

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AMENDMENT NO. 2  
TO

FORM S-3  
REGISTRATION STATEMENT  
and  
POST-EFFECTIVE AMENDMENTS  
under  
THE SECURITIES ACT OF 1933

<TABLE>

<S>	MERRILL LYNCH & CO., INC. (Exact name of registrant as specified in charter identification number)	<C>	DELAWARE (State of incorporation)	<C>	13-2740599 (I.R.S. employer)
	MERRILL LYNCH PREFERRED FUNDING VI, L.P. (Exact name of registrant as specified in certificate of identification number)		DELAWARE (State of organization)		13-4034253 (I.R.S. employer)
	limited partnership) MERRILL LYNCH PREFERRED CAPITAL TRUST VI (Exact name of registrant as specified in certificate of trust identification number)		DELAWARE (State of organization)		13-7174482 (I.R.S. employer)

</TABLE>

World Financial Center  
North Tower  
New York, New York 10281-1334  
(212)449-1000  
(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)

MARK B. GOLDFUS, ESQ.  
General Counsel  
Corporate Law  
Merrill Lynch & Co., Inc.  
World Financial Center  
North Tower  
New York, New York 10281-1334  
(212)449-6990  
(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

<TABLE>

<S>	NORMAN D. SLONAKER, ESQ. Brown & Wood LLP One World Trade Center New York, New York 10048	<C>	Copies to: DONALD R. CRAWSHAW, ESQ. Sullivan & Cromwell 125 Broad Street New York, New York 10004	<C>	RICHARD T. PRINS, ESQ. Skadden, Arps, Slate, Meagher & Flom LLP 919 Third Avenue New York, New York 10022
-----	--	-----	---	-----	---

</TABLE>

Approximate date of commencement of proposed sale to public: From time to time after the effective date of this Registration Statement as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

=====

EXPLANATORY NOTE

This registration statement contains:

(a) a prospectus which is to be used by Merrill Lynch & Co., Inc. ("ML&Co.") in connection with offerings of its:

- o debt securities;
- o warrants;
- o common stock;
- o preferred stock; and
- o depositary shares;

(b) a prospectus which is to be used by ML&Co. in connection with offerings of its Structured Yield Product Exchangeable for Stock; and

(c) a prospectus including alternate pages, which is to be used in connection with offerings of:

- o the preferred securities of Merrill Lynch Preferred Capital Trust VI ("ML Trust");
- o the preferred securities of Merrill Lynch Preferred Funding VI, L.P. ("ML Partnership");
- o the subordinated debentures of ML&Co.; and
- o the guarantees of ML&Co. of:
- o the preferred securities of ML Trust;
- o the preferred securities of ML Partnership; and
- o specified debentures issued by ML&Co.'s affiliates.
- o Additionally, there is a prospectus supplement relating to ML&Co.'s medium-term notes and 32 prospectuses to be used by ML&Co.'s wholly-owned subsidiary, Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated in connection with market-making transactions.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

PROSPECTUS

[LOGO]

Merrill Lynch & Co., Inc.

DEBT SECURITIES, WARRANTS, PREFERRED STOCK,  
DEPOSITARY SHARES AND COMMON STOCK

- o By this prospectus, we may offer from time to time up to \$ \_\_\_\_\_ of our:
  - o debt securities;
  - o warrants;
  - o warrants;
  - o common stock;
  - o preferred stock; and
  - o depositary shares.
- o When we offer securities, we will provide you with a prospectus supplement or a term sheet describing the terms of the specific issue of securities including the offering price of the securities.
- o You should read this prospectus and the prospectus supplement or the term sheet relating to the specific issue of securities carefully before you invest.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

-----  
 The date of this prospectus is \_\_\_\_\_, 199 .

MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of all the securities offered under this prospectus.

#### USE OF PROCEEDS

We intend to use the net proceeds from the sale of the securities for general corporate purposes, unless otherwise specified in the prospectus supplement or term sheet relating to a specific issue of securities. Our general corporate purposes may include financing the activities of our subsidiaries, financing our assets and those of our subsidiaries, lengthening the average maturity of our borrowings and financing acquisitions. Until we use the net proceeds from the sale of any of our securities for general corporate purposes, we will use the net proceeds to reduce our short-term indebtedness or for temporary investments. We expect that we will, on a recurrent basis, engage in additional financings as the need arises to finance our growth, through

acquisitions or otherwise, or to lengthen the average maturity of our borrowings. To the extent that securities being purchased for resale by our subsidiary, Merrill Lynch Pierce, Fenner & Smith Incorporated, referred to in this prospectus as MLPF&S, are not resold, the aggregate proceeds that we and our subsidiaries would receive would be reduced.

RATIO OF EARNINGS TO FIXED CHARGES AND  
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred stock dividends for the periods indicated:

<TABLE>  
<CAPTION>

	YEAR ENDED LAST FRIDAY IN DECEMBER				
	1994	1995	1996	1997	1998
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1
Ratio of earnings to combined fixed charges and preferred stock dividends(a).....	1.2	1.2	1.2	1.2	1.1

</TABLE>

---

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

THE SECURITIES

ML&Co. intends to sell its securities from time to time. These securities may include the following, in each case, as specified by ML&Co. at the time of offering:

- o common stock;
- o preferred stock;
- o depositary shares representing preferred stock;
- o debt securities, comprising senior debt securities and subordinated debt securities, each of which may be convertible into common stock or preferred stock;
- o warrants to purchase debt securities;
- o warrants to purchase shares of common stock;
- o warrants to purchase shares of preferred stock;
- o warrants entitling the holders to receive from ML&Co. a payment or delivery determined by reference to decreases or increases in the level of an index or portfolio ("Index Warrants") based on:
  - o one or more equity or debt securities;
  - o any statistical measure of economic or financial performance such as a currency or a consumer price or mortgage index; or
  - o the price or value of any commodity or any other item or index;
- o warrants to receive from ML&Co. the cash value in U.S. dollars of the right to purchase ("Currency Call Warrants") or to sell ("Currency Put Warrants") and, together with the Currency Call Warrants, the "Currency Warrants") specified foreign currencies or units of two or more specified foreign currencies;

- o preferred stock which may be:
  - o convertible into preferred stock or common stock or
  - o exchangeable for debt securities, preferred stock or depository shares representing preferred stock.

We may offer the securities independently or together with other securities and the securities may be attached to, or separate from other securities. We will offer the securities to the public on terms determined by market conditions at the time of sale and set forth in a prospectus supplement or term sheet relating to the specific issue of securities.

ML&Co. will offer the securities described in this prospectus either separately or together in one or more series of up to \$ aggregate public offering price or its equivalent in foreign currencies or units of two or more currencies, based on the applicable exchange rate at the time of offering, as shall be designated by ML&Co. at the time of offering, subject to reduction on account of the sale of other securities under the registration statement of which this prospectus is a part.

#### DESCRIPTION OF DEBT SECURITIES

Unless otherwise specified in a prospectus supplement, the senior debt securities are to be issued under an indenture (the "1983 Indenture"), dated as of April 1, 1983, as amended and restated and as further amended, between ML&Co. and The Chase Manhattan Bank, as trustee or issued under an indenture (the "1993 Indenture"), dated as of October 1, 1993, as amended, between ML&Co. and The Chase Manhattan Bank, as trustee (each, a "Senior Debt Trustee"). The 1983 Indenture and the 1993 Indenture are referred to as the "Senior Indentures". Unless otherwise specified in a prospectus supplement, the subordinated debt securities are to be issued under an indenture (the "Subordinated Indenture"), between ML&Co. and The Chase Manhattan Bank, as trustee (the "Subordinated Debt Trustee"). The Senior Debt Securities and Subordinated Debt Securities may also be issued under one or more other indentures (each, a "Subsequent Indenture") and have one or more other trustees (each, a "Subsequent Trustee"). Any Subsequent Indenture relating to senior debt securities will have terms and conditions identical in all material respects to the above-referenced Senior Indentures and any Subsequent Indenture relating to subordinated debt securities will have terms and conditions identical in all material respects to the above-referenced Subordinated Indenture, including, but not limited to, the applicable terms and conditions described below. Any Subsequent Indenture relating to a series of debt securities, and the applicable trustee, will be identified in the applicable prospectus supplement or term sheet. A copy of each indenture is filed, or, in the case of a Subsequent Indenture, will be filed, as an exhibit to the registration statement relating to the securities. The following summaries of the material provisions of the indentures are not complete and are subject to, and are qualified in their entirety by reference to, all provisions of the respective indentures, including the definitions of terms.

#### TERMS OF THE DEBT SECURITIES

ML&Co. may issue the debt securities from time to time, without limitation as to aggregate principal amount and in one or more series. ML&Co. may issue debt securities upon the satisfaction of conditions, including the delivery to the applicable Trustee of a resolution of the Board of Directors of ML&Co., or a committee of the Board of Directors, or a certificate of an officer of ML&Co. who has been authorized by the Board of Directors to take that kind of action, which fixes or establishes the terms of the debt securities being issued. Any resolution or officer's certificate approving the issuance of any issue of debt securities will include the terms of that issue of debt securities, including:

- o the aggregate principal amount and whether there is any limit upon the aggregate principal amount that ML&Co. may subsequently issue;
- o the stated maturity date;
- o the principal amount payable whether at maturity or upon earlier acceleration, and whether the principal amount will be determined with reference to an index, formula or other method;
- o any fixed or variable interest rate or rates per annum;
- o any interest payment dates;

- o any provisions for redemption, the redemption price and any remarketing arrangements;
- o any sinking fund requirements;
- o whether the debt securities are denominated or payable in United States dollars or a foreign currency or units of two or more foreign currencies;
- o the form in which ML&Co. will issue the debt securities, whether registered, bearer or both, and any restrictions applicable to the exchange of one form for another and to the offer, sale and delivery of the debt securities in either form;
- o whether and under what circumstances ML&Co. will pay additional amounts ("Additional Amounts") under any debt securities held by a person who is not a U.S. person for specified taxes, assessments or other governmental charges and whether ML&Co. has the option to redeem the affected debt securities rather than pay any Additional Amounts;
- o whether the debt securities are to be issued in global form;
- o the title and series designation;
- o the minimum denominations;
- o whether, and the terms and conditions relating to when, ML&Co. may satisfy all or part of its obligations with regard to payment upon maturity, or any redemption or required repurchase or in connection with any exchange provisions by delivering to the holders of the debt securities, other securities, which may or may not be issued by or be obligations of ML&Co., or a combination of cash, other securities and/or property ("Maturity Consideration");
- o any additions or deletions in the terms of the debt securities with respect to the Events of Default set forth in the respective indentures;
- o the terms, if any, upon which the debt securities are convertible into common stock or preferred stock of ML&Co. and the terms and conditions upon which any conversion will be effected, including the initial conversion price or rate, the conversion period and any other provisions in addition to or instead of those described in this prospectus;
- o whether, and the terms and conditions relating to when, holders may transfer the debt securities separately from warrants if the debt securities and warrants are issued together; and
- o any other terms of the debt securities which are not inconsistent with the provisions of the applicable indenture.

Please see the accompanying prospectus supplement or the terms sheet you have received or will receive for the terms of the specific debt securities being offered. ML&Co. may deliver this prospectus before or concurrently with the delivery of a terms sheet. ML&Co. may issue debt securities under the indentures upon the exercise of warrants to purchase debt securities. See "Description of Debt Warrants". Nothing in the indentures or in the terms of the debt securities will prohibit the issuance of securities representing subordinated indebtedness that is senior or junior to the subordinated debt securities.

Prospective purchasers of debt securities should be aware that special U.S. Federal income tax, accounting and other considerations may be applicable to instruments such as the debt securities. The prospectus supplement relating to an issue of debt securities will describe these considerations, if they apply.

ML&Co. will issue each series of debt securities, as described in the prospectus supplement, in fully registered form without coupons, and/or in bearer form with or without coupons, and in denominations set forth in the prospectus supplement. There will be no service charge for any registration of transfer of registered debt securities or exchange of debt securities, but ML&Co. may require payment of a sum sufficient to cover any tax or other governmental charges imposed in connection with any registration of transfer or exchange. Each indenture provides that ML&Co. may issue debt securities in global form. If any series of debt securities is issued in global form, the applicable prospectus supplement will describe the circumstances, if any, under which beneficial owners of interests in any of those global debt securities may exchange their interests for debt securities of that series and of like tenor and principal amount in any authorized form and denomination.

The provisions of the indentures permit ML&Co., without the consent of holders of any debt securities, to issue additional debt securities with terms different from those of debt securities previously issued and to reopen a previous series of debt securities and issue additional debt securities of that series.

The senior debt securities will be unsecured and will rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. The subordinated debt securities will be unsecured and will be subordinated to all existing and future senior indebtedness of ML&Co. Because ML&Co. is a holding company, the right of ML&Co. and its creditors, including the holders of the debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize the claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Securities Exchange Act of 1934, as amended, and under rules of certain exchanges and other regulatory bodies.

ML&Co. will pay or deliver principal and any premium, Additional Amounts, Maturity Consideration and interest in the manner, at the places and subject to the restrictions set forth in the applicable indenture, the debt securities and the applicable prospectus supplement. However, at its option, ML&Co. may pay any interest and any Additional Amounts by check mailed to the holders of registered debt securities at their registered addresses.

Holder may present debt securities for exchange, and registered debt securities for transfer, in the manner, at the places and subject to the restrictions set forth in the applicable indenture, the debt securities and the applicable prospectus supplement. Holders may transfer debt securities in bearer form and the coupons, if any, pertaining to the debt securities by delivery. There will be no service charge for any transfer or exchange of debt securities, but ML&Co. may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange.

Unless otherwise indicated in the applicable prospectus supplement, ML&Co. will issue the debt securities under the indentures. If so specified in a prospectus supplement, ML&Co. may issue subordinated debt securities under a separate indenture which provides for a single issue of zero coupon convertible subordinated debt securities, a form of which is filed as an exhibit to the registration statement of which this prospectus is a part. If ML&Co. issues debt securities under any indenture, the applicable prospectus supplement will set forth the terms of the debt securities and will identify the applicable indenture and trustee.

#### MERGER AND CONSOLIDATION

ML&Co. may consolidate or merge with or into any other corporation, and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay or deliver the principal of, and any premium, Additional Amounts, Maturity Consideration or interest on, the debt securities; and
  - o perform and observe all of ML&Co.'s other obligations under the indentures, and
- o ML&Co. or any successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the indentures.

#### MODIFICATION AND WAIVER

Each indenture may be modified and amended by ML&Co. and the applicable trustee with the consent of holders of at least 66 2/3% in principal amount or aggregate issue price of each series of debt securities affected. However, without the consent of each holder of any debt security affected, no amendment or modification to any indenture may:

- o change the stated maturity of the principal or Maturity Consideration of, or any installment of interest or Additional Amounts on, any debt security or any premium payable on redemption, or change the redemption price;

- o reduce the principal amount of, or the interest or Additional Amounts payable on, or reduce the amount or change the type of Maturity Consideration deliverable on, any debt security or reduce the amount of principal or Maturity Consideration which could be declared due and payable before the stated maturity;
- o change the place or currency of any delivery or payment of principal or Maturity Consideration of, or any premium, interest or Additional Amounts on any debt security;
- o impair the right to institute suit for the enforcement of any delivery or payment on any debt security;
- o reduce the percentage in principal amount or aggregate issue price of the outstanding debt securities of any series, the consent of whose holders is required to modify or amend the applicable indenture; or
- o modify the foregoing requirements or reduce the percentage in principal amount or aggregate issue price of outstanding debt securities necessary to waive any past default to less than a majority.

No modification or amendment of the Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount or aggregate issue price of the outstanding debt securities of any series may, with respect to that series, waive past defaults under the applicable indenture and waive compliance by ML&Co. with certain provisions of that indenture, except as described under "-Events of Default".

#### EVENTS OF DEFAULT

Each of the following will be an Event of Default with respect to each series of debt securities issued under each indenture:

- o default in the payment of any interest or Additional Amounts when due, and continuing for 30 days;
- o default in the payment of any principal or premium, when due;
- o default in the delivery or payment of the Maturity Consideration when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the applicable indenture for the benefit of that series or in the debt securities of that series, and continuing for 60 days after written notice as provided in the applicable indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co. and
- o any other Event of Default provided with respect to debt securities of that series.

If an Event of Default occurs and is continuing for any series of debt securities, the applicable trustee or the holders of at least 25% in principal amount or aggregate issue price of the outstanding debt securities of that series may declare all amounts, or any lesser amount provided for in the debt securities of that series, due and payable or deliverable immediately. At any time after the applicable trustee or the holders have made a declaration of acceleration with respect to the debt securities of any series but before the applicable trustee has obtained a judgment or decree for payment of money due, the holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of that series may rescind any declaration of acceleration and its consequences, provided that all payments and/or deliveries due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of any series may waive an Event of Default with respect to that series, except a default:



- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation of ML&Co. contained in, or a provision of, any indenture which cannot be modified under the terms of that indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the applicable trustee or exercising any trust or power conferred on the trustee with respect to debt securities of that series, provided that any direction is not in conflict with any rule of law or the applicable indenture. Subject to the provisions of each indenture relating to the duties of the appropriate trustee, before proceeding to exercise any right or power under an indenture at the direction of the holders, the applicable trustee is entitled to receive from those holders reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

Unless otherwise stated in the applicable prospectus supplement, any series of debt securities issued under any indenture will not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. will be required to furnish to each trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the applicable indenture.

#### SPECIAL TERMS RELATING TO THE SENIOR DEBT SECURITIES

##### LIMITATIONS UPON LIENS

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than any lien specifically permitted by the Senior Indentures, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the Senior Indentures as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the Senior Indentures, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

##### LIMITATIONS ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to the transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the Senior Indentures to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### SPECIAL TERMS RELATING TO THE SUBORDINATED DEBT SECURITIES

Upon any distribution of assets of ML&Co. resulting from any dissolution, winding up, liquidation or reorganization, payments on subordinated debt securities are subordinated to the extent provided in the Subordinated Indenture in right of payment to the prior payment in full of all senior indebtedness, but the obligation of ML&Co. to make payments on the subordinated debt securities will not otherwise be affected. ML&Co. may not make any payment on subordinated debt securities at any time when there is a default in the payment or delivery of any amounts due on any senior indebtedness, including payment of any sinking

fund. Because the subordinated debt securities are subordinated in right of payment to any senior indebtedness, in the event of a distribution of assets upon insolvency, some creditors of ML&Co. may recover more, ratably, than holders of subordinated debt securities. Holders of subordinated debt securities will be subrogated to the rights of holders of senior indebtedness to the extent of payments made on senior indebtedness upon any distribution of assets in any proceedings in respect of subordinated debt securities.

As of December 25, 1998, a total of approximately \$75.4 billion of ML&Co.'s indebtedness would have been senior indebtedness.

#### SPECIAL TERMS RELATING TO CONVERTIBLE DEBT SECURITIES

The following provisions will apply to debt securities that will be convertible into common stock or preferred stock of ML&Co. unless otherwise provided in the prospectus supplement relating to the specific issue of debt securities.

The holder of any convertible debt securities will have the right, exercisable at any time during the time period specified in the applicable prospectus supplement, unless previously redeemed, to convert convertible debt securities into shares of common stock or preferred stock of ML&Co. as specified in the prospectus supplement, at the conversion rate per principal amount of convertible debt securities set forth in the applicable prospectus supplement. In the case of convertible debt securities called for redemption, conversion rights will expire at the close of business on the date fixed for the redemption specified in the applicable prospectus supplement, except that, in the case of redemption at the option of the holder, if applicable, the conversion right will terminate upon receipt of written notice of the exercise of the option.

For each series of convertible debt securities, the conversion price or rate will be subject to adjustment as contemplated in the applicable indenture. Unless otherwise provided in the applicable prospectus supplement, these adjustments may occur as a result of:

- o the issuance of shares of ML&Co. common stock as a dividend;
- o subdivisions and combinations of ML&Co. common stock;
- o the issuance to all holders of ML&Co. common stock of rights or warrants entitling holders to subscribe for or purchase shares of ML&Co. common stock at a price per share less than the current market price per share; and
- o the distribution to all holders of ML&Co. common stock of:
  - o shares of ML&Co. capital stock other than common stock;
  - o evidences of indebtedness of ML&Co. or assets other than cash dividends paid from retained earnings and dividends payable in common stock referred to above; or
  - o subscription rights or warrants other than those referred to above.

In any case, no adjustment of the conversion price or rate will be required unless an adjustment would require a cumulative increase or decrease of at least 1% in such price or rate. ML&Co. will not issue any fractional shares of ML&Co. common stock upon conversion, but, instead, ML&Co. will pay a cash adjustment. If indicated in the applicable prospectus supplement, convertible debt securities convertible into common stock of ML&Co. which are surrendered for conversion between the record date for an interest payment, if any, and the interest payment date, other than convertible debt securities called for redemption on a redemption date during that period, must be accompanied by payment of an amount equal to interest which the registered holder is entitled to receive.

ML&Co. will determine the adjustment provisions for convertible debt securities at the time of issuance of each series of convertible debt securities. These adjustment provisions will be described in the applicable prospectus supplement.

Except as set forth in the applicable prospectus supplement, any convertible debt securities called for redemption, unless surrendered for conversion on or before the close of business on the redemption date, are subject to being purchased from the holder of the convertible debt securities by one or more investment banking firms or other purchasers who may agree with ML&Co. to purchase convertible debt securities and convert them into common stock or preferred stock of ML&Co., as the case may be.

The indentures and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York.

#### DESCRIPTION OF DEBT WARRANTS

ML&Co. may issue warrants for the purchase of debt securities ("Debt Warrants"). The Debt Warrants are to be issued under debt warrant agreements to be entered into between ML&Co. and a bank or trust company, as debt warrant agent as set forth in the prospectus supplement relating to the specific issue of Debt Warrants being offered. We have filed a copy of the form of debt warrant agreement, including the form of warrant certificates representing the Debt Warrants, reflecting the alternative provisions to be included in the debt warrant agreements that will be entered into with respect to particular offerings of Debt Warrants, as an exhibit to the registration statement of which this prospectus is a part. The following summaries of the material provisions of the debt warrant agreement and the debt warrant certificates are not complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the debt warrant agreement and the debt warrant certificates, respectively, including the definitions of terms.

#### TERMS OF THE DEBT WARRANTS

The applicable prospectus supplement will describe the terms of the specific issue of Debt Warrants being offered, the debt warrant agreement relating to the Debt Warrants and the debt warrant certificates representing the Debt Warrants, including the following:

- o the designation and aggregate principal amount of the debt securities that holder of a Debt Warrant may purchase upon exercise of the Debt Warrant and the price at which the purchase may be made;
- o the terms of the debt securities purchasable upon exercise of the Debt Warrants, including whether the debt securities will be senior debt securities or subordinated debt securities;
- o the procedures and conditions relating to the exercise of the Debt Warrants;
- o the designation and terms of any debt securities with which the Debt Warrants are issued, including whether the debt securities will be senior debt securities or subordinated debt securities and under which indenture the debt securities will be issued;
- o the number of Debt Warrants issued with each debt security;
- o any date on and after which the Debt Warrants and any related debt securities are separately transferable;
- o the date on which the right to exercise the Debt Warrants begins;
- o date on which the right to exercise the Debt Warrants expires;
- o whether the Debt Warrants represented by the debt warrant certificates will be issued in registered or bearer form, and, if registered, where they may be transferred and registered;
- o any circumstances which will cause the Debt Warrants to be deemed to be automatically exercised;
- o any material risk factors relating to the Debt Warrants;
- o the identity of the debt warrant agent; and
- o any other terms of the Debt Warrants which are not inconsistent with the provisions of the debt warrant agreement.

Holder may exchange debt warrant certificates for new debt warrant certificates of different denominations. Holder may exercise Debt Warrants at the corporate trust office of the debt warrant agent or any other office indicated in the applicable prospectus supplement. Before the exercise of their Debt Warrants, holders of Debt Warrants will not have any of the rights of

holders of the debt securities that may be purchased upon exercise of the Debt Warrants and will not be entitled to payment or delivery of any amounts which may be due on the debt securities purchasable upon exercise of the Debt Warrants.

Prospective purchasers of Debt Warrants should be aware that special U.S. Federal income tax, accounting and other considerations may be applicable to instruments such as Debt Warrants and to the debt securities purchasable upon exercise of the Debt Warrants. The prospectus supplement relating to any issue of Debt Warrants will describe these considerations.

#### BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the applicable prospectus supplement, the Debt Warrants will be issued in the form of global debt warrant certificates, registered in the name of a depository or its nominee. Except as may otherwise be provided in the applicable prospectus supplement, beneficial owners will not be entitled to receive definitive certificates representing Debt Warrants unless the depository is unwilling or unable to continue as depository or ML&Co. decides to have the Debt Warrants represented by definitive certificates. A beneficial owner's interest in a Debt Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains the beneficial owner's account. In turn, the total number of Debt Warrants held by an individual brokerage firm for its clients will be maintained on the records of the depository in the name of the brokerage firm or its agent. Transfer of ownership of any Debt Warrant will be effected only through the selling beneficial owner's brokerage firm.

#### EXERCISE OF DEBT WARRANTS

Each Debt Warrant will entitle the holder to purchase for cash a principal amount of debt securities at the exercise price set forth in, or determined in the manner set forth in, the applicable prospectus supplement. Holders may exercise Debt Warrants at any time up to the close of business on the expiration date set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised Debt Warrants will become void.

Holders may exercise Debt Warrants in the manner described in the applicable prospectus supplement. Upon receipt of payment and properly completed and duly executed debt warrant certificate at the corporate trust office of the debt warrant agent or any other office indicated in the applicable prospectus supplement, ML&Co. will, as soon as practicable, forward the debt securities purchased. If less than all of the Debt Warrants represented by any debt warrant certificate are exercised, a new debt warrant certificate will be issued for the remaining amount of Debt Warrants.

#### LISTING

ML&Co. may list an issue of Debt Warrants on a national securities exchange. Any listing will be specified in the applicable prospectus supplement.

#### DESCRIPTION OF CURRENCY WARRANTS

ML&Co. may issue Currency Warrants either in the form of:

- o Currency Put Warrants entitling the holders to receive from ML&Co. the cash settlement value in U.S. dollars of the right to sell a specified amount of a specified foreign currency or currency units for a specified amount of U.S. dollars, or
- o Currency Call Warrants entitling the holders to receive from ML&Co. the cash settlement value in U.S. dollars of the right to purchase a specified amount of a specified foreign currency or units of two or more currencies for a specified amount of U.S. dollars.

