all responsibility for any inaccuracies in the data on which the Index is

based and any mistakes or errors or omissions in the calculation or dissemination of the Index and for the manner in which the Index is used in determining the Supplemental Redemption Amount, if any.

The following table presents the net value for each of the component stocks in the Index as of June 11, 1996 relative to the overall value of the Index.

<TABLE>
<CAPTION>

COMPANY NAME	INDEX WEIGHT*
<S>	<C>
APPLE COMPUTER, INC.	1.58%
ADOBE SYSTEMS INC.	2.40%
ADC TELECOMMUNICATIONS INC.	3.03%
ADAPTEC INC.	3.46%
ADVANCED MICRO DEVICES INC.	1.10%
BAY NETWORKS INC.	1.75%
COMPUTER ASSOCIATES INTERNATIONAL.	4.50%
3COM CORP.	3.18%
COMPAQ COMPUTER CORP.	3.19%
CIRRUS LOGIC INC.	1.27%
CABLETRON SYSTEMS INC.	4.57%
COMPUTER SCIENCES CORP.	5.07%
CISCO SYSTEMS INC.	3.75%
DIGITAL EQUIPMENT CORP.	3.15%
DSC COMMUNICATIONS CORP.	1.89%
HEWLETT PACKARD CO.	7.02%
IBM.	6.80%
INTEL CORP.	4.96%
MOTOROLA INC.	4.27%
MICROSOFT CORP.	8.05%
MICRON TECHNOLOGY INC.	1.98%
NOVELL INC.	0.93%
ORACLE CORPORATION.	2.23%
PICTURETEL CORP.	2.40%
PARAMETRIC TECHNOLOGY CORP.	3.15%
SEAGATE TECHNOLOGY INC.	3.31%
SILICON GRAPHIC INC.	1.75%
SYNOPSYS INC.	2.93%
TELLABS INC.	4.12%
XILINX INC.	2.19%

</TABLE>

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* The sum of Index Weight percentages may be less than 100% due to rounding.

HISTORICAL DATA ON THE INDEX

The following table sets forth the level of the Index at the end of each month, in the period from January 1994 through May 1996. All historical data presented in the following table relating to periods before August 8, 1995 (the date the CBOE commenced the daily calculation and public dissemination of the Index) were calculated by the CBOE and are presented as if the Index had existed during such periods, based on the stocks underlying the Index as of August 8, 1995, and such closing levels have been calculated hypothetically on the same basis that the Index is calculated. All historical data presented in the following table relating to periods after August 8, 1995 are based on actual data from the Index. These historical data on the Index are not necessarily indicative of the future performance of the Index or what the value of the Securities may be. Any historical upward or downward trend in the level of the Index during any period set forth below is not any

indication that the Index is more or less likely to increase or decrease at any time during the term of the Securities.

<TABLE>
<CAPTION>

<S>	MONTH-END CLOSING LEVEL <C>
1994:	
January	86.05
February	88.43
March	83.53
April	83.59
May	82.37
June	77.10
July	81.32
August	89.25
September	90.24
October	100.28
November	97.91
December	101.72
1995:	
January	100.61
February	108.94
March	116.44
April	128.63
May	131.72
June	146.45
July	159.28
August	160.25
September	162.29
October	168.95
November	168.28
December	156.53
1996:	
January	159.75
February	167.66
March	154.17
April	171.41
May	175.15

</TABLE>

The following graph sets forth the historical performance of the Index at the end of each month from January 1994 through May 1996. Past movements of the Index are not necessarily indicative of the future Index values. On June 11, 1996 the closing level of the Index was 169.83.

[The Graph sets forth historical month-end closing levels of the Index from January 1994 through May 1996, with the vertical axis specifying the month-end closing level of the Index in a range from 0 to 200 in increments of 20 and the horizontal axis specifying the time period in increments of three months from January 1994 to May 1996.]

