

Table 4. Average Bid-Ask Spreads Around 50-Point Dow Moves.

	Down Days	
	Control	Test
Before 50 Points	82.36	96.33
After 50 Points	87.65	100.27
	Up Days	
	Control	Test
Before 50 points	73.95	94.13
After 50 Points	75.71	93.27

Spreads are recorded for 61 one-minute intervals surrounding 50-point Dow moves (30 minutes before, 30 minutes after, plus the one-minute interval during which the 50-point Dow level is breached). An equally weighted portfolio of the percentage bid-ask spreads for NYSE firms in the S&P 500 index is then formed. The numbers reported in this table are average percentage bid-ask spreads (in basis points) for each group.