ML&Co. may issue the Currency Warrants under a currency put warrant agreement or a currency call warrant agreement, as applicable, to be entered into between ML&Co. and a bank or trust company, as currency warrant agent as set forth in the applicable prospectus supplement relating to Currency Warrants being offered. Copies of the forms of currency put warrant agreement and currency call warrant agreement, including the forms of certificates representing the Currency Put Warrants and Currency Call Warrants, reflecting the provisions to be included in the currency warrant agreements that will be entered into with respect to particular offerings of Currency Warrants, are filed as exhibits to the registration statement of which this prospectus is a part. The following summaries of the material provisions of the currency warrant agreements and the currency warrant certificates are not complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the currency warrant agreements and the currency warrant certificates, respectively, including the definitions of terms.

## TERMS OF THE CURRENCY WARRANTS

The applicable prospectus supplement will describe the terms of the specific issue of Currency Warrants being offered, the currency warrant agreement relating to the Currency Warrants and the currency warrant certificates representing the Currency Warrants, including the following:

- o whether the Currency Warrants are Currency Put Warrants, Currency Call Warrants, or both;
- o the formula for determining the cash settlement value of each Currency Warrant;
- o the procedures and conditions relating to the exercise of the Currency Warrants;
- o any circumstances that will cause the Currency Warrants to be deemed to be automatically exercised;
- o any minimum number of Currency Warrants which must be exercised at any one time, other than upon automatic exercise;
- o the date on which the right to exercise the Currency Warrants begins and the date on which the right to exercise the Currency Warrants expires, which may be the same date;
- o any material risk factors relating to the Currency Warrants;
- o the identity of the currency warrant agent; and
- o any other terms of the Currency Warrants that are not inconsistent with the provisions of the applicable currency warrant agreement.

Prospective purchasers of Currency Warrants should be aware that special U.S. Federal income tax, accounting and other considerations may be applicable to instruments such as Currency Warrants. The prospectus supplement relating to any issue of Currency Warrants will describe these considerations, if they apply.

## BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the applicable prospectus supplement, the Currency Warrants will be issued in the form of global currency warrant certificates, registered in the name of a depository or its nominee. In that case, beneficial owners will not be entitled to receive definitive certificates representing Currency Warrants unless the depository is unwilling or unable to continue as depository or ML&Co. decides to have the Currency Warrants represented by definitive certificates. A beneficial owner's interest in a Currency Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains a beneficial owner's account. In turn, the total number of Currency Warrants held by an individual brokerage firm for its clients will be maintained on the records of the depository in the name of the brokerage firm or its agent. Transfer of ownership of any Currency Warrant will be effected only through the selling beneficial owner's brokerage firm.

## EXERCISE OF CURRENCY WARRANTS

Each Currency Warrant will entitle the holder to the cash settlement value of that Currency Warrant on the applicable exercise date as described in the applicable prospectus supplement. If a Currency Warrant has more than one exercise date and is not exercised before the time specified in the applicable prospectus supplement, on the fifth business day preceding the expiration date, the Currency Warrants will be deemed automatically exercised.

## LISTING

ML&Co. will apply to list each issue of Currency Warrants on a national securities exchange. In the event that the Currency Warrants are delisted from, or permanently suspended from trading on, any exchange, the expiration date for the exercise of the Currency Warrants will be the date the delisting or trading suspension becomes effective and Currency Warrants not previously exercised will be deemed automatically exercised on the business day immediately preceding the

expiration date. Under the applicable currency warrant agreement, ML&Co. will agree not to seek delisting of the Currency Warrants, or suspension of their trading, on any exchange.

#### DESCRIPTION OF INDEX WARRANTS

ML&Co. may issue from time to time Index Warrants consisting of index put warrants or index call warrants. Subject to applicable law, ML&Co. will pay or deliver consideration on each Index Warrant in an amount determined by reference to the level or value of an index such as:

- o an equity or debt security, or a portfolio or basket of indices or securities, which may include the price or yield of securities;
- o any statistical measure of economic or financial performance, which may include any currency or consumer price, or mortgage index; or
- o the price or value of any commodity or any other item or index or any combination.

The payment or delivery of any consideration on any index put warrant will be determined by the decrease in the level or value of the applicable index and the payment or delivery of any consideration on any index call warrant will be determined by the increase in the level or value of the applicable Index.

The Index Warrants involve a high degree of risk, including the risk that the Index Warrants will expire without value other than any Minimum Expiration Value, as defined below. Investors should therefore be prepared to sustain a total loss of the purchase price of the Index Warrants, other than any applicable Minimum Expiration Value. Investors who consider purchasing Index Warrants should be experienced with respect to options and option transactions and reach an investment decision only after carefully considering the suitability of the Index Warrants in light of their particular circumstances and the information set forth below as well as additional information contained in the prospectus supplement relating to the Index Warrants.

#### METHOD OF ISSUANCE

Index Warrants issued without a Minimum Expiration Value will be issued under one or more index warrant agreements to be entered into between ML&Co. and a bank or trust company, as index warrant agent, all as described in the prospectus supplement relating to the specific issue of Index Warrants. The index warrant agent will act solely as the agent of ML&Co. under the applicable index warrant agreement and will not assume any obligation or relationship of agency or trust for or with any index warrant holders. A single bank or trust company may act as index warrant agent for more than one issue of Index Warrants.

Index Warrants issued with a Minimum Expiration Value will be issued under one or more index warrant trust indentures to be entered into between ML&Co. and a corporation or other person permitted to so act by the Trust Indenture Act of 1939, as amended from time to time, to act as index warrant trustee, all as described in the prospectus supplement relating to the Index Warrants. Any index warrant trust indenture will be qualified under the Trust Indenture Act. To the extent allowed by the Trust Indenture Act, a single qualified corporation may act as index warrant trustee for more than one issue of Index Warrants.

ML&Co. has filed forms of index warrant agreement and index warrant trust indenture and the related global index warrant certificates as exhibits to the registration statement of which this prospectus is a part. The summaries set forth in this section of the material provisions of the index warrant agreement, the index warrant trust indenture and global index warrant certificates are not complete, are subject to, and are qualified in their entirety by reference to, all the provisions of the index warrant agreement, the index warrant trust indenture and global index warrant certificates, respectively.

Unless otherwise specified in the accompanying prospectus supplement, payments, if any, upon exercise of the Index Warrants will be made in U.S. dollars. The Index Warrants will be offered on terms to be determined at the time of sale. ML&Co. will have the right to reopen a previous issue of Index Warrants and to issue additional Index Warrants of that issue without the consent of any index warrant holder.

#### RANKING

The Index Warrants are unsecured contractual obligations of ML&Co. and will rank equally with its other unsecured contractual obligations and with its unsecured and unsubordinated debt. Because ML&Co. is a holding company, the right of ML&Co. and its creditors, including the index warrant holders, to

participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act and under rules of certain exchanges and other regulatory bodies.

#### TERMS OF THE INDEX WARRANTS

The applicable prospectus supplement will describe the specific issue of Index Warrants being offered, the indenture or agreement under which the Index Warrants will be issued, as the case may be, and the index warrant certificates representing the Index Warrants, including the following:

- o whether the Index Warrants to be issued will be Index Put Warrants, Index Call Warrants or both;
- o the aggregate number and initial public offering price or purchase price;
- o the applicable index;
- o whether the Index Warrants will be deemed automatically exercised as of a specified date or whether the Index Warrants may be exercised during a period and the date on which the right to exercise the Index Warrants commences and the date on which the exercise right expires;
- o the manner in which the Index Warrants may be exercised and any restrictions on, or other special provisions relating to, the exercise of the Index Warrants;
- o any minimum number of the Index Warrants exercisable at any one time;
- o any maximum number of the Index Warrants that may, subject to ML&Co.'s election, be exercised by all index warrant holders, or by any person or entity, on any day;
- o any provisions permitting an index warrant holder to condition an exercise notice on the absence of certain specified changes in the level of the applicable index after the exercise date, any provisions permitting ML&Co. to suspend exercise of the Index Warrants based on market conditions or other circumstances and any other special provision relating to the exercise of the Index Warrants;
- o any provisions for the automatic exercise of the Index Warrants other than at the expiration date;
- o any provisions permitting ML&Co. to cancel the Index Warrants upon the occurrence of certain events;
- o any additional circumstances that would constitute an Event of Default under the Index Warrants;
- o the method of determining:
  - o the payment or delivery, if any, to be made in connection with the exercise or deemed exercise of the Index Warrants (the "Settlement Value"),
  - o the minimum payment or delivery, if any, to be made upon expiration of the Index Warrants (the "Minimum Expiration Value"),
  - o the payment or delivery to be made upon the exercise of any right which ML&Co. may have to cancel the Index Warrants, and
- o the value of the index;
- o in the case of Index Warrants relating to an index for which the trading prices of underlying securities, commodities or rates are expressed in a foreign currency, the method of converting amounts in the relevant foreign currency or currencies into U.S. dollars, or any other currency or composite currency in which the Index Warrants are payable;
- o any method of providing for a substitute index or otherwise determining the payment or delivery to be made in connection with the

exercise of the Index Warrants if the index changes or ceases to be made available by its publisher;

- o any time or times at which ML&Co. will make payment or delivery on the Index Warrants following exercise or automatic exercise;
- o any provisions for issuing the Index Warrants in other than book-entry form;
- o if the Index Warrants are not issued in book-entry form, any place or places at which ML&Co. will make payment or delivery on cancellation and any Minimum Expiration Value of the Index Warrants;
- o any circumstances that will cause the Index Warrants to be deemed to be automatically exercised;
- o any material risk factors relating to the Index Warrants;
- o the identity of the Index Warrant Agent; and
- o any other terms of the Index Warrants which are not inconsistent with the provisions of the index warrant agreement.

Prospective purchasers of Index Warrants should be aware that special U.S. Federal income tax, accounting and other considerations may be applicable to instruments such as the Index Warrants. The prospectus supplement relating to any issue of Index Warrants will describe these considerations, if they apply.

#### PAYMENT AND DELIVERY

If specified, and under the circumstances described in the prospectus supplement:

- o ML&Co. will pay or deliver to each index warrant holder an amount equal to the greater of the applicable Settlement Value and a Minimum Expiration Value of the Index Warrants;
- o upon cancellation of the Index Warrants by ML&Co. which may occur upon specified events, ML&Co. will pay or deliver to each index warrant holder an amount specified in the prospectus supplement; and
- o following the occurrence of an extraordinary event, the Settlement Value of an Index Warrant may, at the option of ML&Co., be determined on a different basis, including in connection with automatic exercise at expiration.

Unless otherwise specified in the related prospectus supplement, the Index Warrants will be deemed to be automatically exercised upon expiration or any earlier date that may be specified. Upon any automatic exercise, ML&Co. will deliver or pay to each index warrant holder an amount equal to the Settlement Value of the Index Warrants, except that holders of Index Warrants having a Minimum Expiration Value will be entitled to receive a payment or delivery equal to the greater of the Settlement Value and the applicable Minimum Expiration Value. The Minimum Expiration Value may be either a predetermined payment or delivery or a payment or delivery that varies during the term of the Index Warrants in accordance with a schedule or formula. Any Minimum Expiration Value applicable to an issue of Index Warrants, as well as any additional circumstances resulting in the automatic exercise of the Index Warrants, will be specified in the applicable prospectus supplement.

#### CANCELLATION OR POSTPONEMENT

If so specified in the applicable prospectus supplement, ML&Co. may cancel the Index Warrants. In addition, ML&Co. may delay or postpone the exercise or valuation of, or payment or delivery for, the Index Warrants upon the occurrence of an extraordinary event. Any extraordinary events relating to an issue of Index Warrants will be described in the applicable prospectus supplement. Upon cancellation, the related index warrant holders will be entitled to receive only the applicable payment or delivery on cancellation specified in the applicable prospectus supplement. The amount payable or deliverable upon cancellation may be either a predetermined amount or an amount that varies during the term of the Index Warrants in accordance with a schedule or formula.

#### WAIVER OF DEFAULT

If ML&Co. defaults with respect to any of its obligations under any Index Warrants issued with a Minimum Expiration Value under an index warrant trust indenture, the index warrant holders of a majority in interest of all outstanding Index Warrants may waive a default, except a default:



- o in the payment or delivery of the Settlement Value, Minimum Expiration Value or payment or delivery of any amount upon cancellation of the Index Warrants; or
- o in respect of a covenant or provision of the applicable index warrant trust indenture which cannot be modified or amended without the consent of each index warrant holder of each outstanding Index Warrant affected.

#### MODIFICATION

ML&Co. and the index warrant agent or index warrant trustee, as the case may be, may amend any index warrant agreement or index warrant indenture and the terms of the related Index Warrants by a supplemental agreement or supplemental indenture (each, a "Supplemental Agreement"), without the consent of the holders of any Index Warrants, for the purpose of:

- o curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision, or of making any other provisions with respect to matters or questions arising under the index warrant agreement or index warrant trust indenture, as the case may be, which are not inconsistent with the provisions of the respective agreement or indenture or of the Index Warrants,
- o evidencing the succession to ML&Co. and the assumption by the successor of ML&Co.'s covenants contained in the index warrant agreement or the index warrant trust indenture, as the case may be, and the Index Warrants,
- o appointing a successor depositary,
- o evidencing and providing for the acceptance of appointment by a successor index warrant agent or index warrant trustee with respect to the Index Warrants, as the case may be,
- o adding to the covenants of ML&Co., for the benefit of the index warrant holders or surrendering any right or power conferred upon ML&Co. under the index warrant agreement or index warrant trust indenture, as the case may be,
- o issuing Index Warrants in definitive form, or
- o amending the index warrant agreement or index warrant trust indenture, as the case may be, in any manner which ML&Co. may deem to be necessary or desirable and which will not materially and adversely affect the interests of the Index Warrant holders.

ML&Co. and the index warrant agent may also amend any index warrant agreement or index warrant trust indenture, as the case may be, and the terms of the related Index Warrants, by a Supplemental Agreement, with the consent of the index warrant holders holding not less than 66 2/3% in number of the then outstanding unexercised Index Warrants affected by the amendment, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the index warrant agreement or index warrant trust indenture, as the case may be, or of modifying in any manner the rights of the index warrant holders. However, without the consent of each index warrant holder affected, no amendment may be made that:

- o changes the determination, or any aspects of the determination, of the Settlement Value or any payment or delivery to be made on cancellation, or any Minimum Expiration Value of the Index Warrants so as to reduce the payment or delivery to be made upon exercise or deemed exercise,
- o shortens the period of time during which the Index Warrants may be exercised, or otherwise materially and adversely affects the exercise rights of the index warrant holders, or
- o reduces the number of outstanding Index Warrants, the consent of whose holders is required for amendment of the index warrant agreement, the index warrant trust indenture or the terms of the related Index Warrants.

#### EVENTS OF DEFAULT

Specified events in bankruptcy, insolvency or reorganization of ML&Co. will constitute Events of Default with respect to Index Warrants having a Minimum Expiration Value which are issued under an index warrant trust indenture. Upon

the occurrence of an Event of Default, the holders of 25% of unexercised Index Warrants may elect to receive a settlement payment or delivery for any unexercised Index Warrants. Any settlement payment or delivery will immediately become due to the index warrant holders upon any election. Assuming ML&Co. is able to satisfy its obligations when due under the Index Warrants, the settlement payment or delivery will be an amount equal to the market value of the Index Warrants as of the date ML&Co. is notified of the intended liquidation. The market value of the Index Warrants will be determined by a nationally recognized securities broker-dealer unaffiliated with ML&Co. and mutually selected by ML&Co. and the index warrant trustee.

#### MERGER, CONSOLIDATION, SALE, LEASE OR OTHER DISPOSITIONS

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
- o pay or deliver the Settlement Value, any Minimum Expiration Value or any consideration payable or deliverable upon cancellation, if applicable with respect to all the unexercised Index Warrants; and
- o perform and observe all of the obligations and conditions of the index warrant agreement or index warrant trust indenture, as the case may be, to be performed or observed by ML&Co.; and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any merger or consolidation, in default under the index warrant agreement or index warrant trust indenture, as the case may be.

#### ENFORCEABILITY OF RIGHTS BY INDEX WARRANTHOLDERS

Any index warrant holder may, without the consent of the related index warrant agent, enforce by appropriate legal action, in and for its own behalf, its right to exercise, and receive payment or delivery for, its Index Warrants.

#### BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the applicable prospectus supplement, the Index Warrants will be issued in book-entry form and represented by global Index Warrants, registered in the name of a depository or its nominee. In that case, index warrant holders will not be entitled to receive definitive certificates representing Index Warrants, unless the depository is unwilling or unable to continue as depository or ML&Co. decides to have the Index Warrants represented by definitive certificates. A beneficial owner's interest in an Index Warrant represented by a global Index Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains the beneficial owner's account. In turn, the total number of Index Warrants held by an individual brokerage firm or other entity for its clients will be maintained on the records of the depository in the name of the brokerage firm or other entity or its agent. Transfer of ownership of any Index Warrant will be effected only through the selling beneficial owner's brokerage firm.

#### LISTING

ML&Co. may list an issue of Index Warrants on a national securities exchange. Any listing will be specified in the applicable prospectus supplement.

#### DESCRIPTION OF PREFERRED STOCK

The following description sets forth certain general terms of preferred stock which ML&Co. may issue. The terms of any series of the preferred stock will be described in the applicable prospectus supplement relating to the preferred stock being offered. The description set forth below and in any prospectus supplement is not complete, and is subject to, and qualified in its entirety by reference to, ML&Co.'s restated certificate of incorporation, as amended, which is filed as an exhibit to the registration statement of which this prospectus is a part, and the certificate of designations relating to each particular series of the preferred stock, which was or will be filed with the SEC at or before the issuance of the series of preferred stock.

#### TERMS OF THE PREFERRED STOCK

Under ML&Co.'s restated certificate of incorporation, ML&Co. is authorized to issue up to 25,000,000 shares of preferred stock, par value \$1.00 per share. The Board of Directors of ML&Co. has the authority, without approval of the stockholders, to issue all of the shares of preferred stock which are currently authorized in one or more series and to fix the number of shares and the rights, preferences, privileges, qualifications, restrictions and limitations of each series. As of December 25, 1998, ML&Co. had 24,957,500 shares of preferred stock available for issuance.

ML&Co. has authorized the issuance of shares of Series A junior preferred stock, par value \$1.00 per share, of ML&Co. upon exercise of preferred share purchase rights associated with each share of common stock outstanding. See "Description of Common Stock--Rights to Purchase Series A Junior Preferred Stock".

In addition, as described under "Description of Depositary Shares", ML&Co., at its option, instead of offering full shares of any series of preferred stock, may offer depositary shares evidenced by depositary receipts, each representing a fraction of a share of the particular series of preferred stock issued and deposited with a depositary. The fraction of a share of preferred stock which each depositary share represents will be set forth in the prospectus supplement relating to the depositary shares.

The applicable prospectus supplement will describe the terms of each series of preferred stock, including, where applicable, the following:

- o the designation, stated value, liquidation preference and number of shares offered;
- o the offering price or prices;
- o the dividend rate or rates, or method of calculation, the dividend periods, the date on which dividends shall be payable and whether dividends are cumulative or noncumulative and, if cumulative, the dates from which dividends begin to cumulate;
- o any redemption or sinking fund provisions;
- o any conversion or exchange provisions;
- o any voting rights;
- o to the extent permitted by applicable law, whether the preferred stock will be issued in certificated or book-entry form;
- o whether the preferred stock will be listed on a national securities exchange;
- o information with respect to any book-entry procedures; and
- o any additional rights, preferences, privileges, limitations and restrictions of the preferred stock which are not inconsistent with the provisions of the certificate of incorporation.

The preferred stock will be, when issued against payment, fully paid and nonassessable. Holders will have no preemptive rights to subscribe for any additional securities which ML&Co. may issue. Unless otherwise specified in the applicable prospectus supplement, the shares of each series of preferred stock will rank equally with all other outstanding series of preferred stock issued by ML&Co. as to payment of dividends, other than with respect to cumulation of dividends, and as to the distribution of assets upon liquidation, dissolution, or winding up of ML&Co. As of December 25, 1998, there were 42,500 shares of ML&Co.'s 9% Cumulative Preferred Stock, Series A (the "9% Preferred Stock") represented by 17,000,000 depositary shares and one Special Voting Share outstanding. See "--Outstanding Preferred Stock". Each series of preferred stock will rank senior to the common stock, and any other stock of ML&Co. that is expressly made junior to that series of preferred stock.

Unless otherwise specified in the applicable prospectus supplement, Citibank, N.A., will be the transfer agent, dividend disbursing agent and registrar for the shares of the preferred stock.

Because ML&Co. is a holding company, its rights and the rights of holders of its securities, including the holders of preferred stock, to participate in the distribution of assets of any subsidiary of ML&Co. upon its liquidation or recapitalization will be subject to the prior claims of the subsidiary's creditors and preferred stockholders, except to the extent ML&Co. may itself be a creditor with recognized claims against the subsidiary or a holder of preferred stock of the subsidiary.

Holders of shares of the preferred stock will be entitled to receive, as, if and when declared by the Board of Directors of ML&Co., or a duly authorized committee of the Board of Directors, out of funds legally available for the payment of dividends, cash dividends at the rate set forth in, or calculated in accordance with the formula set forth in, the prospectus supplement relating to the preferred stock being offered.

Dividends on the preferred stock may be cumulative or noncumulative as provided in the applicable prospectus supplement. Dividends on the cumulative preferred stock will accumulate from the date of original issue and will be payable quarterly in arrears on the dates specified in the applicable prospectus supplement. If any date so specified as a dividend payment date is not a business day, declared dividends on the preferred stock will be paid on the immediately succeeding business day, without interest. The applicable prospectus supplement will set forth the applicable dividend period with respect to a dividend payment date. If the Board of Directors of ML&Co. or a duly authorized committee of the Board of Directors, fails to declare a dividend on any series of noncumulative preferred stock for any dividend period, ML&Co. will have no obligation to pay a dividend for that period, whether or not dividends on that series of noncumulative preferred stock are declared for any future dividend period. Dividends on the preferred stock will be payable to record holders as they appear on the stock books of ML&Co. on each record date, not more than 30 nor less than 15 days preceding the applicable payment date, as shall be fixed by the Board of Directors of ML&Co. or a duly authorized committee of the Board of Directors.

No dividends will be declared or paid or set apart for payment on the preferred stock of any series ranking, as to dividends, equally with or junior to any other series of preferred stock for any period unless dividends have been or are contemporaneously declared and paid or declared and a sum sufficient for the payment of those dividends has been set apart for,

- o in the case of cumulative preferred stock, all dividend periods terminating on or before the date of payment of full cumulative dividends, or
- o in the case of noncumulative preferred stock, the immediately preceding dividend period.

When dividends are not paid in full upon any series of preferred stock, and any other preferred stock ranking equally as to dividends with that series of preferred stock, all dividends declared upon shares of that series of preferred stock and any other preferred stock ranking equally as to dividends will be declared pro rata so that the amount of dividends declared per share on that series of preferred stock and any other preferred stock ranking equally as to dividends will in all cases bear to each other the same ratio that accrued dividends per share on the shares of that series of preferred stock and the other preferred stock bear to each other. In the case of noncumulative preferred stock, any accrued dividends described in the immediately preceding paragraph will not include any cumulation in respect of unpaid dividends for prior dividend periods.

Except as provided in the immediately preceding paragraph, unless full dividends on all outstanding shares of any series of preferred stock have been declared and paid,

- o in the case of a series of cumulative preferred stock, for all past dividend periods, or
- o in the case of noncumulative preferred stock, for the immediately preceding dividend period,

then:

- o ML&Co. may not declare dividends or pay or set aside for payment or other distribution on any of its capital stock ranking junior to or equally with that series of preferred stock as to dividends or upon liquidation, other than dividends or distributions paid in shares of, or options, warrants or rights to subscribe for or purchase shares of, the common stock of ML&Co. or other capital stock of ML&Co. ranking junior to that series of preferred stock as to dividends and upon liquidation, and
- o other than in connection with the distribution or trading of any of its capital stock, ML&Co. may not redeem, purchase or otherwise acquire any of its capital stock ranking junior to or equally with that series of preferred stock as to dividends or upon liquidation, for any consideration or any moneys paid to or made available for a sinking fund for the redemption of any shares of any of its capital stock, except by conversion or exchange for capital stock of ML&Co. ranking junior to that series of preferred stock as to dividends and upon liquidation.

Unless otherwise specified in the applicable prospectus supplement, the amount of dividends payable for any period shorter than a full dividend period shall be computed on the basis of twelve 30-day months, a 360-day year and the actual number of days elapsed in any period of less than one month.

As of the date of this prospectus, subsidiaries of ML&Co. have issued \$2.575 billion of perpetual Trust Originated Preferred Securities/SM/("TOPrS"). In connection with the issuance of the TOPrS, ML&Co. has agreed, among other things, that if full distributions on the TOPrS have not been paid or set apart for payment or if ML&Co. is in default of their related guarantee obligations, ML&Co., with certain exceptions, will not declare or pay dividends, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to any of its capital stock, including the preferred stock.

#### LIQUIDATION PREFERENCE

Upon any voluntary or involuntary liquidation, dissolution or winding up of ML&Co., the holders of the preferred stock will have preference and priority over the common stock of ML&Co. and any other class of stock of ML&Co. ranking junior to the preferred stock upon liquidation, dissolution or winding up, for payments out of or distributions of the assets of ML&Co. or proceeds from any liquidation, whether from capital or surplus, of the amount per share set forth in the applicable prospectus supplement plus all accrued and unpaid dividends, whether or not earned or declared, to the date of final distribution to such holders. After any liquidating payment, the holders of preferred stock will be entitled to no other payments. If, in the case of any liquidation, dissolution

---

/SM/Service mark of Merrill Lynch & Co., Inc.

or winding up of ML&Co., the assets of ML&Co. or the proceeds from any liquidation should be insufficient to make the full liquidation payment in the amount per share set forth in the applicable prospectus supplement relating to a series of preferred stock, plus all accrued and unpaid dividends on that preferred stock, and liquidating payments on any other preferred stock ranking as to liquidation, dissolution or winding up equally with that preferred stock, then any assets and proceeds will be distributed among the holders of the preferred stock and any other preferred stock ratably in accordance with the respective amounts which would be payable on those shares of preferred stock and any other preferred stock if all amounts payable were paid in full. In the case of noncumulative preferred stock, accrued and unpaid dividends will not include cumulation of unpaid dividends from prior dividend periods. A consolidation or merger of ML&Co. with one or more corporations will not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of ML&Co.

#### REDEMPTION

If specified in the prospectus supplement relating to a series of preferred stock being offered, ML&Co. may, at its option, at any time or from time to time on not less than 30 nor more than 60 days notice, redeem that series of preferred stock in whole or in part at the redemption prices and on the dates set forth in the applicable prospectus supplement.

If less than all outstanding shares of a series of preferred stock are to be redeemed, the selection of the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors of ML&Co. or a duly authorized committee of the Board of Directors to be equitable. From and after the redemption date, unless ML&Co. is in default in providing for the payment of the redemption price, dividends shall cease to accrue on the shares of that series of preferred stock called for redemption and all rights of the holders shall cease, other than the right to receive the redemption price.