Source: Prepared by the Company from data obtained from the CBOE.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Set forth in full below is the opinion of Brown & Wood, counsel to the Company, as to certain United States Federal income tax consequences of the purchase, ownership and disposition of the Securities. Such opinion is based upon laws, regulations, rulings and decisions now in effect (or, in the case of certain regulations, in final form but not yet effective), all of which are subject to change (including retroactive changes in effective dates) or possible differing interpretations. The discussion below deals only with Securities held as capital assets and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, tax-exempt entities, or persons holding Securities as a hedge against currency risks or as a position in a "straddle" for tax purposes. It also does not deal with holders other than original purchasers (except where otherwise specifically noted herein). The following discussion also assumes that the issue price of the Securities, as determined for United States Federal income tax purposes, equals the principal amount thereof. Persons considering the purchase of the Securities should consult their own tax advisors concerning the application of the United Stated Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Securities arising under the laws of any other taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Security that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate or trust the income of which is subject to United States Federal income taxation regardless of its source or (iv) any other person whose income or gain in respect of a Security is effectively connected with the conduct of a United States trade or business. As used herein, the term "non-U.S. Holder" means a beneficial owner of a Security that is not a U.S. Holder.

GENERAL

There are no statutory provisions, regulations (except possibly the Final Regulations as described below), published rulings or judicial decisions addressing or involving the characterization, for United States Federal income tax purposes, of the Securities or securities with terms substantially the same as the Securities. However, although the matter is not free from doubt, under current law, each Security should be treated as a debt instrument of the Company for United States Federal income tax purposes. The Company currently intends to treat each Security as a debt instrument of the Company for United States Federal income tax purposes and, where required, intends to file information returns with the Internal Revenue Service ("IRS") in accordance with such treatment, in the absence of any change or clarification in the law, by regulation or otherwise, requiring a different characterization of the Securities. Prospective investors in the Securities should be aware, however, that the IRS is not bound by the Company's characterization of the Securities as indebtedness and the IRS could possibly take a different position as to the proper characterization of the Securities for United States Federal income tax purposes. The following discussion of the principal United States Federal income tax consequences of the purchase, ownership and disposition of the Securities is based upon the assumption that each Security will be treated as a debt instrument of the Company for United States Federal income tax purposes. If the Securities are not in fact treated as debt instruments of the Company for United States Federal income tax purposes, then the United States Federal income tax treatment of the purchase, ownership and disposition of the Securities could differ from the treatment discussed below with the result that the timing and character of income, gain or loss recognized in respect of a Security could differ from the timing and character of income, gain or loss recognized in respect of a Security had the Securities in fact been treated as debt instruments of the Company for United States Federal income tax purposes.

U.S. HOLDERS

Under general principles of current United States Federal income tax law, payments of interest on a debt instrument generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting). Under these

principles, the amount payable at maturity with respect to a Security in excess of the principal amount thereof (i.e., the Supplemental Redemption Amount), if any, would be treated as contingent interest and generally would be includible in income by a U.S. Holder as ordinary interest on the date the Supplemental Redemption Amount is accrued (i.e., generally when the Supplemental Redemption Amount becomes fixed in amount and becomes unconditionally payable) or when such amount is received (in accordance with the U.S. Holder's regular method of tax accounting). In addition, if the amount payable at maturity with respect to a Security exceeds the principal amount thereof, then such Security would be treated as having been retired at maturity in exchange for an amount equal to the principal amount thereof.

Upon the sale, exchange or retirement of a Security, a U.S. Holder generally would recognize taxable gain or loss in an amount equal to the difference, if any, between the amount realized on the sale, exchange or retirement and such U.S. Holder's adjusted tax basis in the Security. A U.S. Holder's adjusted tax basis in a Security generally will equal such U.S. Holder's initial investment in the Security. Such gain or loss generally should be capital gain or loss and should be long-term capital gain or loss if the Security has been held by the U.S. Holder for more than one year (subject to the market discount rules, as discussed below). It is possible, however, that the IRS could assert that any amounts realized upon the sale or exchange of a Security prior to its maturity in excess of the principal amount thereof constitutes ordinary interest income (subject to the bond premium rules, as discussed below).

Nonetheless, although the matter is not free from doubt, under current law, any gain realized upon the sale or exchange of a Security prior to its maturity should be treated entirely as capital gain (subject to the market discount rules, as discussed below).