#### VOTING RIGHTS

Unless otherwise described in the applicable prospectus supplement, holders of the preferred stock will have no voting rights except as set forth below or as otherwise required by law.

Whenever dividends payable on the preferred stock are in arrears for a number of dividend periods, whether or not consecutive, which in the aggregate is equivalent to six calendar quarters, the holders of outstanding shares of the preferred stock, voting as a class with holders of shares of all other series of preferred stock ranking equally with the preferred stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of two additional directors on the terms set forth below. These voting rights will continue, in the case of any series of cumulative preferred stock, until all past dividends accumulated on shares of cumulative preferred stock are paid in full and, in the case of noncumulative preferred stock, until all dividends on shares of noncumulative preferred stock are paid in full for at least one calendar year. Upon payment in full of these dividends, the voting rights will terminate except as expressly provided by law. These voting rights are subject to re-vesting in the event of each and every subsequent default in the payment of dividends. Holders of all series of preferred stock which are granted these voting rights and which rank equally

with the preferred stock will vote as a class, and, unless otherwise specified in the applicable prospectus supplement, each holder of shares of the preferred stock will have one vote for each share of stock held and each other series will have the number of votes, if any, for each share of stock held as may be granted to them. In the event that the holders of shares of the preferred stock are entitled to vote as described in this paragraph, the Board of Directors of ML&Co. will be increased by two directors, and the holders of the preferred stock will have the exclusive right as members of that class, as outlined above, to elect two directors at the next annual meeting of stockholders.

Upon termination of the right of the holders of the preferred stock to vote for directors as discussed in the preceding paragraph, the term of office of all directors then in office elected by those holders will terminate immediately. Whenever the term of office of the directors elected by those holders ends and the related special voting rights expire, the number of directors will automatically be decreased to the number of directors as would otherwise prevail.

So long as any shares of preferred stock remain outstanding, ML&Co. shall not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of the preferred stock outstanding at the time, voting as a class with all other series of preferred stock ranking equally with the preferred stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable, given in person or by proxy, either in writing or at a meeting:

- o authorize, create or issue, or increase the authorized or issued amount of, any class or series of stock ranking senior to the preferred stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of ML&Co.; or
- o amend, alter or repeal, whether by merger, consolidation or otherwise, the provisions of ML&Co.'s restated certificate of incorporation or the certificate of designations of the preferred stock so as to materially and adversely affect any right, preference, privilege or voting power of the preferred stock or the holders of the preferred stock;

provided, however, that any increase in the amount of authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock, or any increase in the amount of authorized shares of preferred stock, in each case ranking equally with or junior to the preferred stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up of ML&Co. up will not be deemed to materially and adversely affect these rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if all outstanding shares of preferred stock have been redeemed or sufficient funds have been deposited in trust to effect such a redemption which is scheduled to be consummated within three months after the time that such rights would otherwise be exercisable.

#### CONVERSION OR EXCHANGE RIGHTS

The prospectus supplement relating to a series of preferred stock that is convertible or exchangeable will state the terms on which shares of that series are convertible or exchangeable into common stock, another series of preferred stock or debt securities.

#### OUTSTANDING PREFERRED STOCK

At December 25, 1998, there were 42,500 shares of 9% Preferred Stock represented by 17,000,000 depository shares and one Special Voting Share outstanding.

#### 9% PREFERRED STOCK

The 9% Preferred Stock has preference over ML&Co.'s common stock and the Series A junior preferred stock issuable under the Rights Plan described under "Description of Common Stock" with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding up of ML&Co. Holders of the 9% Preferred Stock do not have any preemptive rights to subscribe for any additional securities which may be issued by ML&Co. Dividends on the 9% Preferred Stock are cumulative and payable quarterly at the rate per annum of 9% of the \$10,000 liquidation preference per share. Holders of the 9% Preferred Stock have no voting rights except as set forth above under "--Voting Rights" above. In the event of any voluntary or involuntary liquidation, dissolution or winding up of ML&Co., the holders of outstanding shares of 9% Preferred Stock are entitled to receive out of assets of ML&Co. available for

distribution to stockholders a distribution of \$10,000 per share, plus accumulated and unpaid dividends, if any. The 9% Preferred Stock is not redeemable before December 30, 2004. On and after that date, the 9% Preferred Stock is redeemable at the option of ML&Co., in whole at any time or from time to time in part, upon not less than 30 nor more than 60 days notice, at a redemption price of \$10,000 per share, plus accumulated and unpaid dividends, if any.

#### SPECIAL VOTING SHARE

In connection with the acquisition of Midland Walwyn Inc. by ML&Co. in August 1998, ML&Co. issued a single share of preferred stock with special voting rights (the "Special Voting Share"), under the terms of a Voting and Exchange Trust Agreement entered into by Merrill Lynch & Co., Canada Ltd. ("ML Canada"), ML&Co. and Montreal Trust Company of Canada, as trustee (the "Voting Trust Agreement"). The Special Voting Share possesses a number of votes equal to the number of exchangeable shares of ML Canada (the "Exchangeable Shares") issued and outstanding from time to time that are not owned by ML&Co. or its affiliates, which votes may be exercised for the election of directors and on all other matters submitted to a vote of ML&Co.'s stockholders. The holders of ML&Co.'s common stock and the holder of the Special Voting Share vote together as a class on all matters. See "Description of Common Stock--Voting Rights". The Special Voting Share was issued to the trustee under the Voting Trust Agreement. The holder of the Special Voting Share is not entitled to receive dividends, and, in the event of any liquidation, dissolution or winding up of ML&Co., will receive an amount equal to the par value of the Special Voting Share. When the Special Voting Share has no votes attached to it because there are no Exchangeable Shares outstanding not owned by ML&Co. or any of its affiliates, the Special Voting Share will cease to have any rights.

#### DESCRIPTION OF DEPOSITARY SHARES

ML&Co. may issue depositary receipts evidencing depositary shares, each of which will represent a fraction of a share of preferred stock. ML&Co. will deposit shares of preferred stock of each class or series represented by depositary shares under deposit agreements to be entered into among ML&Co., a bank or trust company, as depositary, and the holders from time to time of the depositary receipts. A copy of the form of deposit agreement, including the form of certificates representing the depositary receipts, is filed as an exhibit to the registration statement of which this prospectus is a part. The following summaries of the material provisions of the deposit agreements and the depositary receipt certificates are not complete, are subject to, and are qualified in their entirety by reference to, all the provisions of the deposit agreement and the depositary receipt certificates, respectively, including the definitions of terms.

#### TERMS OF THE DEPOSITARY SHARES

Depositary receipts issued under the applicable Deposit Agreement will evidence the depositary shares. Immediately following the issuance and delivery of the preferred stock by ML&Co. to the depositary, ML&Co. will cause the depositary to issue, on behalf of ML&Co., the depositary receipts. Subject to the terms of the applicable deposit agreement, each holder of a depositary receipt will be entitled, in proportion to the fraction of a share of preferred stock represented by the applicable depositary shares, to all the rights and preferences of the preferred stock being represented, including dividend, voting, conversion, redemption and liquidation rights, all as will be set forth in the prospectus supplement relating to the depositary shares being offered.

The depositary shares will have the dividend, liquidation, redemption, voting and conversion or exchange rights set forth below unless otherwise specified in the applicable prospectus supplement. The applicable prospectus supplement will describe the terms of the specific issue of the depositary shares being offered, the deposit agreement relating to the depositary shares and the depositary receipts evidencing the depositary shares, including the following:

- o the designation, stated value and liquidation preference of the depositary shares and the number of shares offered;
- o the offering price or prices;
- o the dividend rate or rates, or method of calculation, the dividend periods, the dates on which dividends will be payable and whether dividends are cumulative or noncumulative and, if cumulative, the dates from which dividends will begin to cumulate;
- o any redemption or sinking fund provisions;
- o any conversion or exchange provisions;

- o any material risk factors relating to the depositary shares;
- o the identity of the depositary; and
- o any other terms of the depositary shares which are not inconsistent with the provisions of the deposit agreement.

#### BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the applicable prospectus supplement, the depositary shares will be issued in the form of a global depositary receipt certificates, registered in the name of a depositary or its nominee. In that case, beneficial owners will not be entitled to receive depositary receipts evidencing their depositary shares unless the depositary is unwilling or unable to continue as depositary or ML&Co. decides to have the depositary shares represented by separate depositary receipts. A beneficial owner's interest in depositary shares will be recorded on or through the records of the brokerage firm or other entity that maintains the beneficial owner's account. In turn, the total number of depositary shares held by an individual brokerage firm for its clients will be maintained on the records of the depositary in the name of the brokerage firm or its agent. Transfer of ownership of depositary shares will be effected only through the selling beneficial owner's brokerage firm.

#### DIVIDENDS AND OTHER DISTRIBUTIONS

The depositary will distribute all cash dividends or other cash distributions received in respect of the preferred stock to the record holders of depositary receipts in proportion to the number of depositary shares owned by those holders, subject to the obligations of holders to file proofs, certificates and other information and to pay certain charges and expenses to the depositary.

In the event of a distribution in respect of the preferred stock other than in cash, the depositary will distribute property it receives to the record holders of the depositary shares, subject to certain obligations of holders to file proofs, certificates and other information and to pay certain charges and expenses to the depositary, unless the depositary, after consultation with ML&Co., determines that it is not feasible to make the distribution, in which case the depositary may, with the approval of ML&Co., sell any property and distribute the net proceeds from the sale to the holders.

#### WITHDRAWAL OF STOCK

Unless the related depositary shares have been previously called for redemption, upon surrender of the depositary receipts at the corporate trust office of the depositary, the holder of the depositary shares will be entitled to delivery, at the corporate trust office of the depositary to or upon his or her order, of the number of whole shares of the preferred stock and any money or other property represented by the depositary shares. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares representing the number of whole shares of preferred stock to be withdrawn, the depositary will deliver to the holder at the same time a new depositary receipt evidencing the excess number of depositary shares. In no event will the depositary deliver fractional shares of preferred stock upon surrender of depositary receipts.

#### REDEMPTION OF DEPOSITARY SHARES

Whenever ML&Co. redeems shares of preferred stock held by the depositary, the depositary will redeem as of the same redemption date the number of depositary shares representing shares of the preferred stock so redeemed, provided ML&Co. has paid in full to the depositary the redemption price of the preferred stock to be redeemed plus an amount equal to any accumulated and unpaid dividends on the preferred stock to the date fixed for redemption. The redemption price per depositary share will be equal to the redemption price and any other amounts per share payable with respect to the preferred stock multiplied by the fraction of a share of preferred stock represented by one depositary share. If less than all the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by the lot or pro rata as may be determined by the depositary.

After the date fixed for redemption, depositary shares called for redemption will no longer be deemed to be outstanding and all rights of the holders of depositary shares called for redemption will cease, except the right to receive any moneys payable upon redemption and any money or other property to which the holders of the depositary shares were entitled upon redemption upon



surrender to the depositary of the depositary receipts evidencing the depositary shares.

#### VOTING THE PREFERRED STOCK

Upon receipt of notice of any meeting at which the holders of the preferred stock are entitled to vote, the depositary will mail the information contained in the notice of meeting to the record holders of the depositary receipts relating to that preferred stock. The record date for the depositary receipts relating to the preferred stock will be the same date as the record date for the preferred stock. Each record holder of the depositary shares on the record date will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the amount of preferred stock represented by that holder's depositary shares. The depositary will endeavor, insofar as practicable, to vote the amount of preferred stock represented by the depositary shares in accordance with those instructions, and ML&Co. will agree to take all reasonable action which may be deemed necessary by the depositary in order to enable the depositary to do so. The depositary will not vote any shares of preferred stock except to the extent it receives specific instructions from the holders of depositary shares representing that number of shares of preferred stock.

#### EXCHANGE OF PREFERRED STOCK

Whenever ML&Co. exchanges all of the shares of a series of preferred stock held by the depositary for debt securities, common stock or other shares of preferred stock, the depositary will exchange as of the same exchange date the number of depositary shares representing all of the shares of the preferred stock so exchanged for debt securities, common stock or other shares of preferred stock, provided ML&Co. has issued and deposited with the depositary, debt securities, common stock or other shares of preferred stock, as applicable, for all of the shares of the preferred stock to be exchanged. The exchange rate per depositary share will be equal to the exchange rate per share of preferred stock multiplied by the fraction of a share of preferred stock represented by one depositary share, plus all money and other property, if any, represented by those depositary shares, including all amounts paid by ML&Co. in respect of dividends which on the exchange date have accumulated on the shares of preferred stock to be so exchanged and have not already been paid.

#### CONVERSION OF PREFERRED STOCK

The depositary shares are not convertible or exchangeable into common stock or any other securities or property of ML&Co. Nevertheless, if so specified in the applicable prospectus supplement, each depositary receipt may be surrendered by its holder to the depositary with written instructions to the depositary to instruct ML&Co. to cause conversion or exchange of the preferred stock represented by the depositary shares evidenced by that depositary receipt into whole shares of common stock, other shares of preferred stock or debt securities of ML&Co. ML&Co. has agreed that upon the receipt of any instructions to convert or exchange any depositary shares and the payment of any fees or other amounts applicable to any conversion or exchange, it will convert or exchange the depositary shares using the same procedures as those provided for delivery of preferred stock to effect conversions or exchange. If the depositary shares represented by a depositary receipt are converted in part only, a new depositary receipt or receipts will be issued for any depositary shares not converted or exchanged.

#### AMENDMENT AND TERMINATION OF THE DEPOSIT AGREEMENT

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may at any time be amended by agreement between ML&Co. and the depositary. However, any amendment that materially and adversely alters the rights of the holders of depositary receipts will not be effective unless it has been approved by the holders of at least a majority of the depositary shares then outstanding. No amendment to the form of depositary receipt or any provision of the deposit agreement relating to or affecting rights to receive dividends or distributions or voting, redemption or conversion rights will be effective unless approved by the holders of at least two-thirds of the depositary shares then outstanding.

ML&Co. may terminate the deposit agreement at any time upon 60 days prior written notice to the depositary, in which case the depositary will deliver to the record holders, upon surrender of the depositary receipts, the number of whole or fractional shares of preferred stock as is represented by those depositary receipts. The deposit agreement will automatically terminate if:

- o all outstanding depositary shares have been redeemed,

- o all shares of preferred stock deposited with the depository in accordance with the terms of the deposit agreement and all money and other property relating to those shares of preferred stock have been withdrawn in accordance with the terms of the deposit agreement, or
  
- o there has been a final distribution in respect of the preferred stock in connection with any liquidation, dissolution or winding up of ML&Co. and the distribution has been distributed to the holders of depository receipts.

#### CHARGES OF DEPOSITARY

ML&Co. will pay all transfer and other taxes and governmental charges arising solely from the existence of the depository arrangements. ML&Co. will pay the fees and expenses of the depository in connection with the performance of its duties under the deposit agreement. Holders of depository receipts will pay transfer and other taxes and governmental charges and any other charges that are expressly provided in the deposit agreement to be for their accounts. The depository may refuse to effect any transfer of a depository receipt or any withdrawals of preferred stock evidenced by a depository receipt until all taxes and charges with respect to the depository receipt or preferred stock are paid by their holders.

#### RESIGNATION AND REMOVAL OF DEPOSITARY

The depository may resign at any time by delivering to ML&Co. notice of its election to do so, and ML&Co. may remove the depository at any time. Any resignation or removal of the depository will take effect upon ML&Co.'s appointment of a successor depository, which must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

#### NOTICES

The depository will forward to holders of depository receipts all reports and communications received from ML&Co. and the depository and which ML&Co. is required to furnish to holders of the related underlying preferred stock. The depository will also, promptly after its receipt, transmit to the holders of depository receipts, copies of all notices and reports required by law, the rules of any national securities exchange or ML&Co.'s restated certificate of incorporation to be furnished to the record holders of depository receipts.

#### LIMITATION OF LIABILITY

Neither the depository nor ML&Co. will assume any obligation or be subject to any liability under the deposit agreement to holders of depository receipts other than for negligence, willful misconduct or bad faith. The depository will not be obligated to prosecute or defend any legal proceeding in respect of any depository shares or any shares of preferred stock unless it is furnished with satisfactory indemnification. ML&Co. and the depository may rely on written advice of counsel or accountants, or information provided by persons presenting shares of preferred stock for deposit, holders of depository receipts or other persons believed to be competent and on documents believed to be genuine. Neither the depository nor ML&Co. will be liable if it is prevented from or delayed, by law, by provision of ML&Co.'s restated certificate of incorporation or any circumstances beyond its control, in performing its obligations under the deposit agreement.

#### DESCRIPTION OF PREFERRED STOCK WARRANTS

ML&Co. may issue warrants for the purchase of preferred stock ("Preferred Stock Warrants"). Each series of Preferred Stock Warrants is to be issued under a preferred stock warrant agreement to be entered into between ML&Co. and a bank or trust company, as preferred stock warrant agent, as described in the applicable prospectus supplement relating to the Preferred Stock Warrants being offered. A copy of the form of preferred stock warrant agreement, including the form of warrant certificates representing the Preferred Stock Warrants, is filed as an exhibit to the registration statement of which this prospectus is a part. The following summaries of the material provisions of the preferred stock warrant agreement and preferred stock warrant certificates are not complete and are subject to and are qualified in their entirety by reference to, all the provisions of the preferred stock warrant agreement and the preferred stock warrant certificates, respectively, including the definitions of terms.

## TERMS OF THE PREFERRED STOCK WARRANTS

The applicable prospectus supplement will describe the terms of the specific issue of Preferred Stock Warrants being offered, the preferred stock warrant agreement relating to the Preferred Stock Warrants and the preferred stock warrant certificates representing the Preferred Stock Warrants, including the following:

- o the offering price or prices;
- o designation, aggregate number and terms of the series of preferred stock that may be purchased upon exercise of the Preferred Stock Warrants and the minimum number of Preferred Stock Warrants that are exercisable;
- o any designation and terms of the securities with which the Preferred Stock Warrants are being offered and the number of Preferred Stock Warrants being offered with each Security;
- o any date on and after which the Preferred Stock Warrants and the related securities will be transferable separately;
- o the number and stated values of the series of preferred stock that may be purchased upon exercise of each Preferred Stock Warrant and the price at which the shares of preferred stock of that series may be purchased upon exercise, and events or conditions under which the number of shares that may be purchased may be adjusted;
- o the date on which the right to exercise the Preferred Stock Warrants will begin and the date on which the right to exercise will expire;
- o any circumstances that will cause the Preferred Stock Warrants to be deemed to be automatically exercised;
- o any material risk factors relating to the Preferred Stock Warrants;
- o the identity of the preferred stock warrant agent; and
- o any other terms of the Preferred Stock Warrants which are not inconsistent with the provisions of the preferred stock warrant agreement.

Holders may exchange preferred stock warrant certificates for new preferred stock warrant certificates of different denominations, may, if in registered form, present for registration of transfer, and exercise the Preferred Stock Warrants at the corporate trust office of the preferred stock warrant agent or any other office indicated in the applicable prospectus supplement. Before the exercise of any Preferred Stock Warrant, a holder will not have the rights of a holder of shares of the preferred stock that may be purchased upon exercise of the Preferred Stock Warrant, including the right to receive payment of dividends, if any, on the underlying preferred stock or the right to vote the underlying preferred stock.

Prospective purchasers of Preferred Stock Warrants should be aware that special U.S. Federal income tax, accounting and other considerations may be applicable to instruments such as Preferred Stock Warrants. The prospectus supplement relating to any issue of Preferred Stock Warrants will describe these considerations.

## BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the applicable prospectus supplement, the Preferred Stock Warrants will be issued in the form of global preferred stock warrant certificates, registered in the name of a depository or its nominee. In that case, beneficial owners will not be entitled to receive definitive certificates representing Preferred Stock Warrants unless the depository is unwilling or unable to continue as depository, specified events of bankruptcy or insolvency occur with respect to ML&Co. or ML&Co. decides to have the Preferred Stock Warrants represented by definitive certificates. A beneficial owner's interest in a Preferred Stock Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains the beneficial owner's account. In turn, the total number of Preferred Stock Warrants held by an individual brokerage firm for its clients will be maintained on the records of the depository in the name of the brokerage firm or its agent. Transfer of ownership of any Preferred Stock Warrant will be effected only through the selling beneficial owner's brokerage firm.

## EXERCISE OF PREFERRED STOCK WARRANTS

Each Preferred Stock Warrant will entitle its holder to purchase a number of shares of preferred stock at the exercise price described in the applicable prospectus supplement. After the close of business on the date the right to exercise the Preferred Stock Warrants expires, or any later date if extended by ML&Co., unexercised Preferred Stock Warrants will become void.

Holders may exercise the Preferred Stock Warrants in the manner set forth in the applicable prospectus supplement. Upon receipt of payment and a properly completed and duly executed preferred stock warrant certificate at the corporate trust office of the preferred stock warrant agent or any other office indicated in the applicable prospectus supplement, ML&Co. will, as soon as practicable, issue and deliver the shares of preferred stock purchased upon exercise. If less than all of the Preferred Stock Warrants represented by any preferred stock warrant certificate are exercised, ML&Co. will issue a new preferred stock warrant certificate for the remaining number of Preferred Stock Warrants.

## LISTING

ML&Co. may list an issue of Preferred Stock Warrants on a national securities exchange. Any listing will be specified in the applicable prospectus supplement.

## MODIFICATIONS

ML&Co. and the preferred stock warrant agent may amend any preferred stock warrant agreement and the terms of the related Preferred Stock Warrants, without the consent of the holders of the Preferred Stock Warrants, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision, or in any other manner which ML&Co. may deem necessary or desirable and which will not materially and adversely affect the interests of the preferred stock warrant holders.

ML&Co. and the preferred stock warrant agent also may amend any preferred stock warrant agreement and the terms of the related Preferred Stock Warrants, with the consent of the holders of not less than a majority in number of the then outstanding unexercised Preferred Stock Warrants affected by the amendment. However, without the consent of each of the preferred stock warrant holders affected, no amendment will be effective that:

- o shortens the period of time during which the Preferred Stock Warrants may be exercised;
- o otherwise materially and adversely affects the exercise rights of the preferred stock warrant holders; or
- o reduces the number of outstanding Preferred Stock Warrants the consent of whose holders is required to approve an amendment of the preferred stock warrant agreement or the terms of the related Preferred Stock Warrants.

## ENFORCEABILITY OF RIGHTS BY PREFERRED STOCK WARRANTHOLDERS

Any preferred stock warrant holder may, without the consent of the related preferred stock warrant agent, enforce by appropriate legal action, in and of its own behalf, its right to exercise its Preferred Stock Warrants.

## DESCRIPTION OF COMMON STOCK

The following description sets forth the general terms of common stock which ML&Co. may issue. The description set forth below and in any prospectus supplement is not complete, is subject to, and is qualified in its entirety by reference to, ML&Co.'s restated certificate of incorporation which is filed as an exhibit to the registration statement of which this prospectus is a part.

## TERMS OF THE COMMON STOCK

Under ML&Co.'s restated certificate of incorporation, ML&Co. is authorized to issue up to 1,000,000,000 shares of common stock, par value \$1.331/3 per share. As of February 24, 1999, there were 359,808,565 shares of common stock and 4,414,794 Exchangeable Shares outstanding. The Exchangeable Shares are exchangeable at any time into common stock on a one-for-one basis and entitle holders to dividend, voting and other rights equivalent to common stock. The common stock is traded on the New York Stock Exchange under the symbol "MER" and

also on the Chicago Stock Exchange, the Pacific Exchange, the Paris Bourse, the London Stock Exchange and the Tokyo Stock Exchange.

The common stock has the dividend, voting, liquidation and preemptive rights set forth below unless otherwise specified in the prospectus supplement being used to offer the common stock. The applicable prospectus supplement will describe the terms of the common stock including, where applicable, the following:

- o the number of shares to be offered;
- o the offering price or prices;
- o to the extent permitted by applicable law, whether the common stock will be issued in certificated or book-entry form;
- o information with respect to any book-entry procedures; and
- o any additional terms of the common stock which are not inconsistent with the provisions of ML&Co.'s restated certificate of incorporation.

The common stock will be, when issued against payment therefor, fully paid and nonassessable. Holders of the common stock will have no preemptive rights to subscribe for any additional securities which may be issued by ML&Co. The rights of holders of common stock will be subject to, and may be adversely affected by, the rights of holders of any preferred stock that has been issued and may be issued in the future. As of December 25, 1998, 17,000,000 depositary shares, each representing a one-four-hundredth interest in a share of 9% Preferred Stock, and one Special Voting Share were outstanding. See "Description of Preferred Stock--Outstanding Preferred Stock" for a description of that preferred stock. The Board of Directors of ML&Co. may issue additional shares of preferred stock to obtain additional financing, in connection with acquisitions, to officers, directors and employees of ML&Co. and its subsidiaries pursuant to benefit plans or otherwise and for other proper corporate purposes.

ML&Co. is the principal transfer agent for the common stock.

Because ML&Co. is a holding company, its rights, and the rights of holders of its securities, including the holders of common stock, to participate in the distribution of assets of any subsidiary of ML&Co. upon the subsidiary's liquidation or recapitalization will be subject to the prior claims of the subsidiary's creditors and preferred stockholders, except to the extent ML&Co. may itself be a creditor with recognized claims against the subsidiary or a holder of preferred stock of the subsidiary.

#### DIVIDENDS

ML&Co. may pay dividends on the common stock out of funds legally available for the payment of dividends as, if and when declared by the Board of Directors of ML&Co. or a duly authorized committee of the Board of Directors.

As of the date of this prospectus, subsidiaries of ML&Co. have issued \$2.575 billion of perpetual TOPrS. In connection with the issuance of the TOPrS, ML&Co. has agreed, among other things, that if full distributions on the TOPrS have not been paid or set apart for payment or ML&Co. is in default of its related guarantee obligations, ML&Co., with certain exceptions, will not declare or pay dividends, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to any of its capital stock, including the common stock.

#### LIQUIDATION RIGHTS

Upon any voluntary or involuntary liquidation, dissolution, or winding up of ML&Co., the holders of its common stock will be entitled to receive, after payment of all of its debts, liabilities and of all sums to which holders of any preferred stock may be entitled, all of the remaining assets of ML&Co.

#### VOTING RIGHTS

Except as described under "Description of Preferred Stock--Outstanding Preferred Stock", the holders of the common stock currently possess exclusive voting rights in ML&Co. The Board of Directors of ML&Co. may, however, give voting power to any preferred stock which may be issued in the future. Each holder of common stock is entitled to one vote per share with respect to all matters. There is no cumulative voting in the election of directors. Actions requiring approval of stockholders generally require approval by a majority vote of outstanding shares.

The Board of Directors of ML&Co. is currently comprised of 14 directors, divided into three classes, the precise number of members to be fixed from time

to time by the Board of Directors. The directors of the class elected at each annual election hold office for a term of three years, with the term of each class expiring at successive annual meetings of stockholders.

#### RIGHTS TO PURCHASE SERIES A JUNIOR PREFERRED STOCK

Under the Amended and Restated Rights Agreement, adopted on December 2, 1997 (the "Rights Agreement"), preferred purchase rights were distributed to holders of common stock. The preferred purchase rights are attached to each outstanding share of common stock and will attach to all subsequently issued shares, including common stock that may be offered by ML&Co. pursuant to an applicable prospectus supplement. The preferred purchase rights entitle the holder to purchase fractions of a share ("Units") of Series A junior preferred stock at an exercise price of \$300 per Unit, subject to adjustment from time to time as provided in the Rights Agreement. The exercise price and the number of Units issuable are subject to adjustment to prevent dilution.

The preferred purchase rights will separate from the common stock ten days following the earlier of:

- o an announcement of an acquisition by a person or group of 15% or more of the outstanding common stock of ML&Co.; or
- o the commencement of a tender or exchange offer for 15% or more of the shares of common stock of ML&Co. outstanding.

If, after the preferred purchase rights have separated from the common stock,

- o ML&Co. is the surviving corporation in a merger with an acquiring party,
- o a person becomes the beneficial owner of 15% or more of the common stock,
- o an acquiring party engages in one or more defined "self-dealing" transactions, or
- o an event occurs which results in such acquiring party's ownership interest being increased by more than 1%,

then, in each case, each holder of a preferred purchase right will have the right to purchase Units of Series A junior preferred stock having a value equal to two times the exercise price of the preferred purchase right. In addition, preferred purchase rights held by or transferred in certain circumstances by an acquiring party may immediately become void.

In the event that, at any time,

- o ML&Co. is acquired in a merger or other business combination transaction and ML&Co. is not the surviving corporation, or
- o any person consolidates or merges with ML&Co. and all or part of ML&Co.'s common stock is converted or exchanged for securities, cash or property of any other person or
- o 50% or more of ML&Co.'s assets or earning power is sold or transferred,

each holder of a right will have the right to purchase common stock of the acquiring party having a value equal to two times the exercise price of the preferred purchase right.

The preferred purchase rights expire on December 2, 2007. The preferred purchase rights are redeemable at the option of a majority of the independent directors of ML&Co. at \$.01 per right at any time until the tenth day following an announcement of the acquisition of 15% or more of the common stock.

The foregoing provisions of the Rights Agreement may have the effect of delaying, deferring or preventing a change in control of ML&Co.

The certificate of designations of the Series A junior preferred stock provides that the holders of Units of the Series A junior preferred stock will be entitled to receive quarterly dividends in an amount to be determined in accordance with the formula set forth in the certificate of designations. These dividend rights are cumulative. The Series A junior preferred stock rank junior in right of payment of dividends to the 9% Preferred Stock and to all other

preferred stock issued by ML&Co., unless the terms of any other preferred stock provide otherwise. The holders of Units of the Series A junior preferred stock will have one vote per Unit on all matters submitted to the stockholders of ML&Co., subject to adjustment. If at any time dividends on any Units of the Series A junior preferred stock are in arrears for a number of periods, whether or not consecutive, which in the aggregate is equivalent to six calendar quarters, then during that period of default, the holders of all Units, voting separately as a class, will have the right to elect two directors to the Board of Directors of ML&Co. Additionally, whenever quarterly dividends or other dividends or distributions payable on the Series A junior preferred stock are in arrears, ML&Co. shall not, among other things, declare or pay dividends on or make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares or capital stock of ML&Co. which ranks junior in right of payment to the Series A junior preferred stock, including the common stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of ML&Co., the holders of outstanding Units of the Series A junior preferred stock will be entitled to receive a distribution in an amount to be determined in accordance with the formula set forth in the certificate of designations before the payment of any distribution to the holders of common stock. The Units of Series A junior preferred stock are not redeemable. As of the date of this prospectus, there are no shares of Series A junior preferred stock outstanding.

#### MATERIAL CHARTER PROVISIONS

ML&Co.'s restated certificate of incorporation provides that, except under specified circumstances, ML&Co. may not merge or consolidate with any one or more corporations, joint-stock associations or non-stock corporations; sell, lease or exchange all or substantially all of its property and assets or dissolve without the affirmative vote of two-thirds of the entire Board of Directors of ML&Co. and the holders of a majority of the outstanding shares of common stock entitled to vote. Additionally, ML&Co.'s restated certificate of incorporation provides that specified business combinations involving ML&Co. and an interested stockholder or an affiliate or associate of that stockholder must be approved by 80% of the voting power of the outstanding shares of capital stock of ML&Co. entitled to vote generally in the election of directors. The vote of 80% of the voting power of the voting stock referred to in the immediately preceding sentence is required for amendment of these provisions. ML&Co.'s restated certificate of incorporation also provides that only the Board of Directors of ML&Co. has the authority to call special stockholder meetings.

The foregoing provisions of ML&Co.'s restated certificate of incorporation may have the effect of delaying, deferring or preventing a change in control of ML&Co.

#### DESCRIPTION OF COMMON STOCK WARRANTS

ML&Co. may issue warrants for the purchase of common stock ("Common Stock Warrants"). Each series of Common Stock Warrants will be issued under a common stock warrant agreement to be entered into between ML&Co. and a bank or trust company, as common stock warrant agent, all as set forth in the applicable prospectus supplement. A copy of the form of common stock warrant agreement, including the form of warrant certificates representing the Common Stock Warrants, reflecting the provisions to be included in the common stock warrant agreements that will be entered into with respect to particular offerings of Common Stock Warrants, is filed as an exhibit to the registration statement of which this prospectus is a part. The following summaries of the material provisions of the common stock warrant agreement and common stock warrant certificates are not complete, are subject to, and are qualified in their entirety by reference to, all of the provisions of the common stock warrant agreement and the common stock warrant certificates, including the definitions of terms.

#### TERMS OF THE COMMON STOCK WARRANTS

The applicable prospectus supplement will describe the terms of the Common Stock Warrants being offered, the common stock warrant agreement relating to the Common Stock Warrants and the common stock warrant certificates, including the following:

- o the offering price or prices;
- o the aggregate number of shares of common stock that may be purchased upon exercise of the Common Stock Warrants and minimum number of Common Stock Warrants that are exercisable;
- o the number of securities, if any, with which the Common Stock Warrants are being offered and the number of the Common Stock Warrants being offered with each security;
- o the date on and after which the Common Stock Warrants and the related

securities, if any, will be transferable separately;

- o the number of shares of common stock purchasable upon exercise of each Common Stock Warrant, the price at which the common stock may be purchased, and events or conditions under which the number of shares purchasable may be adjusted;
- o the date on which the right to exercise the Common Stock Warrants will begin and the date on which the right to exercise will expire;
- o the circumstances, if any, which will cause the Common Stock Warrants to be deemed to be automatically exercised;
- o any material risk factors relating to the Common Stock Warrants;
- o the identity of the common stock warrant agent; and
- o any other terms of the Common Stock Warrants which are not inconsistent with the provisions of the common stock warrant agreement.

Holders may exchange common stock warrant certificates for new common stock warrant certificates of different denominations, if in registered form, may present for registration of transfer, and may exercise the Common Stock Warrants at the corporate trust office of the common stock warrant agent or any other office indicated in the applicable prospectus supplement. Before the exercise of any Common Stock Warrants to purchase common stock, holders of the Common Stock Warrants will not have any rights of holders of common stock purchasable upon exercise of the Common Stock Warrants, including the right to receive payments of dividends, if any, on the common stock purchasable upon any exercise or the right to vote the underlying common stock.

Prospective purchasers of Common Stock Warrants should be aware that special U.S. Federal income tax, accounting and other considerations may be applicable to instruments such as Common Stock Warrants. The prospectus supplement relating to any issue of Common Stock Warrants will describe these considerations.

#### BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the applicable prospectus supplement, the Common Stock Warrants will be issued in the form of global common stock warrant certificates, registered in the name of a depository or its nominee. In that case, beneficial owners will not be entitled to receive definitive certificates representing Common Stock Warrants unless the depository is unwilling or unable to continue as depository, certain specified events of bankruptcy or insolvency occur with respect to ML&Co. or ML&Co. decides to have the Common Stock Warrants represented by definitive certificates. A beneficial owner's interest in a Common Stock Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains a beneficial owner's account. In turn, the total number of Common Stock Warrants held by an individual brokerage firm for its clients will be maintained on the records of the depository in the name of the brokerage firm or its agent. Transfer of ownership of any Common Stock Warrant will be effected only through the selling beneficial owner's brokerage firm.

#### EXERCISE OF COMMON STOCK WARRANTS

Each Common Stock Warrant will entitle its holder to purchase a specific number of shares of common stock at the exercise price described in the applicable prospectus supplement. After the close of business on the date the right to exercise the Common Stock Warrants expires, or any later date if extended by ML&Co., unexercised Common Stock Warrants will become void.

Common Stock Warrants may be exercised as set forth in the applicable prospectus supplement. Upon receipt of payment and a properly completed and duly executed common stock warrant certificate at the corporate trust office of the common stock warrant agent or any other office indicated in the applicable prospectus supplement, ML&Co. will, as soon as practicable, issue and deliver the shares of common stock purchased upon exercise. If less than all of the Common Stock Warrants represented by any common stock warrant certificate are exercised, a new common stock warrant certificate will be issued for the remaining Common Stock Warrants.

#### LISTING

ML&Co. may list an issue of Common Stock Warrants on a national securities exchange. Any listing will be specified in the applicable prospectus supplement.



## MODIFICATIONS

ML&Co. and the common stock warrant agent may amend any common stock warrant agreement and the terms of the related Common Stock Warrants, without the consent of the holders of the Common Stock Warrants, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision, or in any other manner which ML&Co. may deem necessary or desirable and which will not materially and adversely affect the interests of the common stock warrant holders.

ML&Co. and the common stock warrant agent also may amend any common stock warrant agreement and the terms of the related Common Stock Warrants, with the consent of the holders of not less than a majority in number of the then outstanding unexercised Common Stock Warrants affected by amendment. However, without the consent of each of the common stock warrant holders affected, no amendment will be effective that:

- o shortens the period of time during which the Common Stock Warrants may be exercised;
- o otherwise materially and adversely affects the exercise rights of the common stock warrant holders; or
- o reduces the number of outstanding Common Stock Warrants the consent of whose holders is required to approve an amendment of the common stock warrant agreement or the terms of the related Common Stock Warrants.

## ENFORCEABILITY OF RIGHTS BY COMMON STOCK WARRANTHOLDERS

Any common stock warrant holder may, without the consent of the related common stock warrant agent, enforce by appropriate legal action, in and for its own behalf, its right to exercise its Common Stock Warrant.

## PLAN OF DISTRIBUTION

ML&Co. may sell securities:

- o to the public through MLPF&S, or through a group of underwriters managed or co-managed by, one or more underwriters, including MLPF&S,
- o through MLPF&S as agent, or
- o directly to purchasers.

The prospectus supplement with respect to the securities of a particular series describes the terms of the offering of the securities, including the name of the agent or the name or names of any underwriters, the public offering or purchase price, any discounts and commissions to be allowed or paid to the agent or underwriters, all other items constituting underwriting compensation, any discounts and commissions to be allowed or paid to dealers and any exchanges on which the securities will be listed. Only the agents or underwriters so named in the prospectus supplement are agents or underwriters in connection with the securities being offered. Under certain circumstances, ML&Co. may repurchase securities and reoffer them to the public as set forth above. ML&Co. may also arrange for repurchases and resales of the securities by dealers.

If so indicated in the prospectus supplement, ML&Co. will authorize underwriters to solicit offers by certain institutions to purchase debt securities from ML&Co. pursuant to delayed delivery contracts providing for payment and delivery on the date stated in the prospectus supplement. Each contract will be for an amount not less than, and, unless ML&Co. otherwise agrees, the aggregate principal amount of debt securities sold pursuant to the contracts shall not be more than, the respective amounts stated in the prospectus supplement. Institutions with whom the contracts, when authorized, may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions, but shall in all cases be subject to the approval of ML&Co. Delayed delivery contracts will not be subject to any conditions except that the purchase by an institution of the debt securities covered under that contract shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which that institution is subject.

ML&Co. has agreed to indemnify the agent and the several underwriters against certain civil liabilities, including liabilities under the Securities Act or contribute to payments the agent or the underwriters may be required to

make.

The distribution of securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the securities and other securities. For further information on ML&Co. and the securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100

EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

PROSPECTUS

- - - - -

[LOGO]  
MERRILL LYNCH & CO., INC.

STRUCTURED YIELD PRODUCT EXCHANGEABLE FOR STOCK/SM/  
STRYPES/SM/

- - - - -

OFFERING OF THE STRYPES:

Distributions at Maturity:

- o We will offer from time to time our STRYPES, which are senior debt securities of ML&Co. that are exchangeable into the common stock or other securities of an unaffiliated company.
- o We will offer the STRYPES in series and on terms determined by market conditions at the time of sale. We will describe these terms in the prospectus supplement used to offer the specific series of STRYPES.
- o Each series of STRYPES may be listed on a national securities exchange described in the prospectus supplement.

- o On the stated maturity date of each series of STRYPES, or any earlier date described in the applicable prospectus supplement, we will pay and discharge the STRYPES by delivering to you a number of shares of common stock or other securities of an unaffiliated company or property determined in accordance with a payment formula all as described in the prospectus supplement.
- o Instead of delivering shares of common stock or other securities or property, we may deliver cash, or a combination of cash and the common stock or other securities, with an equal value.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

- - - - -

The date of this prospectus is , 199 .

MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the STRYPES described in this prospectus.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the STRYPES for general corporate purposes, unless otherwise specified in the prospectus supplement relating to a specific issue of STRYPES. Our general corporate purposes may include financing the activities of our subsidiaries, financing our assets and those of our subsidiaries, lengthening the average maturity of our borrowings and financing acquisitions. Until we use the net proceeds from the sale of any of our securities for general corporate purposes, we will use the net proceeds to reduce our short-term indebtedness or for temporary investments. We expect that we will, on a recurrent basis, engage in additional financings as the need arises to finance our growth, through acquisitions or otherwise, or to lengthen the average maturity of our borrowings. To the extent that STRYPES being purchased for resale by our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated, referred to in this prospectus as MLPF&S, are not resold, the aggregate proceeds that we and our subsidiaries would receive would be reduced.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	YEAR ENDED LAST FRIDAY IN DECEMBER				
	1994	1995	1996	1997	1998
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

</TABLE>

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE STRYPES

Each issue of STRYPES will be a series of senior debt securities of ML&Co. to be issued under an indenture (the "1983 Indenture"), dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. For each series of STRYPES, ML&Co. and the trustee will enter into a supplemental indenture which will further amend and supplement the 1983 Indenture. Any supplemental indenture relating to a specific series of STRYPES and the 1983 Indenture are collectively referred to as the indenture. The following summary of the material provisions of the indenture is not complete and is qualified in its entirety by reference to the indenture.

#### TERMS OF THE STRYPES

The supplemental indenture will provide that ML&Co. may issue STRYPES of the related series from time to time under the indenture, up to a specified aggregate issue price, upon the satisfaction of certain conditions before issuance. The supplemental indenture will establish the terms of the related series of STRYPES, including:

- o the issue price per STRYPES;
- o the date on which the STRYPES will mature;
- o the consideration deliverable or payable with respect to each STRYPES, whether at maturity or upon earlier acceleration, and the formula or other method by which the amount of any consideration deliverable or payable will be determined;
- o any fixed or variable rate or rates per annum;
- o the interest payment dates;
- o any provisions for redemption, the redemption price and any remarketing arrangements;
- o any sinking fund requirements;
- o whether the STRYPES are denominated or provide for payment in United States dollars or a foreign currency or units of two or more foreign currencies;
- o whether and under what circumstances ML&Co. will pay additional amounts ("Additional Amounts") under any STRYPES held by a person who is not a U.S. person for specified taxes, assessments or other governmental charges and whether ML&Co. has the option to redeem the affected STRYPES rather than pay any Additional Amounts;
- o the title and series designation;
- o whether the STRYPES are to be issued in global form;
- o the obligation of ML&Co. to pay and discharge the STRYPES at maturity by delivery of a number of shares of common stock or other securities or property (the "Underlying Securities") of an unaffiliated corporation or cash or a combination of cash and Underlying Securities with an equal value;
- o the formula or other method by which the consideration deliverable or payable at maturity of the STRYPES or any earlier date will be determined and the terms and conditions upon which any payment and

discharge of the STRYPES will be effected.

The terms of the specific series of STRYPES being offered will be described in the applicable prospectus supplement.

Under the indenture, ML&Co., without the consent of holders of any STRYPES, is permitted to issue STRYPES with terms different from those of STRYPES previously issued and to reopen a previous series of STRYPES and issue additional STRYPES of that series.

Issue price and interest, premium and Additional Amounts, if any, and Underlying Securities will be payable or deliverable in the manner, at the places and subject to the restrictions set forth in the indenture, the applicable supplemental indenture, the form of the STRYPES and the applicable prospectus supplement, provided that payment of any interest and any Additional Amounts may be made at the option of ML&Co. by check mailed to the holders of registered STRYPES at their registered addresses.

Holders may present the STRYPES for exchange, and may present registered STRYPES for transfer, in the manner, at the places and subject to the restrictions set forth in the indenture, the applicable supplemental indentures the form of the STRYPES and the applicable prospectus supplement. There will be no service charge for any transfer or exchange of STRYPES, but ML&Co. may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange.

#### RANKING

The STRYPES will be unsecured obligations and will rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. Because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of the STRYPES, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize the claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Securities Exchange Act of 1934 and under rules of exchanges and other regulatory bodies.

#### MERGER AND CONSOLIDATION

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
- o pay or deliver the Underlying Securities, cash with an equal value or a combination of both in respect of, any interest and Additional Amounts on, and any other amounts payable with respect to, the STRYPES of each series; and
- o perform and observe all of ML&Co.'s obligations under the indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the indenture.

#### LIMITATIONS UPON LIENS

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than any liens specifically permitted by the indenture, on the voting stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding STRYPES are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

LIMITATIONS ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to the transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

EVENTS OF DEFAULT

Unless otherwise specified in a prospectus supplement, each of the following will be an Event of Default under the indenture with respect to each series of STRYPES:

- o failure to pay and discharge the STRYPES of that series with the Underlying Securities or, if ML&Co. so elects, to pay an equivalent amount in cash instead of Underlying Securities when due,
- o failure to pay the redemption price or any redemption premium with respect to any STRYPES of that series when due;
- o failure to deposit any sinking fund payment, when and as due by the terms of any STRYPES of that series;
- o failure to pay any interest on or any Additional Amounts in respect of any STRYPES of that series when due, and continuing for 30 days;
- o failure to perform any other obligation of ML&Co. contained in the indenture for the benefit of that series or in the STRYPES of that series, continuing for 60 days after written notice has been given to ML&Co. by the trustee, or to ML&Co. and the trustee by the holders of at least 10% of the aggregate issue price of the outstanding STRYPES of that series, as provided in the indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to STRYPES of that series.

Unless otherwise specified in a prospectus supplement, if an Event of Default occurs and is continuing for any series of STRYPES, the trustee or the holders of at least 25% in aggregate issue price of the outstanding STRYPES of that series, by notice as provided in the indenture, may declare an amount equal to the aggregate issue price of all the STRYPES of that series, the accrued interest on the STRYPES and all Additional Amounts payable with respect to the STRYPES of that series immediately due and payable in cash. The trustee or the holders of at least 25% in aggregate issue price of the outstanding STRYPES may declare these amounts due immediately as described in the preceding sentence without any other declaration or other action by the trustee or any holder. At any time after a declaration of acceleration, but before the trustee has obtained a judgment or decree based on acceleration, the holders of a majority of the aggregate issue price of the outstanding STRYPES of that series may, under certain circumstances, rescind and annul any acceleration if all Events of Default, other than the non-payment of the amount equal to the aggregate issue price of all the STRYPES of that series due by reason of acceleration, have been cured or waived as provided in the indenture. See "Modification and Waiver" below.

The holders of a majority in aggregate issue price of the outstanding STRYPES of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust power conferred on the trustee with respect to the STRYPES of that series, provided

that any direction is not in conflict with any rule of law or the indenture. Subject to the provisions of the indenture relating to the duties of the trustee, in case an Event of Default shall occur and be continuing, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders of STRYPES of any series, unless the holders of that series shall have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with any request or direction.

Unless otherwise described in the applicable prospectus supplement, the STRYPES and other series of senior debt securities issued under the indenture will not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. will be required to furnish to the trustee annually a statement as to the fulfillment by ML& Co. of its obligations under the indenture.

#### MODIFICATION AND WAIVER

Unless otherwise specified in a prospectus supplement, ML&Co. and the trustee may modify and amend provisions in the indenture affecting a series of STRYPES with the consent of holders of at least 662/3% in aggregate issue price of the series of STRYPES affected. However, without the consent of each holder of any STRYPES affected, no amendment or modification to any indenture may:

- o change the maturity date or the stated maturity date or any installment of interest or Additional Amounts on any STRYPES or any premium payable on redemption, or change the redemption price,
- o reduce the amount of Underlying Securities payable with respect to any STRYPES or reduce the amount of cash, or cash and Underlying Securities, payable instead of Underlying Securities,
- o reduce the amount of interest or Additional Amounts payable on any STRYPES or reduce the amount of cash payable with respect to any STRYPES upon acceleration,
- o change the place or currency of payment of interest or Additional Amounts on, or any amount of cash payable with respect to, any STRYPES,
- o impair the right to institute suit for the enforcement of any payment on any STRYPES, including the payment of Underlying Securities with respect to any STRYPES,
- o reduce the percentage of the aggregate issue price of outstanding STRYPES of that series, the consent of whose holders is required to modify or amend the indenture,
- o reduce the percentage of the aggregate issue price of outstanding STRYPES of that series necessary for waiver of compliance with certain provisions of the indenture or for waiver of certain defaults or
- o modify the provisions with respect to modification and waiver.

Except as provided in the indenture, no modification of or amendment to the indenture may adversely affect the rights of a holder of any other senior debt security without the consent of each holder affected.

The holders of a majority of the aggregate issue price of each series of STRYPES may waive compliance by ML&Co. with certain restrictive provisions of the indenture. Any past default with respect to any series of STRYPES may be waived by the holders of a majority in aggregate issue price of the outstanding STRYPES of any series may waive any past default with respect to that series, except a default:

- o in the payment of the Underlying Securities or any other amounts due and payable or deliverable under the STRYPES of that series; or
- o in respect of an obligation of ML & Co. contained in, or a provision of, the indenture which cannot be modified under the terms of that indenture without the consent of each holder of each outstanding series of STRYPES affected.

#### GOVERNING LAW



The indenture and the STRYPES will be governed by, and construed in accordance with, the laws of the State of New York.

#### PLAN OF DISTRIBUTION

ML&Co. may sell STRYPES to the public through MLPF&S. The accompanying prospectus supplement describes the terms of the STRYPES being offered, including the public offering or purchase price, any discounts and commissions to be allowed or paid, all other items constituting underwriting compensation, the discounts and commissions to be allowed or paid to dealers, if any, and the exchanges, if any, on which the STRYPES will be listed. Under certain circumstances, ML&Co. may repurchase STRYPES and reoffer them to the public as set forth above. ML&Co. may also arrange for repurchases and resales of the STRYPES by dealers.

The underwriting of STRYPES will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the STRYPES and other securities. For further information on ML&Co. and the STRYPES, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the

offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

PROSPECTUS

[LOGO]

%Trust Originated Preferred Securities  
Merrill Lynch Preferred Capital Trust VI  
Liquidation Amount \$25 per TOPrS  
guaranteed to the extent described in this prospectus by  
Merrill Lynch & Co., Inc.

THE TOPrS:

- o TOPrS represent preferred ownership interests in the assets of ML Trust. The sole assets of ML Trust will be the partnership preferred securities of ML Partnership which represent preferred ownership interests in the assets of ML Partnership.
- o The sole assets of ML Partnership will be the debentures issued by ML&Co. and its affiliates and cash and other permitted securities described in this prospectus.
- o The TOPrS and the partnership preferred securities do not have any stated maturity.
- o ML Trust will apply to have the TOPrS trade on the New York Stock Exchange starting within 30 days after the TOPrS are issued.

DISTRIBUTIONS ON THE TOPrS:

- o Each TOPrS pays a quarterly distribution at the rate of \_\_\_%, or \$\_\_ per TOPrS per year, if ML Partnership pays distributions on the partnership preferred securities.
- o If ML Trust and ML Partnership redeem the TOPrS and the partnership preferred securities, you will receive \$25 plus accumulated distributions for each TOPrS you own.
- o If ML Trust redeems the TOPrS or is liquidated, but ML Partnership does not redeem the partnership preferred securities, you will receive the partnership preferred securities rather than cash.

o Closing Date: [DATE]

o ML&Co. will guarantee the TOPrS to the extent described in this prospectus.

INVESTING IN THE TOPrS INVOLVES RISKS.  
PLEASE SEE "RISK FACTORS" ON PAGE 6.

	Per TOPrS	Total
	-----	-----
Public offering price.....	\$25.00	\$
Proceeds to ML Trust.....	\$25.00	\$

If you purchase the TOPrS and settlement occurs after \_\_\_\_\_, 1999, you will be required to pay accumulated distributions on the aggregate liquidation amount of your TOPrS at a rate of \_\_\_% per year from that date. Expenses of the offering and underwriting commissions of \$\_\_\_\_\_ per TOPrS, or \$\_\_\_\_\_ per TOPrS for sales of more than 10,000 TOPrS to a single purchaser, will be paid by ML&Co.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is \_\_\_\_\_, 199 .

/SM/"TOPrS" and "Trust Originated Preferred Securities" are service marks owned by Merrill Lynch & Co., Inc.

#### TABLE OF CONTENTS

	Page
	----
SUMMARY INFORMATION--Q&A.....	3
RISK FACTORS.....	6
MERRILL LYNCH & CO., INC.....	10
USE OF PROCEEDS.....	10
RATIO OF EARNINGS TO FIXED CHARGES.....	11
MERRILL LYNCH PREFERRED CAPITAL TRUST VI.....	12
MERRILL LYNCH PREFERRED FUNDING VI, L.P.....	14
DESCRIPTION OF THE TOPrS.....	16
DESCRIPTION OF THE TRUST GUARANTEE.....	28
DESCRIPTION OF THE PARTNERSHIP PREFERRED SECURITIES.....	31
DESCRIPTION OF THE PARTNERSHIP GUARANTEE.....	44
UNITED STATES FEDERAL INCOME TAXATION.....	47
UNDERWRITING.....	51
WHERE YOU CAN FIND MORE INFORMATION.....	52
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	53
LEGAL MATTERS.....	53
EXPERTS.....	54
INDEX OF CERTAIN DEFINED TERMS.....	55
INDEX TO FINANCIAL STATEMENTS.....	F-1
INDEPENDENT AUDITORS' REPORT.....	F-2
NOTES TO BALANCE SHEET OF MERRILL LYNCH PREFERRED FUNDING VI, L.P.....	F-3
INDEPENDENT AUDITORS' REPORT.....	F-4
NOTES TO BALANCE SHEET OF MERRILL LYNCH PREFERRED CAPITAL TRUST VI.....	F-5

#### SUMMARY INFORMATION--Q&A

This summary includes questions and answers that highlight selected information from the prospectus to help you understand the TOPrS. This summary may not contain all the information that may be important to you. You should carefully read this prospectus to fully understand the terms of the TOPrS, as well as the tax and other considerations that should be important to you in

making a decision about whether to invest in the TOPrS. You should pay special attention to the "Risk Factors" section to determine whether an investment in the TOPrS is appropriate for you.