Prospective investors in the Securities should be aware that on June 11, 1996, the Treasury Department issued final regulations (the "Final Regulations") concerning the proper United States Federal income tax treatment of contingent payment debt instruments such as the Securities. The Final Regulations, however, only apply to debt instruments issued on or after August 13, 1996. Accordingly, the Final Regulations will not apply to the Securities. In general, the Final Regulations would cause the timing and character of income, gain or loss reported on a contingent payment debt instrument to substantially differ from the timing and character of income, gain or loss reported on a contingent payment debt instrument under general principles of current United States Federal income tax law (as described above). Specifically, the Final Regulations generally require a U.S. Holder of such an instrument to include future contingent interest payments in income as such interest accrues based upon a projected payment schedule. Moreover, in general, under the Final Regulations, any gain recognized by a U.S. Holder on the sale, exchange, or retirement of a contingent payment debt instrument will be treated as ordinary income and a portion of any loss realized could be treated as ordinary loss as opposed to capital loss (depending upon the circumstances). The Final Regulations provide no definitive guidance as to whether or not an instrument is properly characterized as a debt instrument for United States Federal income tax purposes. Prospective investors in the Securities are urged to consult their own tax advisers concerning the effect, if any, of the Final Regulations on their investment in the Securities.

The Company, where required, currently intends to file information returns with the IRS treating each Security as a debt instrument of the Company for United States Federal income tax purposes (as discussed above) and reporting contingent interest on, if any, and gross proceeds received upon the sale, exchange or retirement of each Security in accordance with general principles of current United States Federal income tax law (as described above), in the absence of any change or clarification in the law, by regulation or otherwise requiring a different treatment of the Securities.

MARKET DISCOUNT AND PREMIUM

If a U.S. Holder purchases a Security for an amount that is less than the Security's issue price (i.e., the Security's stated principal amount), the amount of the difference will be treated as "market discount," unless such difference is less than a specified de minimis amount (generally 1/4 of 1% of the Security's stated redemption price at maturity (as defined below) multiplied by the number of complete years to maturity from the date the U.S. Holder purchased such Security).

Under the market discount rules, a U.S. Holder will be required to treat any gain realized on the sale, exchange, retirement or other disposition of a Security as ordinary income to the extent of the lesser of (i) the amount of such realized gain or (ii) the market discount which has not previously been included in income and is treated as having accrued on such Security at the time of such disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the Security's maturity, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Security with market discount until the Security's maturity or certain earlier dispositions of the Security, because a current deduction is only allowed to the extent the interest expense exceeds an allocable portion of market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or semiannual compounding basis), in which case the rules described above regarding the treatment as ordinary income of gain upon the disposition of the Security and regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest for United States Federal income tax purposes and a U.S. Holder would increase its tax basis in the Security by the amount of any such currently included market discount. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

If a U.S. Holder purchases a Security for an amount that is greater than its stated redemption price at maturity (i.e., the Security's stated principal amount), such U.S. Holder will be considered to have purchased the Security with "amortizable bond premium" equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Security and may offset interest otherwise required to be included in respect of the Security during any taxable year by the amortized amount of such excess for the taxable year. A U.S. Holder generally will reduce its tax basis in the Security by the amount of any interest offset taken. Such election, if made, would apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which such election applies and to all debt instruments acquired by such U.S. Holder thereafter. Such election would also be irrevocable once made, unless the U.S. Holder making such an election obtains the express consent of the IRS to revoke such election.

ORIGINAL ISSUE DISCOUNT

Prospective investors in the Securities should be aware that if the principal amount of a Security exceeds the issue price of the Security, as determined for United States Federal income tax purposes, by an amount that is equal to or greater than a specified de minimis amount (generally 1/4 of 1% of the principal amount of the Security multiplied by the number of complete years from the Security's issue date to its maturity date), then such Security will be treated as having been issued with original issue discount. If a significant percentage of the total aggregate amount of the Securities originally issued is sold at a discount from the principal amount thereof (e.g. pursuant to the discounts noted on the cover of this Prospectus Supplement), then the issue price of the Securities, as determined for United States Federal income tax purposes, may be less than the principal amount of the Securities and the Securities may be issued with original issue discount. In general, a U.S. Holder of a Security issued with original issue discount would be required to include such original issue discount into income as ordinary interest over the entire term of the Security using a constant yield method. A U.S. Holder would increase such U.S. Holder's tax basis in a Security by any original issue discount included in income by such U.S. Holder. Nevertheless, if a U.S. Holder purchases a Security issued with original issue discount for an amount equal to the principal amount thereof, such U.S. Holder would not be required to include any such original issue discount into income.