In this prospectus:

- o references to "ML&Co.", "we", "us" and "our" are to Merrill Lynch & Co., Inc.,
- o references to "ML Trust" are to Merrill Lynch Capital Preferred Trust VI, and
- o references to "ML Partnership" are to Merrill Lynch Preferred Funding VI, L.P.

#### WHAT ARE THE TOPrS?

Each TOPrS is a preferred interest in the assets of ML Trust. We will own all of the common securities of ML Trust. The sole assets of ML Trust will be the partnership preferred securities issued by ML Partnership, which represent preferred ownership interests in the assets of ML Partnership. ML Partnership will use substantially all of the proceeds from the sale of its partnership preferred securities and our capital contribution as general partner of ML Partnership to purchase debentures from us and one or more of our affiliates.

#### WHAT IS THE ML TRUST?

ML Trust is a business trust established under Delaware law that exists for the sole purpose of issuing the TOPrS and investing the proceeds and engaging in incidental activities.

#### WHAT IS ML PARTNERSHIP?

ML Partnership is a limited partnership established under Delaware law. The assets of ML Partnership will be:

- o the debentures issued by us and our affiliates; and
- o cash and securities not issued by us or our affiliates.

We are the general partner of ML Partnership.

#### WHAT DISTRIBUTIONS WILL I RECEIVE ON THE TOPrS?

The TOPrS provide for a quarterly cash distribution at the rate of % or \$\_\_\_ per year for each TOPrS you own. Distributions are payable on each \_\_\_\_\_, and \_\_\_\_\_, beginning \_\_\_\_\_. Distributions will accumulate from the date ML Trust originally issues the TOPrS. Because the sole assets of ML Trust will be the partnership preferred securities of ML Partnership and substantially all of ML Partnership's assets will be the debentures issued by us and our affiliates, ML Trust's ability to pay distributions on the TOPrS is ultimately dependent upon our and our affiliates' ability to make interest payments on those debentures. If we or our affiliates exercise our right to defer making an interest payment on our debentures then held by ML Partnership, ML Partnership will not be able to pay any distributions on its preferred partnership securities and ML Trust will not be able to pay quarterly distributions to you until we resume making interest payments on those debentures.

In addition, ML Partnership is required to pay dividends on its partnership preferred securities only if they are declared by us as general partner of ML Partnership. As a result, you may not receive any distributions on your TOPrS if ML Trust does not receive dividends on the partnership preferred securities.

#### WHAT ARE THE DEBENTURES?

The debentures are long term loans made by ML Partnership to us or our affiliates from time to time. These debentures will be substantially all of ML Partnership's assets. The debentures that we issue to ML Partnership will be our senior unsecured obligations and will rank equally with all of our other senior unsecured obligations. The debentures issued by our affiliates to ML Partnership will be unsecured obligations of our affiliates and we will guarantee those obligations on a subordinated basis. We and our affiliates may exercise our right to defer interest payments on the debentures for a period of not more than six consecutive calendar quarters.

#### CAN THE TOPrS BE REDEEMED?

Yes. If ML Partnership redeems the partnership preferred securities, each TOPrS will be redeemed for \$25 plus any accumulated and unpaid distributions to the date of redemption. ML Partnership can redeem the partnership preferred securities in whole or in part from time to time on or after \_\_\_\_\_.

The trustees of ML Trust can elect to liquidate ML Trust and distribute the partnership preferred securities to you if at any time the specified changes in U.S. tax law or U.S. investment company law described in this prospectus occur.

Additionally, we, as general partner of ML Partnership, have the right to redeem the partnership preferred securities and you will receive cash from the subsequent automatic redemption of the TOPrS if at any time the specified changes in U.S. tax law or U.S. investment company law described in this prospectus occur.

Neither the partnership preferred securities nor the TOPrS can be redeemed at any time at the option of their holders. Neither the TOPrS nor the partnership preferred securities have any scheduled maturity.

#### ARE THERE ANY RISKS ASSOCIATED WITH MY INVESTMENT?

Yes, an investment in the TOPrS is subject to risk. Please refer to the section entitled "Risk Factors" in this prospectus for a description of these risks.

#### WHAT HAPPENS IF ML TRUST DOESN'T PAY DISTRIBUTIONS ON THE TOPrS?

If you have not received a distribution on the TOPrS for six consecutive calendar quarters, during that period until all scheduled quarterly distributions are paid or set aside for payment to you, we may not declare or pay dividends on, acquire, or make a liquidation payment with respect to, any of our outstanding capital stock. In addition, we will not permit any of our finance subsidiaries to make any dividend payment on, any distribution with respect to, any acquisition of or any liquidation payment with respect to, any of their outstanding preferred securities.

This limitation prevents us from paying cash or other dividends to the shareholders of our capital stock if payments are not being made on the TOPrS, any debenture issued by us or our affiliates and held by ML Partnership or the guarantees. However, these provisions will not restrict:

- o our ability to pay dividends or distributions on our capital stock in shares of, or options, warrants or rights to subscribe for or purchase shares of our capital stock;
- o our ability to convert or exchange our common stock of one class into our common stock of another class;
- o our ability to redeem or purchase any rights under a rights agreement described in this prospectus or issue preferred stock under those rights; and
- o the ability of us and our affiliates to purchase our capital stock in connection with transactions for the account of customers of ours or our affiliates or in connection with the distribution or trading of our capital stock.

#### WHAT ARE THE GUARANTEES?

We will guarantee, to the extent described in this prospectus:

- o declared distributions by ML Partnership to ML Trust and distribution of quarterly payments on the TOPrS by ML Trust to you to the extent ML Trust receives distributions on the partnership preferred securities;
- o the redemption amount due to you if ML Trust redeems the TOPrS;
- o the liquidation amount of the TOPrS if ML Trust is liquidated; and
- o interest payments on debentures issued by our affiliates and held by ML Partnership.

However, these guarantees do not apply to either:

- o current distributions on the partnership preferred securities unless and until ML Partnership declares distributions out of funds legally available for payment; or
- o liquidating distributions on the partnership preferred securities unless ML Partnership has assets available for payment.

If ML Partnership does not declare distributions on the partnership preferred securities, ML Trust will not have sufficient funds to pay distributions on the TOPrS. In that case, you will have no right to receive those distributions because our guarantee does not cover the non-payment of distributions on the partnership preferred securities unless the distributions are declared.

Our obligations under the guarantees are subordinate and junior in right of payment to all other of our liabilities and rank equally with our most senior

preferred stock and similar guarantees of ours with respect to previous and future issues of TOPrS and other preferred stock by any other of our finance subsidiaries.

#### WHAT HAPPENS IF ML TRUST IS LIQUIDATED?

If ML Trust is liquidated, other than in connection with any change in U.S. tax or investment company law described above, for each TOPrS you own, you will be entitled to receive \$25 plus any accumulated and unpaid distributions per TOPrS.

#### DO I HAVE VOTING RIGHTS?

Generally, you will not have any voting rights, except under the limited circumstances described below. The holders of a majority of the TOPrS, however, have the right to direct the time, method and place of conducting any proceeding for any remedy available to the property trustee, or direct the exercise of any trust or power conferred upon the property trustee.

#### IN WHAT FORM WILL THE TOPrS BE ISSUED?

The TOPrS will be issued in the form of a global certificate or certificates registered in the name of Cede & Co., as nominee for The Depository Trust Company also known as DTC. This means you will not receive a certificate for your TOPrS. Your interests in the TOPrS will be evidenced by, and transfers of the TOPrS will be effected only through, records maintained by the participants in DTC.

#### CAN YOU TELL ME MORE ABOUT ML&CO.?

Merrill Lynch & Co., Inc. is a holding company. Our subsidiary and affiliated companies provide investment, financing, insurance and related products on a global basis. Our principal executive offices are located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281. Our telephone number is (212) 449-1000. For information about us, see the section "Merrill Lynch & Co., Inc." in this prospectus. You should also read the other documents we have filed with the SEC, which you can find by referring to the section entitled "Where You Can Find More Information" in this prospectus.

#### WILL THE TOPrS BE LISTED ON AN EXCHANGE?

ML Trust has applied to list the TOPrS on the NYSE under the trading symbol " ". If approved for listing, trading on the NYSE will begin within 30 days after ML Trust issues the TOPrS. The listing of the TOPrS will not necessarily ensure that a liquid trading market will be available for the TOPrS.

#### RISK FACTORS

Your investment in the TOPrS will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the TOPrS is suitable for you.

#### YOU WILL ONLY RECEIVE DISTRIBUTIONS IF DISTRIBUTIONS ON THE PARTNERSHIP PREFERRED SECURITIES ARE DECLARED

ML Trust's ability to pay distributions on the TOPrS to you is dependent upon its receipt of distributions on the partnership preferred securities. If we or our affiliates defer or fail to make interest or principal payments on the debentures and we fail to make guarantee payments on the guarantees, ML Partnership will lack the funds necessary to pay distributions on the partnership preferred securities. If ML Partnership does not pay current distributions on the partnership preferred securities, either because we, as the general partner, did not declare distributions to be made or because ML Partnership lacks sufficient funds, ML Trust will not have funds to make current distributions on the TOPrS. If ML Trust does not make payments to you on the TOPrS, we will be restricted from, among other things, paying cash or certain other dividends on our capital stock.

#### THERE MAY BE TAX CONSEQUENCES TO YOU IF WE FAIL TO PAY YOU DISTRIBUTIONS

As a holder of the TOPrS, each of which represents a preferred ownership interest in the assets of ML Trust, even if ML Partnership fails to pay current distributions on the partnership preferred securities, you will be required to accrue income, for U.S. federal income tax purposes, on the cumulative deferred distributions and accumulated interest allocable to your proportionate share of the partnership preferred securities held by ML Trust. As a result, you will recognize income for U.S. federal income tax purposes in advance of the receipt of cash and will not receive the cash from ML Trust related to that distribution if you dispose of your TOPrS before the record date for the date on which those distributions are made.

YOU MAY NOT RECEIVE FULL DISTRIBUTIONS IF ML PARTNERSHIP HAS INSUFFICIENT INCOME OR ASSETS

You are subject to the risk that the quarterly or liquidating distributions paid on the TOPrS will not match the rate paid on the assets held by ML Partnership, including the debentures and any other securities acquired by ML Partnership in the future.

This mismatch could occur if:

- o we, as the general partner of ML Partnership, in our sole discretion, do not declare distributions on the partnership preferred securities or if ML Partnership receives insufficient amounts from its investments to pay the additional compounded distributions that will accumulate on any unpaid distributions,
- o ML Partnership reinvests the proceeds received from the assets it initially holds upon their retirement or at their maturities in other assets which do not generate income sufficient to pay full dividends in respect of the partnership preferred securities at a rate of % per annum, or
- o ML Partnership invests in assets that are not guaranteed by us and that cannot be liquidated by ML Partnership for an amount sufficient to pay any distributions on the partnership preferred securities in full or if ML Partnership does not make any distributions.

ML Trust will not have sufficient funds available to pay you full quarterly or liquidating distributions on the TOPrS if ML Partnership lacks sufficient funds to make quarterly or liquidating distributions on the partnership preferred securities in full.

OUR OBLIGATIONS UNDER THE GUARANTEES AND OUR DEBENTURES ARE SUBORDINATED

Our obligations under the guarantees are unsecured and will rank in priority of payment:

- o subordinate and junior in right of payment to all of our other liabilities; and
- o equally with:
- o any of our most senior preferred stock issued from time to time, and
- o similar guarantees of ours with respect to previous and future issues of TOPrS and other series of preferred stock by any of our finance subsidiaries.

This means that our obligations under the guarantees will not be paid unless we can satisfy in full all of our other obligations ranking senior to the guarantees.

Our obligations under our debentures issued to ML Partnership are subordinate and junior in right of payment to all of our senior indebtedness. At December 25, 1998, we had outstanding senior indebtedness aggregating approximately \$75.4 billion which would have ranked senior to our obligations under the guarantees and our debentures.

There are no terms in the TOPrS, the partnership preferred securities, the guarantees or the debentures that limit our ability to incur additional indebtedness, including indebtedness that ranks senior to the guarantees.

ML TRUST'S AND ML PARTNERSHIP'S INVESTMENTS ARE NOT DIVERSIFIED

Because the investments of ML Trust and ML Partnership are not diversified, you are subject to a greater risk that their assets will not generate sufficient income to pay current and liquidating distributions on the TOPrS and the partnership preferred securities than you would with a vehicle whose investments were diversified and less exposed to the risk that non-payment on any particular investment asset would impair its ability to pay distributions to holders of its capital stock.

REDEMPTION OF THE TOPrS OR THE PARTNERSHIP PREFERRED SECURITIES MAY AFFECT YOUR RETURN

If your TOPrS are exchanged for the partnership preferred securities,

- o the trading value of the partnership preferred securities may be lower than the trading value of the TOPrS which may result in a lower return upon your sale of the partnership preferred securities; and
- o you may incur an additional tax liability in excess of what you originally contemplated.

Your TOPrS may be redeemed for cash or you may receive the partnership preferred securities in exchange for your TOPrS in the event that:

- (1) a change in U.S. tax law occurs which causes:
  - o ML Trust to be subject to U.S. federal income tax on the distributions it receives or accrues on the partnership preferred securities;
  - o ML Partnership to be subject to U.S. federal income tax on the income or interest payments it receives or accrues on the investments it holds;
  - o ML Trust or ML Partnership to be subject to more than a minimal amount of other taxes, duties or governmental charges; or
  - o interest payable by us or any of our affiliates on the debentures then held by ML Partnership to not be deductible for U.S. federal income tax purposes; or
- (2) a change in U.S. investment company law occurs which requires ML Trust or ML Partnership to register as an investment company.

Because you may receive partnership preferred securities upon the occurrence of one of the events described above, in connection with your investment decision with regard to the TOPrS, you are also making an investment decision with regard to the partnership preferred securities. You should carefully review all the information regarding the partnership preferred securities contained in this prospectus.

#### ENFORCEMENT OF CERTAIN RIGHTS BY OR ON YOUR BEHALF IS LIMITED

The special representative's ability to take action on your behalf under our guarantee of the partnership preferred securities is limited, and it is uncertain that you would receive a distribution on the TOPrS even if the special representative took any action or was successful in recovering funds under our guarantee. This is because under no circumstances will the special representative have authority to cause the general partner to declare distributions on the partnership preferred securities. As a result, although the special representative may be able to enforce ML Partnership's creditors' rights to accelerate and receive payments in respect of our and our affiliates' debenture and our guarantee of those debentures, rather than being required to declare and make distributions on the partnership preferred securities, ML Partnership would be entitled to reinvest those payments in additional debentures of ours and our affiliates, subject to satisfying the reinvestment criteria.

If at any time:

- o you have not received a distribution on the TOPrS for six consecutive calendar quarters;
- o an event of default occurs and is continuing on any debenture issued by us or our affiliates and then held by ML Partnership; and
- o we default on our obligations under our guarantee of the TOPrS or the partnership preferred securities;

then:

- o you would rely on the enforcement by the property trustee of its rights, as a holder of the partnership preferred securities, against us, as guarantor of the partnership preferred securities, including the right to direct the special representative to enforce
  - (1) ML Partnership's creditors' rights and other rights with respect to our and our affiliate's debentures and our guarantee of those debentures,
  - (2) the rights of the holders of the partnership preferred securities under our guarantee of the partnership preferred securities, and
  - (3) the rights of the holders of the partnership preferred securities to receive distributions, only if and to the extent declared out of funds legally available for payment, on the partnership preferred securities, and
- o ML Trustee under our guarantee of the TOPrS will have the right to enforce the terms of the guarantee.

YOU HAVE LIMITED VOTING RIGHTS



As a holder of the TOPrS you will have limited voting rights and will not be entitled to vote to appoint, change, or to increase or decrease the number of trustees of ML Trust. As holder of all of ML Trust's common securities, those rights are ours exclusively.

THERE IS NO PRIOR MARKET FOR THE TOPrS

This series of TOPrS constitutes a new issue of securities with no established trading market. ML Trust has applied to list the TOPrS on the NYSE. There can be no assurance that an active market for the TOPrS will develop or be sustained in the future on the NYSE. Although the underwriters have indicated to us that they intend to make a market in the TOPrS, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue any market-making activities at any time without notice. Accordingly, there is no assurance that a trading market for the TOPrS will exist and no assurance as to the liquidity of any trading market.

We will only sell the TOPrS to those investors for whom the TOPrS are considered suitable in light of their particular circumstances.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

#### USE OF PROCEEDS

ML Trust will use the proceeds that it receives from the sale of the TOPrS and its common securities to purchase the partnership preferred securities, and those proceeds will be used by ML Partnership to invest in debentures and other permitted investments. See "Description of the Partnership Preferred Securities--Partnership Investments". We and our affiliates, the issuers of the debentures, intend to use the net proceeds from the sale of the debentures for general corporate purposes. Our general corporate purposes may include financing the activities of our subsidiaries, financing our assets and those of our subsidiaries, lengthening the average maturity of our borrowings and financing acquisitions. Until we use the net proceeds from the sale of any of our securities for general corporate purposes, we will use the net proceeds to reduce our short-term indebtedness or for temporary investments. We expect that we will, on a recurrent basis, engage in additional financings as the need arises to finance our growth, through acquisitions or otherwise, or to lengthen the average maturity of our borrowings. To the extent that TOPrS being purchased for resale by MLPF&S are not resold, the aggregate proceeds that we and our subsidiaries would receive would be reduced.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

</TABLE>

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

MERRILL LYNCH PREFERRED CAPITAL TRUST VI

Merrill Lynch Preferred Capital Trust VI is a statutory business trust formed under the Delaware Business Trust Act, as amended, pursuant to a declaration of trust and the filing of a certificate of trust with the Secretary of State of the State of Delaware on December 7, 1998; the declaration will be amended and restated in its entirety substantially in the form filed as an exhibit to the registration statement of which this prospectus is a part. The declaration will be qualified as an indenture under the Trust Indenture Act of 1939, as amended. Upon issuance of the TOPrS, the purchasers of the TOPrS will own all the TOPrS issued by ML Trust. See "Description of the TOPrS". ML&Co. will acquire ML Trust's common securities in an amount equal to at least 3% of the total capital of ML Trust. ML Trust will use all the proceeds derived from the issuance of the TOPrS and the common securities (collectively, the "Trust Securities") to purchase the partnership preferred securities from ML Partnership and, accordingly, the assets of ML Trust will consist solely of the partnership preferred securities. ML Trust exists for the exclusive purpose of:

- o issuing the Trust Securities representing undivided beneficial ownership interests in the assets of ML Trust,
- o investing the gross proceeds of the Trust Securities in the partnership preferred securities, and
- o engaging in only those other activities necessary or incidental to the foregoing purposes.

Under the declaration, there will initially be four trustees for ML Trust.

- o Two regular trustees who will be individuals who are employees or officers of or who are affiliated with ML&Co.
- o A property trustee who will be a financial institution that is unaffiliated with ML&Co. and is the indenture trustee for purposes of compliance with the provisions of the Trust Indenture Act.
- o The Delaware trustee who will be an entity that maintains its principal place of business in the State of Delaware.

Initially, The Chase Manhattan Bank, a New York banking corporation, will act as property trustee, and its affiliate, Chase Manhattan Bank Delaware, a Delaware corporation, will act as Delaware trustee until, in each case, removed

or replaced by the holder of the common securities. For purposes of compliance with the Trust Indenture Act, The Chase Manhattan Bank will also act as trustee under the Trust Guarantee, as defined in this prospectus, as property trustee under the declaration and as trustee under the indenture under which the ML&Co. Debenture, as defined in this prospectus, is issued.

The property trustee will hold title to the partnership preferred securities for the benefit of the holders of the Trust Securities, and the property trustee will have the power to exercise all rights, powers and privileges with respect to the partnership preferred securities under the Amended and Restated Agreement of Limited Partnership to be entered into by ML&Co. and ML Trust as the holder of the partnership preferred securities. In addition, the property trustee will maintain exclusive control of the property account which is a segregated non-interest bearing bank account to hold all payments made in respect of the partnership preferred securities for the benefit of the holders of the Trust Securities. The trust guarantee trustee will hold the Trust Guarantee for the benefit of the holders of the TOPrS. ML&Co., as the holder of all the common securities, will have the right to appoint, remove or replace any of the trustees and to increase or decrease the number of trustees, provided that at least one trustee shall be a Delaware trustee, at least one trustee shall be the property trustee and at least one trustee shall be a regular trustee. ML&Co. will pay all fees and expenses related to the organization and operations of ML Trust, including any taxes, duties, assessments or governmental charges of whatever nature imposed by the United States or any other domestic taxing authority upon ML Trust, other than withholding taxes, and the offering of the TOPrS and be responsible for all debts and obligations of ML Trust, other than those obligations with respect to the Trust Securities.

For so long as the TOPrS remain outstanding, ML&Co. will be obligated to:

- o maintain 100% direct ownership of the common securities,
- o cause ML Trust to remain a statutory business trust and not to voluntarily dissolve, wind-up, liquidate or be terminated, except as permitted by the declaration, and
- o use its commercially reasonable efforts to ensure that ML Trust will not be
  - (A) an investment company for purposes of the Investment Company Act of 1940, as amended, or
  - (B) classified as other than a grantor trust for United States Federal income tax purposes.

The rights of the holders of the TOPrS, including economic rights, rights to information and voting rights, are as set forth in the declaration and the Delaware Trust Act. See "Description of the TOPrS". The declaration and the Trust Guarantee also incorporate by reference the terms of the Trust Indenture Act.

The location of the principal executive office of ML Trust is c/o Merrill Lynch & Co., Inc., World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281, and its telephone number is (212) 449-1000.

#### MERRILL LYNCH PREFERRED FUNDING VI, L.P.

Merrill Lynch Preferred Funding VI, L.P. is a limited partnership that was formed under the Delaware Revised Uniform Limited Partnership Act, as amended, on December 7, 1998 for the exclusive purposes of purchasing debt securities of ML&Co. and wholly-owned subsidiaries of ML&Co. (the "Affiliate Investment Instruments") and other permitted investments, with the proceeds from the sale of partnership preferred securities to ML Trust and a capital contribution from ML&Co. in exchange for the general partner interest in ML Partnership. Under the certificate of limited partnership, as amended, and the limited partnership agreement, ML&Co. is the sole general partner of ML Partnership. Upon the issuance of the partnership preferred securities, which securities represent limited partner interests in ML Partnership, ML Trust will be the sole limited partner of ML Partnership. Contemporaneously with the issuance of the partnership preferred securities, ML&Co. as general partner will contribute capital to ML Partnership in an amount sufficient to establish its initial capital account at an amount equal to at least 15% of the total capital of ML Partnership.

ML Partnership is managed by ML&Co. as general partner and exists for the sole purpose of:

- o issuing its partnership interests,

- o investing the proceeds from the sale of the partnership preferred securities in Affiliate Investment Instruments and other eligible debt securities, as described in this prospectus, and
- o engaging in only those other activities necessary or incidental for these purposes.

To the extent that aggregate payments to ML Partnership on its investments exceed distributions accumulated or payable with respect to the partnership preferred securities, ML Partnership may at times have excess funds which shall be allocated to and may, in ML&Co.'s sole discretion, be distributed to ML&Co.

For so long as the partnership preferred securities remain outstanding, ML&Co. will be obligated under the limited partnership agreement:

- o to remain the sole general partner of ML Partnership and to maintain 100% direct ownership of the general partner's interest in ML Partnership, which interest will at all times represent at least 1% of the total capital of ML Partnership,
- o to cause ML Partnership to remain a limited partnership and not to voluntarily dissolve, liquidate, wind-up or be terminated, except as permitted by the limited partnership agreement, and
- o to use its commercially reasonable efforts to ensure that ML Partnership will not be,
  - o an investment company for purposes of the Investment Company Act or
  - o an association or a publicly traded partnership taxable as a corporation for United States Federal income tax purposes.

ML&Co. or the then general partner may transfer its obligations as general partner to a wholly-owned direct or indirect subsidiary of ML&Co. provided that:

- o the successor entity expressly accepts the transfer of the obligations as general partner, and
- o before any transfer, ML&Co. has received an opinion of nationally recognized independent counsel to ML Partnership experienced in these matters to the effect that:
  - (A) ML Partnership will be treated as a partnership for United States Federal income tax purposes;
  - (B) any transfer would not cause ML Trust to be classified as an association taxable as a corporation for United States Federal income tax purposes;
  - (C) following any transfer, ML&Co. and the successor entity will be in compliance with the Investment Company Act without being subject to registration as an investment company; and
  - (D) any transfer will not adversely affect the limited liability of the holders of the partnership preferred securities.

The rights of the holders of the partnership preferred securities, including economic rights, rights to information and voting rights, are set forth in the limited partnership agreement and the Delaware Limited Partnership Act. See "Description of the Partnership Preferred Securities".

The limited partnership agreement provides that the general partner will have liability for the fees and expenses of ML Partnership, including any taxes, duties, assessments or governmental charges of whatever nature imposed by the United States or any other domestic taxing authority upon ML Partnership, other than withholding taxes, and be responsible for all debts and obligations of ML Partnership, other than with respect to the partnership preferred securities. Under Delaware law, assuming a limited partner in a Delaware limited partnership such as ML Partnership, i.e., a holder of the partnership preferred securities, does not participate in the control of the business of the limited partnership, that limited partner will not be personally liable for the debts, obligations and liabilities of the limited partnership, whether arising in contract, tort or otherwise, solely by reason of being a limited partner of the limited partnership, subject to any obligation such limited partner may have to repay any funds that may have been wrongfully distributed to it. ML Partnership's business and affairs will be conducted by ML&Co. as general partner.

The location of the principal executive offices of ML Partnership is c/o Merrill Lynch & Co., Inc., World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281 and its telephone number is (212) 449-1000.

#### DESCRIPTION OF THE TOPrS

The TOPrS will be issued under the terms of the declaration. The declaration will be qualified as an indenture under the Trust Indenture Act. The property trustee, The Chase Manhattan Bank, will act as trustee for the TOPrS under the declaration for purposes of compliance with the provisions of the Trust Indenture Act. The terms of the TOPrS will include those stated in the declaration and those made part of the declaration by the Trust Indenture Act. The following summary of the material terms and provisions of the TOPrS is not complete and is subject to, and qualified in its entirety by reference to, the declaration, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part, the Delaware Trust Act and the Trust Indenture Act.

The TOPrS will be issued in fully registered form without coupons. The TOPrS will not be issued in bearer form. See "--Book-Entry Only Issuance--The Depository Trust Company".

The declaration authorizes the regular trustees of ML Trust to issue the Trust Securities, which represent undivided beneficial ownership interests in the assets of ML Trust. Title to the partnership preferred securities will be held by the property trustee for the benefit of the holders of the Trust Securities.

The declaration does not permit ML Trust to:

- o acquire any assets other than the partnership preferred securities,
- o issue any securities other than the Trust Securities, or
- o incur any indebtedness.

The payment of distributions out of money held by ML Trust, and payments out of money held by ML Trust upon redemption of the TOPrS or liquidation of ML Trust, are guaranteed by ML&Co. to the extent described under "Description of the Trust Guarantee".

The Trust Guarantee will be held by The Chase Manhattan Bank, the trust guarantee trustee, for the benefit of the holders of the TOPrS. The Trust Guarantee does not cover payment of distributions when ML Trust does not have sufficient available funds to pay such distributions. In any event of non-payment, holders of the TOPrS will have the remedies described below under "--Trust Enforcement Events".

#### DISTRIBUTIONS

The distribution rate on the TOPrS will be fixed at a rate per annum of % of the stated liquidation amount of \$25 per TOPrS and will be paid if, as and when ML Trust has funds available for distribution. Distributions not paid on the scheduled payment date will accumulate and compound quarterly at a rate per annum equal to %. The term "distribution" as used in this prospectus includes any compounded amounts unless otherwise stated or the context otherwise requires. The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

Distributions on the TOPrS will be cumulative, will accumulate from the date of initial issuance and will be payable quarterly in arrears on each , and , commencing , 199 if, as and when available for payment, by the property trustee, except as otherwise described below. If distributions are not paid when scheduled, the accumulated distributions shall be paid to the holders of record of the TOPrS as they appear on the books and records of ML Trust on the record date with respect to the payment date for the TOPrS which corresponds to the payment date fixed by ML Partnership with respect to the payment of cumulative distributions on the partnership preferred securities.

Distributions on the TOPrS will be made to the extent that ML Trust has funds available for the payment of the distributions in the property account. Amounts available to ML Trust for distribution to the holders of the TOPrS will be limited to payments received by ML Trust from ML Partnership with respect to the partnership preferred securities or from ML&Co. on ML&Co.'s guarantee on the TOPrS (the "Trust Guarantee") or its guarantee on the partnership preferred

securities (the "Partnership Guarantee") as described in this prospectus. Distributions on the partnership preferred securities will be paid only if, as and when declared in the sole discretion of ML&Co., as the general partner of ML Partnership. Under the limited partnership agreement, ML&Co. is not obligated to declare distributions on the partnership preferred securities at any time, including upon or following a Partnership Enforcement Event. See "Description of Partnership Preferred Securities--Partnership Enforcement Events".

The assets of ML Partnership will consist only of Affiliate Investment Instruments, which initially will be the debentures issued by ML&Co. and another wholly-owned subsidiary of ML&Co., and other eligible debt securities. To the extent that the issuers and, where applicable, ML&Co., as guarantor, of the securities in which ML Partnership invests defer or fail to make any payment in respect of the securities or, if applicable, the guarantees, ML Partnership will not have sufficient funds to pay and will not declare or pay distributions on the partnership preferred securities. If ML Partnership does not declare and pay distributions on the partnership preferred securities out of funds legally available for distribution, ML Trust will not have sufficient funds to make distributions on the TOPrS, in which event the Trust Guarantee will not apply to those distributions until ML Trust has sufficient funds available to pay those distributions. See "Description of the Partnership Preferred Securities--Distributions" and "Description of The Trust Guarantee". In addition, ML Partnership may not have sufficient funds to pay current or liquidating distributions on the partnership preferred securities if:

- o at any time that ML Partnership is receiving current payments in respect of the securities held by ML Partnership, including the debentures, ML&Co, in its sole discretion, does not declare distributions on the partnership preferred securities and ML Partnership receives insufficient amounts to pay the additional compounded distributions that will accumulate in respect of the partnership preferred securities,
- o ML Partnership reinvests the proceeds received in respect of the debentures upon their retirement or at their maturities in Affiliate Investment Instruments that do not generate income in an amount that is sufficient to pay full distributions in respect of the partnership preferred securities, or
- o ML Partnership invests in debt securities of Investment Affiliates, as defined below, that are not guaranteed by ML&Co. and that cannot be liquidated by ML Partnership for an amount sufficient to pay the distributions in full.

Distributions on the TOPrS will be payable to their holders as they appear on the books and records of ML Trust on the relevant record dates, which will be one Business Day, as defined below, before the relevant payment dates. These distributions will be paid through the property trustee who will hold amounts received in respect of the partnership preferred securities in the property account for the benefit of the holders of the Trust Securities. Subject to any applicable laws and regulations and the provisions of the declaration, each payment will be made as described under "--Book-Entry Only Issuance--The Depository Trust Company" below. In the event that the TOPrS do not remain in book-entry only form, the relevant record dates shall be the 15th day of the month of the relevant payment dates. In the event that any date on which distributions are payable on the TOPrS is not a Business Day, payment of the distribution payable on that date will be made on the next succeeding day which is a Business Day, without any interest or other payment in respect of the distribution subject to delay, except that, if that Business Day falls in the next succeeding calendar year, the relevant payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on that date. A "Business Day" shall mean any day other than a day on which banking institutions in The City of New York are authorized or required by law to close.

#### TRUST ENFORCEMENT EVENTS

The occurrence, at any time, of:

- o the non-payment of distributions on the TOPrS for six consecutive quarterly distribution periods,
- o a default by ML&Co. in respect of any of its obligations under the Trust Guarantee, or
- o a Partnership Enforcement Event under the limited partnership agreement,

will constitute an enforcement event under the declaration with respect to the Trust Securities (a "Trust Enforcement Event"); provided, that under the declaration, the holder of the common securities will be deemed to have waived any Trust Enforcement Event with respect to the common securities until all

Trust Enforcement Events with respect to the TOPrS have been cured, waived or otherwise eliminated. Until any Trust Enforcement Event with respect to the TOPrS have been so cured, waived or otherwise eliminated, the property trustee will be deemed to be acting solely on behalf of the holders of the TOPrS and only the holders of the TOPrS will have the right to direct the property trustee with respect to certain matters under the declaration and, in the case of a Partnership Enforcement Event, the special representative with respect to certain matters under the limited partnership agreement. See "Description of the Partnership Preferred Securities--Partnership Enforcement Events" for a description of the events which will trigger the occurrence of a Partnership Enforcement Event.

Upon the occurrence of a Trust Enforcement Event,

- o the property trustee, as the holder of the partnership preferred securities, shall have the right to enforce the terms of the partnership preferred securities, including the right to direct the special representative to enforce:
  
- o ML Partnership's creditors' rights and other rights with respect to the Affiliate Investment Instruments and ML&Co.'s guarantee of the Affiliate Investment Instruments (the "Investment Guarantees", and together with the Trust Guarantee and the Partnership Guarantee, the "Guarantees"),
  
- o the rights of the holders of the partnership preferred securities under the Partnership Guarantee, and
  
- o the rights of the holders of the partnership preferred securities to receive distributions on the partnership preferred securities, only if and to the extent declared out of funds legally available for the payment of distributions, and
  
- o the trust guarantee trustee shall have the right to enforce the terms of the Trust Guarantee, including the right to enforce the restriction on the payment of distributions by ML&Co. and its finance subsidiaries on its securities as described in the Trust Guarantee.

If the property trustee fails to enforce its rights under the partnership preferred securities after a holder of the TOPrS has made a written request, that holder may directly institute a legal proceeding against ML Partnership and the special representative to enforce the property trustee's rights under the partnership preferred securities without first instituting any legal proceeding against the property trustee, ML Trust or any other person or entity. In addition, for so long as ML Trust holds any partnership preferred securities, if the special representative fails to enforce its rights on behalf of ML Partnership under the Affiliate Investment Instruments after a holder of the TOPrS has made a written request, any holder may on behalf of ML Partnership directly institute a legal proceeding against the Investment Affiliates under the Affiliate Investment Instruments, without first instituting any legal proceeding against the property trustee, ML Trust, the special representative or ML Partnership. In any event, for so long as ML Trust is the holder of any partnership preferred securities, if a Trust Enforcement Event has occurred and is continuing and such event is attributable to the failure of an Investment Affiliate to make any required payment when due on any Affiliate Investment Instrument or the failure of ML&Co. to make any required payment when due on any Investment Guarantee, then a holder of the TOPrS may on behalf of ML Partnership directly institute a proceeding against the Investment Affiliate with respect to any Affiliate Investment Instrument or against ML&Co. with respect to any the Investment Guarantee, in each case for enforcement of payment.

Under no circumstances, however, shall the special representative have authority to cause ML&Co to declare distributions on the partnership preferred securities. As a result, although the special representative may be able to enforce ML Partnership's creditors' rights to accelerate and receive payments in respect of the Affiliate Investment Instruments and the Investment Guarantees, subject to satisfying the reinvestment criteria described under "Description of the Partnership Preferred Securities--Partnership Investments", ML Partnership would be entitled to reinvest any payments in additional Affiliate Investment Instruments and other eligible debt securities, rather than declaring and making distributions on the partnership preferred securities.

ML&Co. and ML Trust are each required to file annually with the property trustee an officer's certificate as to its compliance with all conditions and obligations under the declaration.

#### MANDATORY REDEMPTION

At the option of ML&Co., ML Partnership may redeem the partnership preferred securities, in whole or in part, at any time on or after ,

or at any time in certain circumstances upon the occurrence of a Partnership Special Event. Upon the redemption of the partnership preferred securities either at the option of ML&Co. or under to a Partnership Special Event, the proceeds from the repayment shall simultaneously be applied to redeem Trust Securities having an aggregate liquidation amount equal to the partnership preferred securities so redeemed at an amount per Trust Security equal to \$25 plus accumulated and unpaid distributions; provided, that holders of the Trust Securities shall be given not less than 30 nor more than 60 days notice of any redemption. See "Description of the Partnership Preferred Securities--General" and "--Optional Redemption".

#### TRUST SPECIAL EVENT REDEMPTION OR DISTRIBUTION

If, at any time, a Trust Tax Event or a Trust Investment Company Event (each as defined below, and each, a "Trust Special Event") occurs and is continuing, the regular trustees shall, unless the partnership preferred securities are redeemed in the limited circumstances described below, within 90 days following the occurrence of such Trust Special Event elect to either:

- (1) dissolve ML Trust upon not less than 30 nor more than 60 days notice with the result that, after satisfaction of creditors of ML Trust, if any, partnership preferred securities would be distributed on a pro rata basis to the holders of the TOPrS and the common securities in liquidation of the holders' interests in ML Trust; provided, however, that if at the time there is available to ML Trust the opportunity to eliminate, within the 90-day period, the Trust Special Event by taking some ministerial action, such as filing a form or making an election, or pursuing some other similar reasonable measure which in the sole judgment of ML&Co. has or will cause no adverse effect on ML Trust, ML Partnership, ML&Co. or the holders of the Trust Securities and will involve no material cost, ML Trust will pursue that measure in lieu of dissolution or
- (2) cause the TOPrS to remain outstanding, provided that in the case of this clause (2), ML&Co. shall pay any and all expenses incurred by or payable by ML Trust attributable to ML Trust Special Event.

Furthermore, if in the case of the occurrence of a Trust Tax Event, the regular trustees have received an opinion of nationally recognized independent tax counsel experienced in these matters that there is more than an insubstantial risk that interest payable by one or more of the Investment Affiliates with respect to the debentures issued by any Investment Affiliate is not, or will not be, deductible by any Investment Affiliate for United States Federal income tax purposes even if the partnership preferred securities were distributed to the holders of the Trust Securities in liquidation of the holders' interests in ML Trust as described above, then ML&Co. shall have the right, within 90 days following the occurrence of the Trust Tax Event, to elect to cause ML Partnership to redeem the partnership preferred securities in whole, but not in part, for cash upon not less than 30 nor more than 60 days notice and promptly following any redemption, the Trust Securities will be redeemed by ML Trust at the redemption price.

"Trust Tax Event" means that ML&Co. shall have requested and received and shall have delivered to the Regular Trustees an opinion of nationally recognized independent tax counsel experienced in these matters to the effect that there has been:

- o an amendment to, change in or announced proposed change in the laws, or any regulations under those laws of the United States or any political subdivision or taxing authority of that jurisdiction,
- o a judicial decision interpreting, applying, or clarifying these laws or regulations,
- o an administrative pronouncement or action that represents an official position, including a clarification of an official position, of the governmental authority or regulatory body making the administrative pronouncement or taking any action, or
- o a threatened challenge asserted in connection with an audit of ML&Co. or any of its subsidiaries, ML Partnership, or ML Trust, or a threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that are substantially similar to the debentures, the partnership preferred securities, or the TOPrS, which amendment or change is adopted or which proposed change, decision or pronouncement is announced or which action, clarification or challenge occurs on or after the date of this prospectus (collectively a "Tax Action"), which Tax Action relates to any of the items described in (1) through (3) below, and that



following the occurrence of any Tax Action there is more than an insubstantial risk that:

- (1) ML Trust is, or will be, subject to United States federal income tax with respect to income accrued or received on the partnership preferred securities,
- (2) ML Trust is, or will be, subject to more than a minimal amount of other taxes, duties or other governmental charges or
- (3) interest payable by an Investment Affiliate with respect to the Affiliate Investment Instrument issued by the Investment Affiliate is not, or will not be, deductible by the Investment Affiliate for United States Federal income tax purposes.

Recently, the Internal Revenue Service asserted that the interest payable on a security issued in circumstances with certain similarities to the issuance of the debentures issued by the Investment Affiliates to ML Partnership was not deductible for United States Federal income tax purposes. The taxpayer in that case has filed a petition in the United States Tax Court challenging the IRS's position on this matter. If this matter were to be litigated and the Tax Court were to sustain the IRS's position on this matter, the judicial decision could constitute a Trust Tax Event, which could result in an early redemption of the TOPrS.

"Trust Investment Company Event" means that ML&Co. shall have requested and received and shall have delivered to the regular trustees an opinion of nationally recognized independent legal counsel experienced in these matters to the effect that as a result of the occurrence on or after the date of this prospectus of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in Investment Company Act Law"), ML Trust is or will be considered an investment company which is required to be registered under the Investment Company Act.

If the partnership preferred securities are distributed to the holders of the TOPrS, ML&Co. will use its best efforts to cause the partnership preferred securities to be listed on the NYSE or on any other national securities exchange or similar organization as the TOPrS are then listed or quoted.

On the date fixed for any distribution of partnership preferred securities, upon dissolution of ML Trust,

- o the Trust Securities will no longer be deemed to be outstanding, and
- o certificates representing the Trust Securities will be deemed to represent the partnership preferred securities having a liquidation preference equal to the stated liquidation amount of the Trust Securities until the certificates are presented to ML&Co. or its agent for transfer or reissuance.

There can be no assurance as to the market price for the partnership preferred securities which may be distributed in exchange for TOPrS if a dissolution and liquidation of ML Trust were to occur. Accordingly, the partnership preferred securities which an investor may subsequently receive on dissolution and liquidation of ML Trust may trade at a discount to the price of the TOPrS exchanged.

#### REDEMPTION PROCEDURES

ML Trust may not redeem fewer than all of the outstanding TOPrS unless all accumulated and unpaid distributions have been paid on all TOPrS for all quarterly distribution periods terminating on or before the date of redemption.

If ML Trust gives a notice of redemption in respect of the TOPrS, which notice will be irrevocable, and if ML&Co. has paid to the property trustee a sufficient amount of cash in connection with the related redemption of the partnership preferred securities, then, by 12:00 noon, New York City time, on the redemption date, ML Trust will irrevocably deposit with DTC funds sufficient to pay the amount payable on redemption of all book-entry certificates and will give DTC irrevocable instructions and authority to pay the redemption amount to holders of the TOPrS. See "--Book-Entry Only Issuance--The Depository Trust Company". If notice of redemption shall have been given and funds are deposited as required, then upon the date of deposit, all rights of holders of any TOPrS so called for redemption will cease, except the right of the holders of those TOPrS to receive the redemption price, but without interest. In the event that any date fixed for redemption of the TOPrS is not a Business Day, then payment of the amount payable on that date will be made on the next succeeding day which is a Business Day, without any interest or other payment in respect of the amount payable subject to delay, except that, if that Business Day falls in the next calendar year, the payment will be made on the immediately preceding

Business Day. In the event that payment of the redemption price in respect of the TOPrS is improperly withheld or refused and not paid either by ML Trust or by ML&Co. under the Trust Guarantee described under "Description of the Trust Guarantee", distributions on the TOPrS will continue to accumulate from the original redemption date to the date of payment.

In the event that fewer than all of the outstanding TOPrS are to be redeemed, the TOPrS will be redeemed in accordance with the procedures of DTC. See "--Book-Entry Only Issuance--The Depository Trust Company". In the event that the TOPrS do not remain in book-entry only form and fewer than all of the outstanding TOPrS are to be redeemed, the TOPrS shall be redeemed on a pro rata basis or pursuant to the rules of any securities exchange on which the TOPrS are listed.

Subject to the foregoing and applicable law, including, without limitation, United States Federal securities laws, ML&Co. or its subsidiaries may at any time and from time to time purchase outstanding TOPrS by tender, in the open market or by private agreement.

#### SUBORDINATION OF THE COMMON SECURITIES

Payment of amounts upon liquidation of the Trust Securities shall be made pro rata based on the liquidation amount of the Trust Securities; provided, however, that upon:

- o the occurrence of an event of default by an Investment Affiliate, including ML&Co., under any Affiliate Investment Instrument, or
- o default by ML&Co. on any of its obligations under any guarantee described in this prospectus, the holders of the TOPrS will have a preference over the holders of the common securities with respect to payments upon liquidation of ML Trust.

In the case of any Trust Enforcement Event, the holder of the common securities will be deemed to have waived the Trust Enforcement Event until all Trust Enforcement Events with respect to the TOPrS have been cured, waived or otherwise eliminated. Until all Trust Enforcement Events with respect to the TOPrS have been so cured, waived or otherwise eliminated, the property trustee shall act solely on behalf of the holders of the TOPrS and not on behalf of the holder of the common securities, and only the holders of the TOPrS will have the right to direct the property trustee to act on their behalf.

#### LIQUIDATION DISTRIBUTION UPON DISSOLUTION

In the event of any voluntary or involuntary liquidation, dissolution, winding-up or termination of ML Trust, the holders of the TOPrS will be entitled to receive out of the assets of ML Trust, after satisfaction of liabilities to creditors, distributions in cash or other immediately available funds in an amount equal to the aggregate of the stated liquidation amount of \$25 per TOPrS plus accumulated and unpaid distributions to the date of payment, unless, in connection with ML Trust's liquidation, partnership preferred securities have been distributed on a pro rata basis to the holders of the Trust Securities.

If, upon ML Trust's liquidation, the liquidation distribution can be paid only in part because ML Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable directly by ML Trust on the TOPrS shall be paid on a pro rata basis. The holders of the common securities will be entitled to receive distributions upon liquidation pro rata with the holders of the TOPrS, except in the limited circumstances described above under "--Subordination of the Common Securities".

Under to the declaration, ML Trust shall terminate:

- (1) upon the bankruptcy of ML&Co.,
- (2) upon the filing of a certificate of dissolution or the equivalent with respect to ML&Co., the filing of a certificate of cancellation with respect to ML Trust after having obtained the consent of at least a majority in liquidation amount of the Trust Securities, voting together as a single class, to file such certificate of cancellation, or the revocation of the charter of ML&Co. and the expiration of 90 days after the date of revocation without reinstatement,
- (3) upon the distribution of all of the partnership preferred securities upon the occurrence of a Trust Special Event,
- (4) upon the entry of a decree of a judicial dissolution of ML&Co. or ML Trust, or

(5) upon the redemption of all the Trust Securities.

#### VOTING RIGHTS

Except as described in this prospectus, under the Delaware Trust Act, the Trust Indenture Act and under "Description of The Trust Guarantee--Amendments and Assignment", and as otherwise required by law and the declaration, the holders of the TOPrS will have no voting rights.

Subject to the requirement of the property trustee obtaining a tax opinion as set forth in the last sentence of this paragraph, the holders of a majority in liquidation amount of the TOPrS have the right to direct the time, method and place of conducting any proceeding for any remedy available to the property trustee, or direct the exercise of any trust or power conferred upon the property trustee under the declaration, including the right to direct the property trustee, as holder of the partnership preferred securities, to:

- o exercise the remedies available to it under the limited partnership agreement as a holder of the partnership preferred securities, including the right to direct the special representative to exercise its rights in the manner described above under "--Trust Enforcement Events", and
- o consent to any amendment, modification, or termination of the limited partnership agreement or the partnership preferred securities where consent is required; provided, however, that where a consent or action under the limited partnership agreement would require the consent or act of the holders of more than a majority of the aggregate liquidation preference of partnership preferred securities affected, only the holders of the percentage of the aggregate stated liquidation amount of the Trust Securities which is at least equal to the percentage required under the limited partnership agreement may direct the property trustee to give consent or take action on behalf of ML Trust. See "Description of the Partnership Preferred Securities--Voting Rights".

The property trustee shall notify all holders of the TOPrS of any notice of any Partnership Enforcement Event received from ML&Co., as general partner with respect to the partnership preferred securities and the Affiliate Investment Instruments. The notice shall state that the Partnership Enforcement Event also constitutes a Trust Enforcement Event. Except with respect to directing the time, method, and place of conducting a proceeding for a remedy as described above, the property trustee shall be under no obligation to take any of the actions described in immediately preceding clauses above unless the property trustee has obtained an opinion of independent tax counsel to the effect that as a result of that action, ML Trust will not fail to be classified as a grantor trust for United States Federal income tax purposes and that after that action each holder of Trust Securities will continue to be treated as owning an undivided beneficial ownership interest in the partnership preferred securities.

A waiver of a Partnership Enforcement Event with respect to the partnership preferred securities held by the property trustee will constitute a waiver of the corresponding Trust Enforcement Event.

Any required approval or direction of holders of the TOPrS may be given at a separate meeting of holders of the TOPrS convened for that purpose, at a meeting of all of the holders of Trust Securities or pursuant to written consent. The regular trustees will cause a notice of any meeting at which holders of the TOPrS are entitled to vote, or of any matter upon which action by written consent of the holders is to be taken, to be mailed to each holder of record of the TOPrS. Each notice will include a statement setting forth the following information:

- (1) the date of the meeting or the date by which any action is to be taken;
- (2) a description of any resolution proposed for adoption at the meeting on which the holders are entitled to vote or of the matter upon which written consent is sought; and
- (3) instructions for the delivery of proxies or consents.

No vote or consent of the holders of the TOPrS will be required for ML Trust to redeem and cancel the TOPrS or distribute partnership preferred securities in accordance with the declaration.

Notwithstanding that holders of the TOPrS are entitled to vote or consent under any of the circumstances described above, any of the Trust Securities that are beneficially owned at that time by ML&Co. or any entity directly or indirectly controlled by, or under direct or indirect common control with, ML&Co., except for TOPrS purchased or acquired by ML&Co. or its affiliates in connection with transactions effected by or for the account of customers of ML&Co. or any of its subsidiaries or in connection with the distribution or trading of the TOPrS, shall not be entitled to vote or consent and shall, for

purposes of any vote or consent, be treated as if the Trust Securities were not outstanding; provided, however, that persons, other than affiliates of ML&Co., to whom ML&Co. or any of its subsidiaries have pledged the TOPrS may vote or consent with respect to the pledged TOPrS pursuant to the terms of the pledge.

The procedures by which holders of the TOPrS represented by the global certificates may exercise their voting rights are described below. See "--Book-Entry Only Issuance--The Depository Trust Company".

Holders of the TOPrS will have no rights to appoint or remove the regular trustees, who may be appointed, removed or replaced solely by ML&Co., as the holder of all of the common securities.

#### MERGER, CONSOLIDATION OR AMALGAMATION OF ML TRUST

ML Trust may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any corporation or other entity, except as described below. ML Trust may, with the consent of a majority of the regular trustees and without the consent of the holders of the Trust Securities, the property trustee or the Delaware trustee consolidate, amalgamate, merge with or into, or be replaced by a trust organized as such under the laws of any State of the United States; provided, that:

- (1) if ML Trust is not the surviving entity, the successor entity either:
  - o expressly assumes all of the obligations of ML Trust under the Trust Securities, or
  - o substitutes for the TOPrS other securities having substantially the same terms as the TOPrS, so long as the successor securities rank the same as the Trust Securities rank with respect to distributions, assets and payments,
- (2) ML&Co. expressly acknowledges a trustee of the successor entity possessing the same powers and duties as the property trustee as the holder of the partnership preferred securities,
- (3) the TOPrS or any successor securities are listed, or any successor securities will be listed upon notification of issuance, on any national securities exchange or with another organization on which the TOPrS are then listed or quoted,
- (4) any merger, consolidation, amalgamation or replacement does not cause the TOPrS, including any successor securities, to be downgraded by any nationally recognized statistical rating organization,
- (5) any merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the TOPrS, including any successor securities, in any material respect,
- (6) the successor entity has a purpose substantially identical to that of ML Trust,
- (7) ML&Co. guarantees the obligations of the successor entity under the successor securities to the same extent as provided by the Trust Guarantee and
- (8) before any merger, consolidation, amalgamation or replacement, ML&Co. has received an opinion of a nationally recognized independent counsel to ML Trust experienced in these matters to the effect that:
  - o any merger, consolidation, amalgamation or replacement will not adversely affect the rights, preferences and privileges of the holders of the TOPrS, including any successor securities, in any material respect, other than with respect to any dilution of the holders' interest in the new entity,
  - o following any merger, consolidation, amalgamation or replacement, neither ML Trust nor the successor entity will be required to register as an investment company under the Investment Company Act,
  - o following any merger, consolidation, amalgamation or replacement, ML Trust, or any successor trust, will not be classified as an

association or a publicly traded partnership taxable as a corporation for United States Federal income tax purposes, and

- o following any merger, consolidation, amalgamation or replacement, ML Partnership will not be classified as an association or a publicly traded partnership taxable as a corporation for United States Federal income tax purposes.

Notwithstanding the foregoing, ML Trust shall not, except with the consent of holders of 100% in liquidation amount of the TOPrS, consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if any consolidation, amalgamation, merger or replacement would cause ML Trust or the successor entity to be classified as an association or a publicly traded partnership taxable as a corporation for United States Federal income tax purposes.