NON-U.S. HOLDERS

A non-U.S. Holder will not be subject to United States Federal income taxes on payments of principal, premium (if any) or interest (including original issue discount, if any) on a Security, unless such non-U.S. Holder is a direct or indirect 10% or greater shareholder of the Company, a controlled foreign corporation related to the

Company or a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended. However, income allocable to non-U.S. Holders will generally be subject to annual tax reporting on IRS Form 1042S. For a non-U.S. Holder to qualify for the exemption from taxation, the last United States payor in the chain of payment prior to payment to a non-U.S. Holder (the "Withholding Agent") must have received in the year in which a payment of interest or principal occurs, or in either of the two preceding calendar years, a statement that (i) is signed by the beneficial owner of the Security under penalties of perjury, (ii) certifies that such owner is not a U.S. Holder and (iii) provides the name and address of the beneficial owner. The statement may be made on an IRS Form W-8 or a substantially similar form, and the beneficial owner must inform the Withholding Agent of any change in the information on the statement within 30 days of such change. If a Security is held through a securities clearing organization or certain other financial institutions, the organization or institution may provide a signed statement to the Withholding Agent. However, in such case, the signed statement must be accompanied by a copy of the IRS Form W-8 or the substitute form provided by the beneficial owner to the organization or institution. The Treasury Department is considering implementation of further certification requirements aimed at determining whether the issuer of a debt obligation is related to holders thereof.

Generally, a non-U.S. Holder will not be subject to Federal income taxes on any amount which constitutes capital gain upon retirement or disposition of a Security, provided the gain is not effectively connected with the conduct of a trade or business in the United States by the non-U.S. Holder. Certain other exceptions may be applicable, and a non-U.S. Holder should consult its tax advisor in this regard.

Under current law, a Security will not be includible in the estate of a non-U.S. Holder unless the individual is a direct or indirect 10% or greater shareholder of the Company or, at the time of such individual's death, payments in respect of such Security would have been effectively connected with the conduct by such individual of a trade or business in the United States.

BACKUP WITHHOLDING

Backup withholding of United States Federal income tax at a rate of 31% may apply to payments made in respect of the Securities to registered owners who are not "exempt recipients" and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Securities to a U.S. Holder must be reported to the IRS, unless the U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Security to (or through) a broker, the broker must withhold 31% of the entire purchase price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller provides, in the required manner, certain identifying information and, in the case of a non-U.S. Holder, certifies that such seller is a non-U.S. Holder (and certain other conditions are met). Such a sale must also be reported by the broker to the IRS, unless either (i) the broker determines that the seller is an exempt recipient or (ii) the seller certifies its non-U.S. status (and certain other conditions are met). Certification of the registered owner's non-U.S. status would be made normally on an IRS Form W-8 under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the IRS.

USE OF PROCEEDS

The net proceeds from the sale of the Securities will be used as described under "Use of Proceeds" in the attached Prospectus and to hedge market risks of the Company affecting the value of the Supplemental Redemption Amount.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") has agreed, subject to the terms and conditions of the Underwriting Agreement and a Terms Agreement, to purchase from the Company $25,000,000 aggregate principal amount of Securities. The Underwriting Agreement provides that the obligations of the Underwriter are subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Securities if any are purchased.

The Underwriter has advised the Company that it proposes initially to offer all or part of the Securities directly to the public at the offering prices set forth on the cover page of this Prospectus Supplement and to certain dealers at such prices less a concession not in excess of   % of the principal amount of the Securities. After the initial public offering, the public offering price and concession may be changed.

The underwriting of the Securities will conform to the requirements set forth in the applicable sections of Schedule E to the By-Laws of the National Association of Securities Dealers, Inc.

VALIDITY OF SECURITIES

The validity of the Securities will be passed upon for the Company and for the Underwriter by Brown & Wood, New York, New York.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY THE UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL UNDER ANY CIRCUMSTANCE CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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2,500,000 UNITS

MERRILL LYNCH & CO., INC.

TECHNOLOGY MARKET INDEX TARGET-TERM SECURITIES SM DUE JULY , 2001
"MITTS(R)"

PROSPECTUS SUPPLEMENT

MERRILL LYNCH & CO.

JUNE , 1996