#### MODIFICATION OF THE DECLARATION

The declaration may be modified and amended if approved by a majority of the regular trustees, and in the circumstances described in the declaration, the property trustee and the Delaware trustee. However, if any proposed amendment provides for, or the regular trustees otherwise propose to effect,

- (1) any action that would adversely affect the powers, preferences or special rights of the Trust Securities, whether by way of amendment to the declaration or otherwise, or
- (2) the dissolution, winding-up or termination of ML Trust other than under the terms of the declaration,

then, in each case, the holders of the Trust Securities voting together as a single class will be entitled to vote on the amendment or proposal and the amendment or proposal shall not be effective except with the approval of at least a majority in liquidation amount of the Trust Securities affected; provided, further that if any amendment or proposal referred to in clause (2) above would adversely affect only the TOPrS or the common securities, then only the affected class will be entitled to vote on the amendment or proposal and the amendment or proposal shall not be effective except with the approval of a majority in liquidation amount of that class of Trust Securities.

The declaration may be amended without the consent of the holders of the Trust Securities to:

- o cure any ambiguity,
- o correct or supplement any provision in the declaration that may be defective or inconsistent with any other provision of the declaration,
- o add to the restrictions or obligations of the sponsor,
- o conform to any change in the Investment Company Act, the Trust Indenture Act or the rules or regulations under either law and
- o modify, eliminate and add to any provision of the declaration to the extent as may be necessary or desirable;

provided that no amendment shall have a material adverse effect on the rights, preferences or privileges of the holders of the Trust Securities.

Notwithstanding the foregoing, no amendment or modification may be made to the declaration if the amendment or modification would

- o cause ML Trust to fail to be classified as a grantor trust for United States Federal income tax purposes,
- o cause ML Partnership to be classified as an association or publicly traded partnership taxable as a corporation for those purposes,
- o reduce or otherwise adversely affect the powers of the property trustee, or
- o cause ML Trust or ML Partnership to be deemed an investment company which is required to be registered under the Investment Company Act.

#### BOOK-ENTRY ONLY ISSUANCE--THE DEPOSITORY TRUST COMPANY

##### DESCRIPTION OF THE GLOBAL CERTIFICATES

DTC will act as securities depository for the TOPrS and, to the extent distributed to the holders of the TOPrS, the partnership preferred securities.

The TOPrS will be issued only as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One or more fully-registered global certificates, representing the total aggregate number of TOPrS, will be issued and will be deposited with DTC.

#### DTC PROCEDURES

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Participants in DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its participants and by the NYSE, the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of the TOPrS within the DTC system must be made by or through participants, which will receive a credit for the TOPrS on DTC's records. The ownership interest of each beneficial owner of the TOPrS is in turn to be recorded on the participants' and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the participants or indirect participants through which the beneficial owners purchased TOPrS. Transfers of ownership interests in the TOPrS are to be accomplished by entries made on the books of participants and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the TOPrS, except in the event that use of the book-entry system for the TOPrS is discontinued.

DTC has no knowledge of the actual beneficial owners of the TOPrS; DTC's records reflect only the identity of the participants to whose accounts the TOPrS are credited, which may or may not be the beneficial owners. The participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

So long as DTC, or its nominee, is the registered owner or holder of a global certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the TOPrS being represented for all purposes under the declaration and the TOPrS. No beneficial owner of an interest in a global certificate will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the declaration.

DTC has advised ML&Co. that it will take any action permitted to be taken by a holder of the TOPrS, including the presentation of the TOPrS for exchange as described below, only at the direction of one or more participants to whose account the DTC interests in the global certificates are credited and only in respect of such portion of the aggregate liquidation amount of the TOPrS as to which the participant or participants has or have given the direction. Also, if there is a Trust Enforcement Event under the TOPrS, DTC will exchange the global certificates for certificated securities, which it will distribute to its participants in accordance with its customary procedures.

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.

Redemption notices in respect of the TOPrS held in book-entry form will be sent to Cede & Co. If less than all of the TOPrS are being redeemed, DTC will determine the amount of the interest of each participant to be redeemed in accordance with its procedures.

Although voting with respect to the TOPrS is limited, in those cases where a vote is required, neither DTC nor Cede & Co. will itself consent or vote with respect to the TOPrS. Under its usual procedures, DTC would mail an omnibus proxy to ML Trust as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those participants to whose accounts the TOPrS are allocated on the record date identified in a listing attached to the omnibus proxy.

Distributions on the TOPrS held in book-entry form will be made to DTC in immediately available funds. DTC's practice is to credit participants' accounts

on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on the payment date. Payments by participants and indirect participants to beneficial owners will be governed by standing instructions and customary practices and will be the responsibility of the participants and indirect participants and not of DTC, ML Trust or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of any distributions to DTC is the responsibility of ML Trust, disbursement of those payments to participants is the responsibility of DTC, and disbursement of those payments to the beneficial owners is the responsibility of participants and indirect participants.

Except as described, a beneficial owner of an interest in a global certificate will not be entitled to receive physical delivery of the TOPrS. Accordingly, each beneficial owner must rely on the procedures of DTC to exercise any rights under the TOPrS.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the global certificates among participants of DTC, DTC is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither ML&Co. nor ML Trust will have any responsibility for the performance by DTC or its participants or indirect participants under the rules and procedures governing DTC. DTC may discontinue providing its services as securities depository with respect to the TOPrS at any time by giving notice to ML Trust. Under these circumstances, in the event that a successor securities depository is not obtained, the TOPrS certificates are required to be printed and delivered to the property trustee. Additionally, ML Trust, with the consent of ML&Co., may decide to discontinue use of the system of book-entry transfers through DTC or any successor depository. In that event, certificates for the TOPrS will be printed and delivered to the property trustee. In each of the above circumstances, ML&Co. will appoint a paying agent with respect to the TOPrS.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the global TOPrS as represented by a global certificate.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for the accuracy of the information.

#### PAYMENT

Payments in respect of the TOPrS represented by the global certificates shall be made to DTC, which shall credit the relevant accounts at DTC on the scheduled payment dates or, in the case of certificated securities, if any, payments shall be made by check mailed to the address of the holder entitled to receive the payment as the holder's address shall appear on the register. The paying agent shall be permitted to resign as paying agent upon 30 days written notice to the regular trustees. In the event that The Chase Manhattan Bank shall no longer be the paying agent, the regular trustees shall appoint a successor to act as paying Agent which shall be a bank or trust company.

#### REGISTRAR, TRANSFER AGENT, AND PAYING AGENT

The property trustee will act as registrar, transfer Agent and paying agent for the TOPrS.

Registration of transfers of the TOPrS will be effected without charge by or on behalf of ML Trust, but upon payment and with the giving of any indemnity as ML Trust or ML&Co. may require, in respect of any tax or other government charges which may be imposed in relation to it.

ML Trust will not be required to register or cause to be registered the transfer of the TOPrS after the TOPrS have been called for redemption.

#### INFORMATION CONCERNING THE PROPERTY TRUSTEE

The property trustee, before the occurrence of a default with respect to the Trust Securities, undertakes to perform only the duties as are specifically set forth in the declaration and, after default, shall exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Subject to these provisions, the property trustee is under no obligation to exercise any of the powers vested in it by the declaration at the request of any holder of the TOPrS, unless offered reasonable indemnity by the holder against the costs, expenses and liabilities which might be incurred in

connection with the exercise of any powers. The holders of the TOPrS will not be required to offer any indemnity in the event the holders, by exercising their voting rights, direct the property trustee to take any action following a Trust Enforcement Event.

#### GOVERNING LAW

The declaration and the TOPrS will be governed by, and construed in accordance with, the internal laws of the State of Delaware.

#### MISCELLANEOUS

The regular trustees are authorized and directed to conduct the affairs of and to operate ML Trust in such a way that ML Trust will not be deemed to be an investment company required to be registered under the Investment Company Act or characterized as other than a grantor trust for United States Federal income tax purposes. In this connection, the regular trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the declaration that the regular trustees determine in their discretion to be necessary or desirable for those purposes as long as such action does not adversely affect the interests of the holders of the TOPrS.

Holders of the TOPrS have no preemptive rights.

#### DESCRIPTION OF THE TRUST GUARANTEE

Set forth below is a summary of material information concerning the Trust Guarantee which will be executed and delivered by ML&Co. for the benefit of the holders from time to time of the TOPrS. The summary is not complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Trust Guarantee, which is filed as an exhibit to the registration statement of which this prospectus is a part. The Trust Guarantee incorporates by reference the terms of, and will be qualified as an indenture under, the Trust Indenture Act. The Chase Manhattan Bank, as the trust guarantee trustee, will hold the Trust Guarantee for the benefit of the holders of the TOPrS and will act as indenture trustee for the purposes of compliance with the Trust Indenture Act.

Under the Trust Guarantee, ML&Co. will irrevocably agree, on a subordinated basis and to the extent set forth in the Trust Guarantee, to pay in full to the holders of the TOPrS, except to the extent paid by ML Trust, as and when due, regardless of any defense, right of set off or counterclaim which ML Trust may have or assert, the following payments (the "Trust Guarantee Payments"), without duplication:

- o any accumulated and unpaid distributions on the TOPrS to the extent ML Trust has funds available for distribution,
- o the redemption price with respect to any TOPrS called for redemption by ML Trust, to the extent ML Trust has funds available for payment, and
- o upon a voluntary or involuntary dissolution, winding-up or termination of ML Trust, other than in connection with the distribution of partnership preferred securities to the holders of the TOPrS or the redemption of all of the TOPrS, the lesser of:
  - (1) the aggregate of the liquidation amount and all accumulated and unpaid distributions on the TOPrS and
  - (2) the amount of assets of ML Trust remaining available for distribution to holders of the TOPrS upon the liquidation of ML Trust.

ML&Co.'s obligation to make a Trust Guarantee Payment may be satisfied by direct payment of the required amounts by ML&Co. to the holders of the TOPrS or by causing ML Trust to pay these amounts to holders.

The Trust Guarantee will be a guarantee on a subordinated basis with respect to the TOPrS from the time of issuance of the TOPrS but will only apply to any payment of distributions or the redemption price, or to payments upon the dissolution, winding-up or termination of ML Trust, to the extent ML Trust shall have funds available. If ML Partnership fails to declare distributions on the partnership preferred securities, ML Trust would lack available funds for the payment of distributions or amounts payable on redemption of the TOPrS or otherwise, and in such event holders of the TOPrS would not be able to rely upon the Trust Guarantee for payment of these amounts. Instead, holders of the TOPrS



will have the remedies described under "Description of the TOPrS--Trust Enforcement Events", including the right to direct the trust guarantee trustee to enforce the restriction of payments by ML&Co. and its finance subsidiaries on its capital stock. See "-- Obligations of ML&Co." below.

The Guarantees, when taken together with the debentures issued by ML&Co. and ML&Co.'s obligations to pay all fees and expenses of ML Trust and ML Partnership, constitute a guarantee to the extent set forth in this prospectus by ML&Co. of the distribution, redemption and liquidation payments payable to the holders of the TOPrS. The Guarantees do not apply, however, to current distributions by ML Partnership unless and until these distributions are declared by ML Partnership out of funds legally available for payment or to liquidating distributions unless there are assets available for payment in ML Partnership, each as more fully described under "Risk Factors--Insufficient Income or Assets Available to Partnership".

#### OBLIGATIONS OF ML&CO.

Under the Trust Guarantee, ML&Co. will agree that, if

- o for any distribution period, full distributions on a cumulative basis on any TOPrS have not been paid,
- o an event of default by any Investment Affiliate in respect of any Affiliate Investment Instrument has occurred and is continuing, or
- o it is in default of its obligations under the Trust Guarantee, the Partnership Guarantee or any Investment Guarantee,

then, during that period:

- o it may not declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of its capital stock or comparable equity interest, except for:
  - (1) dividends or distributions in shares of, or options, warrants or rights to subscribe for or purchase shares of, its capital stock, and conversions or exchanges of common stock of one class into common stock of another class,
  - (2) redemptions or purchases of any rights pursuant to the rights agreement dated as of December 2, 1997 between ML&Co. and The Chase Manhattan Bank (the "Rights Agreement") and the issuance of preferred stock under those rights and
  - (3) purchases or acquisitions by ML&Co. or its affiliates in connection with transactions effected by or for the account of customers of ML&Co. or any of its subsidiaries or in connection with the distribution or trading of its capital stock or comparable equity interest; and
- o it may not make, permit any finance subsidiary to make, or make any payments that would enable any finance subsidiary to make, any payment of any dividends on, any distribution with respect to, or any redemption, purchase or other acquisition of, or any liquidation payment with respect to, any preferred security or comparable equity interest of any finance subsidiary.

#### EVENTS OF DEFAULT; ENFORCEMENT OF TRUST GUARANTEE

An event of default under the Trust Guarantee will occur upon the failure of ML&Co. to perform any of its payment or other obligations set forth in the Trust Guarantee.

The holders of a majority in liquidation amount of the TOPrS have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trust guarantee trustee or to direct the exercise of any trust or power conferred upon the trust guarantee trustee under the trust guarantee. If the trust guarantee trustee fails to enforce its rights under the Trust Guarantee after a holder of the TOPrS has made a written request, the holder may institute a legal proceeding directly against ML&Co. to enforce the trust guarantee trustee's rights under the Trust Guarantee, without first instituting a legal proceeding against ML Trust, the trust guarantee trustee or any other person or entity. In any event, if ML&Co. has failed to make a guarantee payment under the Trust Guarantee, a holder of the TOPrS may directly institute a proceeding in the holder's own name against ML&Co. for enforcement of the Trust Guarantee for payment.

#### STATUS OF THE TRUST GUARANTEE; SUBORDINATION

The Trust Guarantee will constitute an unsecured obligation of ML&Co. and will rank subordinate and junior in right of payment to all other liabilities of ML&Co. and will rank equally with the most senior preferred stock, if any, issued from time to time by ML&Co., with similar guarantees issued by ML&Co. in connection with:

- o the \$275,000,000 aggregate liquidation amount of 7 3/4% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust I,
- o the \$300,000,000 aggregate liquidation amount of 8% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust II,
- o the \$750,000,000 aggregate liquidation amount of 7% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust III,
- o the \$400,000,000 aggregate liquidation amount of 7.12% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust IV,
- o the \$850,000,000 aggregate liquidation amount of 7.28% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust V, and
- o with any guarantee now or hereafter entered into by ML&Co. in respect of any preferred stock of any other Finance Subsidiary.

"Finance Subsidiary" means Merrill Lynch Preferred Capital Trust I, Merrill Lynch Preferred Capital Trust II, Merrill Lynch Preferred Capital Trust III, Merrill Lynch Preferred Capital Trust IV, Merrill Lynch Preferred Capital Trust V and any other wholly-owned subsidiary of ML&Co. the principal purpose of which is to raise capital for ML&Co. by issuing securities that are guaranteed by ML&Co. and the proceeds of which are loaned to or invested in ML&Co. or one or more of its affiliates.

Accordingly, the rights of the holders of the TOPrS to receive payments under the Trust Guarantee will be subject to the rights of the holders of any obligations of ML&Co. that are senior in priority to the obligations under the Trust Guarantee. Furthermore, the holders of obligations of ML&Co. that are senior to the obligations under the Trust Guarantee, including, but not limited to, obligations constituting senior indebtedness of ML&Co., will be entitled to the same rights upon payment default or dissolution, liquidation and reorganization in respect of the Trust Guarantee that inure to the holders of senior indebtedness as against the holders of the ML&Co. Debenture. The terms of the TOPrS that each holder of the TOPrS, by acceptance, agrees to the subordination provisions and other terms of the Trust Guarantee.

The Trust Guarantee will constitute a guarantee of payment and not of collection. That is, the guaranteed party may directly institute a legal proceeding against ML&Co. to enforce its rights under the Trust Guarantee without instituting a legal proceeding against any other person or entity.

#### AMENDMENTS AND ASSIGNMENT

Except with respect to any changes that do not materially adversely affect the rights of holders of the TOPrS, in which case no vote will be required, the Trust Guarantee may be amended only with the prior approval of the holders of at least a majority in liquidation amount of all the outstanding TOPrS. The manner of obtaining any approval of holders of the TOPrS will be as set forth under "Description of the TOPrS--Voting Rights". All guarantees and agreements contained in the Trust Guarantee shall bind the successors, assigns, receivers, trustees and representatives of ML&Co. and shall inure to the benefit of the holders of the TOPrS then outstanding. Except in connection with permitted merger or consolidation of ML&Co. with or into another entity or permitted sale, transfer or lease of ML&Co.'s assets to another entity in which the surviving corporation, if other than ML&Co., assumes ML&Co.'s obligations under the Trust Guarantee, ML&Co. may not assign its rights or delegate its obligations under the Trust Guarantee without the prior approval of the holders of at least a majority of the aggregate stated liquidation amount of the TOPrS then outstanding.

#### TERMINATION OF THE TRUST GUARANTEE

The Trust Guarantee will terminate as to each holder of the TOPrS upon:

- o full payment of the redemption price of all the TOPrS,
- o distribution of the partnership preferred securities held by ML Trust to the holders of the TOPrS or

- o full payment of the amounts payable in accordance with the declaration upon liquidation of ML Trust.

The Trust Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of the TOPrS must restore payment of any sum paid under the TOPrS or the Trust Guarantee.

#### INFORMATION CONCERNING THE TRUST GUARANTEE TRUSTEE

The trust guarantee trustee, before the occurrence of a default with respect to the Trust Guarantee, undertakes to perform only those duties as are specifically set forth in the Trust Guarantee and, after default with respect to the Trust Guarantee, shall exercise the same degree of care as a prudent man would exercise in the conduct of his own affairs. Subject to that provision, the trust guarantee trustee is under no obligation to exercise any of the powers vested in it by the Trust Guarantee at the request of any holder of TOPrS unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred in connection with the exercise of those powers.

#### GOVERNING LAW

The Trust Guarantee will be governed by, and construed in accordance with, the internal laws of the State of New York.

#### DESCRIPTION OF THE PARTNERSHIP PREFERRED SECURITIES

All of the partnership interests in ML Partnership, other than the partnership preferred securities acquired by ML Trust, are owned directly by ML&Co.. Initially, ML&Co. will be the sole general partner of ML Partnership. The limited partnership agreement authorizes and creates the partnership preferred securities, which represent limited partner interests in ML Partnership. The limited partner interests represented by the partnership preferred securities will have a preference with respect to distributions and amounts payable on redemption or liquidation over ML&Co.'s interest in ML Partnership.

Except as otherwise described in this prospectus or provided in the limited partnership agreement, the limited partnership agreement does not permit ML Partnership to issue any additional partnership interests or to incur any indebtedness.

The summary of certain material terms and provisions of the partnership preferred securities set forth below does not purport to be complete and is subject to, and qualified in its entirety by reference to, the limited partnership agreement, which is filed as an exhibit to the registration statement of which this prospectus is a part, and the Delaware Limited Partnership Act.

#### DISTRIBUTIONS

Holders of partnership preferred securities will be entitled to receive cumulative cash distributions, if, as and when declared by ML&Co., as general partner, in its sole discretion out of assets of ML Partnership legally available for payment. The distributions payable on each partnership preferred security will be fixed at a rate per annum of % of the stated liquidation preference of \$25 per partnership preferred security. Distributions not paid on the scheduled payment date will accumulate and compound quarterly at the rate per annum equal to %. The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

Distributions on the partnership preferred securities will be payable quarterly in arrears on , 199 . If distributions are not declared and paid when scheduled, the accumulated distributions shall be paid to the holders of record of partnership preferred securities as they appear on the books and records of ML Partnership on the record date with respect to the payment date for the partnership preferred securities.

ML Partnership's earnings available for distribution to the holders of the partnership preferred securities will be limited to payments made on the Affiliate Investment Instruments and Investment Guarantees and payments on other eligible debt securities in which ML Partnership has invested from time to time. See "--Partnership Investments". To the extent that the issuers and, where applicable, ML&Co., as guarantor, of the securities in which ML Partnership invests fail to make any payment in respect of the securities or, if applicable, the guarantors, ML Partnership will not have sufficient funds to pay and will not declare or pay distributions on the partnership preferred securities, in which event the Partnership Guarantee will not apply to those distributions until ML Partnership has sufficient funds available for distribution. See

"Description of the Partnership Guarantee". In addition, distributions on the partnership preferred securities may be declared and paid only as determined in the sole discretion of ML&Co. as general partner of ML Partnership. If ML Partnership fails to declare and pay distributions on the partnership preferred securities out of funds legally available for distribution, ML Trust will not have sufficient funds to make distributions on the TOPrS, in which event the Trust Guarantee will not apply to those distributions until ML Trust has sufficient funds available. In addition, ML Partnership may not have sufficient funds to pay current or liquidating distributions on the partnership preferred securities if:

- o at any time that ML Partnership is receiving current payments in respect of the securities held by ML Partnership including the debentures, ML&Co., in its sole discretion, does not declare distributions on the partnership preferred securities and ML Partnership receives insufficient amounts to pay the additional compounded distributions that will accumulate in respect of the partnership preferred securities,
- o ML Partnership reinvests the proceeds received in respect of the debentures upon their retirement or at their maturities in Affiliate Investment Instruments that do not generate income in an amount that is sufficient to pay full distributions in respect of the partnership preferred securities, or
- o ML Partnership invests in debt securities of Investment Affiliates that are not guaranteed by ML&Co. and that cannot be liquidated by ML Partnership for an amount sufficient to pay any distributions in full.

Distributions on the partnership preferred securities will be payable to holders as they appear on the books and records of ML Partnership on the relevant record dates, which, as long as the TOPrS remain or, in the event that ML Trust is liquidated in connection with a Trust Special Event, as long as the partnership preferred securities remain, in book-entry only form, will be one Business Day before the relevant payment dates. In the event the TOPrS, or in the event that ML Trust is liquidated in connection with a Trust Special Event, the partnership preferred securities, shall not continue to remain in book-entry only form, the relevant record dates shall be the 15th day of the month of the relevant payment dates. In the event that any date on which distributions are payable on the partnership preferred securities is not a Business Day, then payment of the distribution payable on that date will be made on the next succeeding day that is a Business Day and without any interest or other payment in respect of any delay, except that, if that Business Day is in the next succeeding calendar year, that payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on that date.

#### PARTNERSHIP ENFORCEMENT EVENTS

If one or more of the following events shall occur and be continuing (each a "Partnership Enforcement Event"):

- o The non-payment of distributions on the partnership preferred securities for six consecutive quarterly periods,
- o ML&Co. is in default on any of its obligations under the Partnership Guarantee or any Investment Guarantee or
- o an Investment Event of Default occurs and is continuing on any Affiliate Investment Instrument,

then the property trustee, for so long as the partnership preferred securities are held by the property trustee, will have the right, or holders of the partnership preferred securities will be entitled by the vote of a majority in aggregate liquidation preference of the holders:

- o under the limited partnership agreement to enforce the terms of the partnership preferred securities, including the right to appoint and authorize a special representative of ML Partnership and the limited partners to enforce:
  - (1) ML Partnership's creditors' rights and other rights with respect to the Affiliate Investment Instruments and the Investment Guarantees,
  - (2) the rights of the holders of the partnership preferred securities under the Partnership Guarantee and
  - (3) the rights of the holders of the partnership preferred securities to receive distributions on the partnership preferred securities, only if and to the extent declared out of funds legally available

for distribution, and

- o under the Partnership Guarantee to enforce the terms of the Partnership Guarantee, including the right to enforce the covenant restricting certain payments by ML&Co. and Finance Subsidiaries.

If the special representative fails to enforce its rights under the Affiliate Investment Instruments after a holder of partnership preferred securities has made a written request, the holder of record of partnership preferred securities may directly institute a legal proceeding against ML&Co. to enforce the rights of the special representative and ML Partnership under the Affiliate Investment Instruments without first instituting any legal proceeding against the special representative, ML Partnership or any other person or entity. In any event, if a Partnership Enforcement Event has occurred and is continuing and this event is attributable to the failure of an Investment Affiliate to make any required payment when due on any Affiliate Investment Instrument, then a holder of partnership preferred securities may on behalf of ML Partnership directly institute a proceeding against the Investment Affiliate with respect to the Affiliate Investment Instrument for enforcement of payment. A holder of partnership preferred securities may also bring a direct action against ML&Co. to enforce the holder's right under the Partnership Guarantee. See "Description of the Partnership Guarantee--Events of Default; Enforcement of Partnership Guarantee".

Under no circumstances, however, shall the special representative have authority to cause ML&Co. to declare distributions on the partnership preferred securities. As a result, although the special representative may be able to enforce ML Partnership's creditors' rights to accelerate and receive payments in respect of the Affiliate Investment Instruments and the Investment Guarantees, ML Partnership would be entitled to reinvest those payments in additional Affiliate Investment Instruments, subject to satisfying the reinvestment criteria described under "--Partnership Investments", and Eligible Debt Securities, rather than declaring and making distributions on the partnership preferred securities. The special representative shall not, by virtue of acting in such capacity, be admitted as a general partner in ML Partnership or otherwise be deemed to be a general partner in ML Partnership and shall have no liability for the debts, obligations or liabilities of ML Partnership.

#### PARTNERSHIP INVESTMENTS

ML Partnership will use approximately 99% of the proceeds from the issuance of the partnership preferred securities and ML&Co.'s contemporaneous capital contribution to purchase the debentures and the remaining 1% of the initial partnership proceeds will be used to purchase Eligible Debt Securities. ML Partnership's purchase of the debentures will occur contemporaneously with the issuance of the partnership preferred securities.

The initial Affiliate Investment Instruments purchased by the Partnership will consist of two or more debt instruments. ML&Co. anticipates that approximately 85% of the Initial Partnership Proceeds will be used to purchase a debenture of ML&Co. (the "ML&Co. Debenture"), and approximately 14% of the initial partnership proceeds will be used to purchase debentures of one or more eligible controlled affiliates of ML&Co. Each debenture is expected to have a term of 20 years and to provide for interest payable on , , and of each year, commencing , at market rates for the debentures. The debentures will be general unsecured debt obligations of the relevant issuer, except that the ML&Co. Debenture will rank subordinate and junior to all senior indebtedness of ML&Co.

The payment of interest on each of the debentures may be deferred at any time, and from time to time, by the relevant issuer for a period not exceeding six consecutive quarters. If an issuer were to defer the payment of interest, interest would continue to accrue and compound at the stated interest rate on the applicable debenture. The debentures will contain covenants appropriate for unsecured debt securities issued or guaranteed by similar borrowers pursuant to a public offering or private placement under Rule 144A of the Securities Act of a comparable debt security, including a limitation on consolidation, merger and sale or conveyance of assets. The debentures will contain redemption provisions that correspond to the redemption provisions applicable to the partnership preferred securities, including an option to redeem the debentures by the relevant issuer, in whole or in part, from time to time, on or after , , and following the occurrence of a Partnership Special Event, in each case, in the same manner described under "Optional Redemption" and "Partnership Special Event Redemption". The debentures, and any other Affiliate Investment Instruments that are debt instruments acquired by ML Partnership in the future, will also contain customary events of default, including:

- o events of default for defaults in payments on the securities when due, provided that no default shall occur upon a valid deferral of an interest payment by an issuer,

- o defaults in the performance of the relevant issuer's obligations under its debenture or Affiliate Investment Instruments, as the case may be, and
- o certain bankruptcy, insolvency or reorganization events, subject to customary exceptions and grace periods.

The payment of interest and principal when due and other payment terms of the debentures other than ML&Co. Debenture, will be guaranteed to the extent described in this prospectus (each, an "Investment Guarantee") by ML&Co. for the benefit of the holders of partnership preferred securities. See "--Investment Guarantees".

ML Partnership will invest approximately 1% of the initial partnership proceeds in eligible debt securities. These eligible debt securities will comprise cash or book-entry securities, negotiable instruments, or other securities of entities not affiliated with ML&Co. which evidence any of the following:

- o any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States, or any certificate of deposit for any of the foregoing;
- o commercial paper issued pursuant to Section 3(a)(3) of the Securities Act and having, at the time of the investment or contractual commitment to invest therein, a rating from each of Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P") and Moody's Investors Service, Inc. ("Moody's") in the highest investment rating category granted by such rating agency and having a maturity not in excess of nine months;
- o demand deposits, time deposits and certificates of deposit which are fully insured by the Federal Deposit Insurance Corporation;
- o repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the Government of the United States of America or any agency or instrumentality thereof, the obligations of which are backed by the full faith and credit of the United States of America, in either case entered into with a depository institution or trust company which is an Eligible Institution and the deposits of which are insured by the FDIC; and
- o any other security which is identified as a permitted investment of a finance subsidiary pursuant to Rule 3a-5 under the Investment Company Act at the time it is acquired by ML Partnership.

"Eligible Institution" means, a depository institution organized under the laws of the United States or any one of the states thereof or the District of Columbia, or any domestic branch of a foreign bank, which has either:

- o a long-term unsecured debt rating of AA or better by S&P and Aa or better by Moody's or
- o a short-term unsecured debt rating or a certificate of deposit rating of A-1+ by S&P and P-1 by Moody's,

and whose deposits are insured by the FDIC or whose the parent has a long-term or short-term unsecured debt rating which signifies investment grade and whose deposits are insured by the FDIC.

ML Partnership may, from time to time and subject to the restrictions described below, reinvest payments received with respect to the Affiliate Investment Instruments and the eligible debt securities in additional Affiliate Investment Instruments and eligible debt securities. As of the date of this prospectus, ML&Co., as the General Partner, does not intend to cause ML Partnership to reinvest regularly scheduled, periodic payments of interest or dividends received by ML Partnership in the manner described below, although there can be no assurance that ML&Co.'s intention in respect of any reinvestments will not change in the future.

The fairness of specific terms of all Affiliate Investment Instruments will be passed upon by an independent financial advisor which will be a nationally recognized accounting firm, bank or investment banking firm that does not, and whose directors, officers, employees and affiliates do not, have a direct or indirect material equity interest in ML&Co. or any of its subsidiaries.

ML Partnership may reinvest in additional Affiliate Investment Instruments

only if certain procedures and criteria are satisfied with respect to each Affiliate Investment Instrument, including the satisfaction of the following conditions:

- (1) ML Partnership did not hold debt securities of the issuer of the proposed Affiliate Investment Instrument within the three-year period ending on the date of proposed investment;
- (2) there was never a default on any debt obligation of, or arrearages of dividends on preferred stock issued by, the issuer of the proposed Affiliate Investment Instrument that was previously or is currently owned by ML Partnership;
- (3) the applicable terms and provisions with respect to the proposed Affiliate Investment Instrument have been determined by the independent financial advisor to be at least as favorable as terms which could be obtained by ML Partnership in a public offering or private placement under Rule 144A of the Securities Act of a comparable security issued by the relevant Investment Affiliate and guarantees, if any; and
- (4) the requesting Investment Affiliate shall not be deemed to be an investment company by reason of Section 3(a) or 3(b) of the Investment Company Act or is otherwise an eligible recipient of funds directly or indirectly from ML Trust pursuant to an order issued by the SEC.

The term "Investment Affiliate" means ML&Co. or any corporation, partnership, limited liability company or other entity that is controlled by ML&Co., other than ML Partnership or ML Trust. If ML Partnership is unable to reinvest payments and proceeds from Affiliate Investment Instruments in additional Affiliate Investment Instruments meeting the above criteria, ML Partnership may only invest those funds in eligible debt securities, subject to restrictions of applicable law, including the Investment Company Act.

#### INVESTMENT GUARANTEES

ML&Co. will agree to execute and deliver an Investment Guarantee, on a subordinated basis, for the benefit of the holders of partnership preferred securities with respect to each debenture issued by an Investment Affiliate, other than the ML&Co. Debenture, to the extent set forth below. The Investment Guarantees shall be enforceable regardless of any defense, right of set-off or counterclaim that ML&Co. may have or assert. The Investment Guarantees will be full and unconditional guarantees, to the extent set forth in this prospectus, with respect to the applicable Debentures from the time of issuance. To the extent that, as described above, ML Partnership invests in additional Affiliate Investment Instruments, the determination as to whether the Affiliate Investment Instrument will contain an Investment Guarantee will be made at the date of its issuance and will be based, among other things, upon its approval by the independent financial advisor in accordance with the reinvestment criteria described above.

The Investment Guarantees will constitute guarantees of payment and not of collection. That is, the guaranteed party may directly institute a legal proceeding against ML&Co. to enforce its rights under the applicable Investment Guarantee without instituting a legal proceeding against any other person or entity. If no special representative has been appointed to enforce any Investment Guarantee, ML&Co. as general partner has the right to enforce the Investment Guarantee on behalf of the holders of the partnership preferred securities. The holders of not less than a majority in aggregate liquidation preference of the partnership preferred securities have the right to direct the time, method and place of conducting any proceeding for any remedy available in respect of any Investment Guarantee, including the giving of directions to ML&Co. as general partner or the special representative, as the case may be. If ML&Co. or the special representative fails to enforce any Investment Guarantee as above provided, any holder of the TOPrS may institute its own legal proceeding to enforce that Investment Guarantee. No Investment Guarantee will be discharged except by payment in full of all amounts guaranteed by such Investment Guarantee, without duplication of amounts previously paid by the relevant Investment Affiliate.

#### AMENDMENTS AND ASSIGNMENT

Except with respect to any changes that do not adversely affect the rights of holders of partnership preferred securities, in which case no consent will be required, the Investment Guarantees may be amended only with the prior approval of the holders of not less than a majority in liquidation preference of the outstanding partnership preferred securities, provided that for so long as the property trustee of ML Trust is the holder of the partnership preferred securities, no amendment will be effective without the prior written approval of a majority in liquidation amount of the outstanding TOPrS. All guarantees and agreements contained in the Investment Guarantees shall bind the successors,

assigns, receivers, trustees and representatives of ML&Co. and shall inure to the benefit of the holders of partnership preferred securities. Except in connection with any permitted merger or consolidation of ML&Co. with or into another entity or any permitted sale, transfer or lease of ML&Co.'s assets to another entity in which the surviving corporation, if other than ML&Co., assumes ML&Co.'s obligations under the Investment Guarantees, ML&Co. may not assign its rights or delegate its obligations under the Investment Guarantees without the prior approval of the holders of at least a majority of the aggregate stated liquidation preference of the partnership preferred securities then outstanding.

#### STATUS OF THE INVESTMENT GUARANTEES

ML&Co.'s obligations under the Investment Guarantees will constitute unsecured obligations of ML&Co. and will rank subordinate and junior in right of payment to all other liabilities of ML&Co. and will rank equally with the most senior preferred stock, if any, issued from time to time by ML&Co., with similar guarantees issued by ML&Co. in connection with:

- o the \$275,000,000 aggregate liquidation amount of 7 3/4% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust I,
- o the \$300,000,000 aggregate liquidation amount of 8% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust II,
- o the \$750,000,000 aggregate liquidation amount of 7% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust III,
- o the \$400,000,000 aggregate liquidation amount of 7.12% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust IV,
- o the \$850,000,000 aggregate liquidation amount of 7.28% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust V and
- o with any guarantee now or hereafter entered into by ML&Co. in respect of any preferred stock of any other Finance Subsidiary.

Accordingly, the rights of the holders of the debentures to receive payments under the Investment Guarantees will be subject to the rights of the holders of any obligations that are senior in priority to the obligations under the Investment Guarantees. Furthermore, the holders of obligations of ML&Co. that are senior to the obligations under the Investment Guarantees, including, but not limited to, obligations constituting Senior Indebtedness, will be entitled to the same rights upon payment default or dissolution, liquidation and reorganization in respect of the Investment Guarantees that inure to the holders of senior indebtedness as against the holders of the ML&Co. Debenture. The terms of the debentures provide that each holder of debentures, by acceptance thereof, agrees to the subordination provisions and other terms of the Investment Guarantees.

#### GOVERNING LAW

The Investment Guarantees will be governed by and construed in accordance with the internal laws of the State of New York.

#### OPTIONAL REDEMPTION

The partnership preferred securities are redeemable, at the option of ML&Co., as general partner, in whole or in part, from time to time, on or after \_\_\_\_\_, upon not less than 30 nor more than 60 days notice, at an amount per partnership preferred security equal to \$25 plus accumulated and unpaid distributions. If ML Partnership redeems partnership preferred securities in accordance with their terms, ML Trust will redeem the Trust Securities at the redemption price. If:

- o a partial redemption would result in the delisting of the TOPrS,
- o ML Trust is liquidated in connection with a Trust Special Event, or
- o a partial redemption would result in the delisting of the partnership preferred securities,

then, in each case, ML Partnership may only redeem the partnership preferred securities in whole.

#### PARTNERSHIP SPECIAL EVENT REDEMPTION



If, at any time, a Partnership Tax Event or a Partnership Investment Company Event (each as defined below, and each a "Partnership Special Event") occurs and is continuing, ML&Co. shall, within 90 days following the occurrence of such Partnership Special Event, elect to either:

- o redeem the partnership preferred securities in whole, but not in part, upon not less than 30 or more than 60 days notice at the redemption price, provided that, if at the time there is available to ML Partnership the opportunity to eliminate, within the 90-day period, the Partnership Special Event by taking some ministerial action, such as filing a form or making an election, or pursuing some other similar reasonable measure that in the sole judgment of ML&Co. has or will cause no adverse effect on ML Partnership, ML Trust or ML&Co., ML&Co. will pursue that measure in lieu of redemption; or
- o cause the partnership preferred securities to remain outstanding, provided that in the case of this clause, the ML&Co. shall pay any and all costs and expenses incurred by or payable by ML Partnership attributable to the Partnership Special Event.

"Partnership Tax Event" means that ML&Co. shall have requested and received an opinion of nationally recognized independent tax counsel experienced in these matters to the effect that there has been a Tax Action which affects any of the events described in (1) through (3) below and that there is more than an insubstantial risk that:

- (1) ML Partnership is, or will be, subject to United States Federal income tax with respect to income accrued or received on the Affiliate Investment Instruments or the eligible debt securities,
- (2) ML Partnership is, or will be, subject to more than a minimal amount of other taxes, duties or other governmental charges or
- (3) interest payable by an Investment Affiliate with respect to the Affiliate Investment Instrument issued by that Investment Affiliate to ML Partnership is not, or will not be, deductible by the Investment Affiliate for United States Federal income tax purposes.

Recently, the IRS asserted that the interest payable on a security issued in similar circumstances as the issuance of the debentures by the Investment Affiliates to ML Partnership was not deductible for United States Federal income tax purposes. The taxpayer in that case has filed a petition in the United States Tax Court challenging the IRS's position on this matter. If this matter were to be litigated and the Tax Court were to sustain the IRS's position on this matter, the judicial decision could constitute a Partnership Tax Event, which could result in an early redemption of the partnership preferred securities.

"Partnership Investment Company Event" means that ML&Co. shall have requested and received an opinion of nationally recognized independent legal counsel experienced in these matters to the effect that as a result of the occurrence on or after the date of this prospectus of a Change in Investment Company Act Law, ML Partnership is or will be considered an investment company which is required to be registered under the Investment Company Act.

#### REDEMPTION PROCEDURES

ML Partnership may not redeem fewer than all the outstanding partnership preferred securities unless all accumulated and unpaid distributions have been paid on all partnership preferred securities for all quarterly distribution periods terminating on or before the date of redemption.

If ML Partnership gives a notice of redemption in respect of partnership preferred securities, which notice will be irrevocable, then, by 12:00 noon, New York City time, on the redemption date, ML Partnership:

- o if the partnership preferred securities are in book entry form with DTC, will deposit irrevocably with DTC funds sufficient to pay the applicable redemption price and will give DTC irrevocable instructions and authority to pay the redemption price in respect of the partnership preferred securities held through DTC in global form, or
- o if the partnership preferred securities are held in certificated form, will deposit with the paying agent for the partnership preferred securities funds sufficient to pay any amount in respect of any partnership preferred securities in certificated form and will give the paying agent irrevocable instructions and authority to pay these amounts to the holders of partnership preferred securities upon surrender of their certificates.

See "Description of the TOPrS--Book-Entry Only Issuance--The Depository Trust Company".

If notice of redemption shall have been given and funds deposited as required, then upon the date of the deposit, all rights of holders of such partnership preferred securities so called for redemption will cease, except the right of the holders of such partnership preferred securities to receive the redemption price, but without interest on that redemption price. In the event that any date fixed for redemption of partnership preferred securities is not a Business Day, then payment of the redemption price payable on that date will be made on the next succeeding day that is a Business Day, and without any interest or other payment in respect of any delay, except that, if that Business Day falls in the next calendar year, the payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date fixed for redemption. In the event that payment of the redemption price in respect of partnership preferred securities is improperly withheld or refused and not paid either by ML Partnership or by ML&Co. under the Partnership Guarantee described under "Description of the Partnership Guarantee," distributions on the partnership preferred securities will continue to accumulate, from the original redemption date to the date of payment.

Subject to the foregoing and applicable law, including, without limitation, United States Federal securities laws, ML&Co. or any of its subsidiaries may at any time and from time to time purchase outstanding partnership preferred securities by tender, in the open market or by private agreement.

#### LIQUIDATION DISTRIBUTION UPON DISSOLUTION

In the event of any voluntary or involuntary dissolution, winding-up or termination of ML Partnership, the holders of the partnership preferred securities at the time will be entitled to receive out of the assets of ML Partnership available for distribution to partners after satisfaction of liabilities of creditors as required by the Delaware Partnership Act, before any distribution of assets is made to ML&Co. as General Partner, an amount equal to, in the case of holders of partnership preferred securities, the aggregate of the stated liquidation preference of \$25 per partnership preferred security plus accumulated and unpaid distributions on the partnership preferred securities to the date of payment.

Under the Limited Partnership Agreement, ML Partnership shall be dissolved and its affairs shall be wound up:

- o upon the bankruptcy of ML&Co.,
- o upon the assignment by ML&Co. of its entire interest in ML Partnership when the assignee is not admitted to ML Partnership as a general partner of ML Partnership in accordance with the limited partnership agreement, or the filing of a certificate of dissolution or its equivalent with respect to ML&Co., or the revocation of ML&Co.'s charter and the expiration of 90 days after the date of notice to ML&Co. of revocation without a reinstatement of its charter, or if any other event occurs that causes the General Partner to cease to be a general partner of ML Partnership under the Delaware Limited Partnership Act, unless the business of ML Partnership is continued in accordance with the Delaware Limited Partnership Act,
- o if ML Partnership has redeemed or otherwise purchased all the partnership preferred securities,
- o upon the entry of a decree of judicial dissolution or
- o upon the written consent of all partners of ML Partnership.

#### VOTING RIGHTS

Except as provided below and under "Description of the Partnership Guarantee--Amendments and Assignment" and as otherwise required by law and the Limited Partnership Agreement, the holders of the partnership preferred securities will have no voting rights.

Not later than 30 days after any Partnership Enforcement Event occurs, ML&Co. will convene a meeting for the purpose of appointing a special representative. If ML&Co. fails to convene a meeting within the 30-day period, the holders of 10% in liquidation preference of the outstanding partnership preferred securities will be entitled to convene a meeting. The provisions of the limited partnership agreement relating to the convening and conduct of the meetings of the partners will apply with respect to any meeting. In the event that, at any meeting, holders of less than a majority in aggregate liquidation preference of partnership preferred securities entitled to vote for the appointment of a special representative vote for the appointment, no special representative shall be appointed. Any special representative appointed shall

cease to be a special representative of ML Partnership and the limited partners if:

- o ML Partnership, or ML&Co. pursuant to the Partnership Guarantee, shall have paid in full all accumulated and unpaid distributions on the partnership preferred securities,
- o any event of default under any Affiliate Investment Instruments shall have been cured, and
- o ML&Co. is in compliance with all its obligations under the Partnership Guarantee and ML&Co., in its capacity as the general partner, shall continue the business of ML Partnership without dissolution.
- o Notwithstanding the appointment of the special representative, ML&Co. shall continue as General Partner and shall retain all rights under the limited partnership agreement, including the right to declare, in its sole discretion, the payment of distributions on the partnership preferred securities for which the failure to declare distributions would not constitute a default under the limited partnership agreement.

If any proposed amendment to the limited partnership agreement provides for, or ML&Co. otherwise proposes to effect,

- o any action that would adversely affect the powers, preferences or special rights of the partnership preferred securities, whether by way of amendment to the limited partnership agreement or otherwise, including, without limitation, the authorization or issuance of any limited partner interests in ML Partnership ranking, as to participation in the profits or distributions or in the assets of ML Partnership, senior to the partnership preferred securities, or
- o the dissolution, winding-up or termination of ML Partnership, other than:
  - (A) in connection with the occurrence of a Partnership Special Event or
  - (B) as described under "Merger, Consolidation or Amalgamation of the Partnership" below,

then the holders of outstanding partnership preferred securities will be entitled to vote on any amendment or proposal of ML&Co., but not on any other amendment or proposal, as a class, and no amendment or proposal shall be effective without the approval of the holders of a majority in liquidation preference of the outstanding partnership preferred securities having a right to vote on the matter; provided, however, that if the property trustee on behalf of ML Trust is the holder of the partnership preferred securities, any amendment or proposal not excepted by clauses (A) and (B) above shall not be effective without the prior or concurrent approval of the holders of a majority in liquidation amount of the outstanding TOPrS having a right to vote on the matters.

The ML&Co. shall not

- o direct the time, method and place of conducting any proceeding for any remedy available,
- o waive any event of default that is waivable under the Affiliate Investment Instruments,
- o exercise any right to rescind or annul a declaration that the principal of any Affiliate Investment Instruments shall be due and payable,
- o waive the breach of the obligation by ML&Co. to restrict certain payments by ML&Co., or
- o consent to any amendment, modification or termination of any Affiliate Investment Instrument, where such consent shall be required from the investor,

without, in each case, obtaining the prior approval of the holders of at least a majority in liquidation preference of the partnership preferred securities; provided, however, that if the property trustee on behalf of ML Trust is the holder of the partnership preferred securities, any waiver, consent or amendment or other action shall not be effective without the prior or concurrent approval

of at least a majority in liquidation amount of the outstanding TOPrS having a right to vote on these matters. ML&Co. shall not revoke any action previously authorized or approved by a vote of the holders of the partnership preferred securities without the approval of the revocation by a majority in liquidation preference of the outstanding partnership preferred securities. ML&Co. shall notify all holders of the partnership preferred securities of any notice of an event of default received with respect to any Affiliate Investment Instrument.

Any required approval of holders of partnership preferred securities may be given at a separate meeting of holders of partnership preferred securities convened for that purpose, at a meeting of all of the partners in ML Partnership or pursuant to written consent. ML Partnership will cause a notice of any meeting at which holders of partnership preferred securities are entitled to vote, or of any matter upon which action by written consent of the holders is to be taken, to be mailed to each holder of record of partnership preferred securities. Each notice will include a statement setting forth

- o the date of the meeting or the date by which action is to be taken,
- o a description of any resolution proposed for adoption at the meeting on which holders are entitled to vote or of the matters upon which written consent is sought and
- o instruction for the delivery of proxies or consents.

No vote or consent of the holders of partnership preferred securities will be required for ML Partnership to redeem and cancel partnership preferred securities in accordance with the limited partnership agreement.

Notwithstanding that holders of partnership preferred securities are entitled to vote or consent under any of the circumstances described above, any of the partnership preferred securities at such time that are beneficially owned by ML&Co. or by any entity directly or indirectly controlled by, or under direct or indirect common control with, ML&Co., except for partnership preferred securities purchased or acquired by ML&Co. or its affiliates in connection with transactions effected by or for the account of customers of ML&Co. or any of its subsidiaries or in connection with the distribution or trading of such partnership preferred securities; shall not be entitled to vote or consent and shall, for purposes of any vote or consent, be treated as if they were not outstanding, provided, however, that persons, other than affiliates of ML&Co., to whom ML&Co. or any of its subsidiaries have pledged partnership preferred securities may vote or consent with respect to the pledged partnership preferred securities under the terms of the pledge.

Holders of the partnership preferred securities will have no rights to remove or replace ML&Co. as general partner.

#### MERGER, CONSOLIDATION OR AMALGAMATION OF ML PARTNERSHIP

ML Partnership may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any corporation or other body, except as described below. ML Partnership may, without the consent of the holders of the partnership preferred securities, consolidate, amalgamate, merge with or into, or be replaced by a limited partnership, limited liability company or trust organized as such under the laws of any state of the United States of America, provided that:

- o the successor entity either:
  - (A) expressly assumes all of the obligations of ML Partnership under the partnership preferred securities or
  - (B) substitutes for the partnership preferred securities other securities having substantially the same terms as the partnership preferred securities so long as the partnership successor securities are not junior to any other equity securities of the successor entity, with respect to participation in the profits and distributions, and in the assets, of the successor entity,
- o the Investment Affiliates expressly acknowledge the successor entity as the holder of the Affiliate Investment Instruments,
- o the partnership preferred securities or any partnership successor securities are listed, or any partnership successor securities will be listed upon notification of issuance, on any national securities exchange or other organization on which the partnership preferred securities, if so listed, are then listed,

- o the merger, consolidation, amalgamation or replacement does not cause the TOPrS or, in the event that ML Trust is liquidated in connection with a Trust Special Event, the partnership preferred securities or any partnership successor securities, to be downgraded by any nationally recognized statistical rating organization,
- o the merger, consolidation, amalgamation or replacement does not adversely affect the powers, preferences and other special rights of the holders of the TOPrS or partnership preferred securities, including any partnership successor securities, in any material respect, other than, in the case of the partnership preferred securities, with respect to any dilution of the holders' interest in the new resulting entity,
- o the successor entity has a purpose substantially identical to that of ML Partnership,
- o before the merger, consolidation, amalgamation or replacement, ML&Co. has received an opinion of nationally recognized independent counsel to ML Partnership experienced in these matters to the effect that:
  - (A) the successor entity will be treated as a partnership for United States Federal income tax purposes,
  - (B) the merger, consolidation, amalgamation or replacement would not cause ML Trust to be classified as an association taxable as a corporation for United States Federal income tax purposes,
  - (C) following the merger, consolidation, amalgamation or replacement, ML&Co. and such successor entity will be in compliance with the Investment Company Act without registering as an investment company, and
  - (D) the merger, consolidation, amalgamation or replacement will not adversely affect the limited liability of the holders of the partnership preferred securities and
- o ML&Co. guarantees the obligations of the successor entity under the partnership successor securities at least to the extent provided by the Partnership Guarantee.

#### BOOK-ENTRY AND SETTLEMENT

If the partnership preferred securities are distributed to holders of the TOPrS in connection with the involuntary or voluntary dissolution, winding-up or liquidation of ML Trust as a result of the occurrence of a Trust Special Event, the partnership preferred securities will be issued in the form of one or more global partnership securities registered in the name of DTC as the depository or its nominee. For a description of DTC and the specific terms of the Depository arrangements, see "Description of the TOPrS--Book-Entry Only Issuance--The Depository Trust Company". As of the date of this prospectus, the description therein of DTC's book-entry system and DTC's practices as they relate to purchases, transfers, notices and payments with respect to the TOPrS apply in all material respects to any partnership preferred securities represented by one or more global partnership securities.

#### REGISTRAR, TRANSFER AGENT AND PAYING AGENT

ML&Co. will act as registrar, transfer agent and paying agent for the partnership preferred securities for so long as the partnership preferred securities are held by ML Trust or, if ML Trust is liquidated in connection with a Trust Special Event, for so long as the partnership preferred securities remain in book-entry only form. In the event the partnership preferred securities are distributed in connection with a Trust Special Event and the book-entry system for the partnership preferred securities is discontinued, it is anticipated that The Chase Manhattan Bank or one of its affiliates will act as registrar, transfer agent and paying agent for the partnership preferred securities.

Registration of transfers of partnership preferred securities will be effected without charge by or on behalf of ML Partnership, but upon payment, with the giving of such indemnity as ML Partnership or ML&Co. may require, in respect of any tax or other governmental charges that may be imposed in relation to it.

ML Partnership will not be required to register or cause to be registered the transfer of partnership preferred securities after such partnership preferred securities have been called for redemption.

MISCELLANEOUS

ML&Co. is authorized and directed to conduct its affairs and to operate ML Partnership in such a way that:

- o ML Partnership will not be deemed to be an investment company required to be registered under the Investment Company Act or characterized as an association taxable as a corporation for United States Federal income tax purposes,
- o the Affiliate Investment Instruments will be treated as indebtedness of their respective issuers for United States Federal income tax purposes and
- o ML Partnership will not be treated as an association or as a publicly traded partnership, within the meaning of Section 7704 of the Code, taxable as a corporation.

In this connection, ML&Co. as general partner is authorized to take any action, not inconsistent with applicable law, the certificate of limited partnership of ML Partnership or the limited partnership agreement, that it determines in its discretion to be necessary or desirable for the foregoing purposes as long as any action does not adversely affect the interests of the holders of the partnership preferred securities.

DESCRIPTION OF THE PARTNERSHIP GUARANTEE

Set forth below is a summary of the material information concerning the Partnership Guarantee (the "Partnership Guarantee") that will be executed and delivered by ML&Co. for the benefit of the holders from time to time of partnership preferred securities. The summary is not complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Partnership Guarantee, which is filed as an exhibit to the registration statement of which this prospectus is a part. ML&Co. will hold the Partnership Guarantee for the benefit of the holders of the partnership preferred securities.

TERMS OF THE PARTNERSHIP GUARANTEE

Under the Partnership Guarantee, ML&Co. will irrevocably agree, on a subordinated basis to the extent set forth in this prospectus, to pay in full to the holders of the partnership preferred securities, without duplication of amounts previously paid by ML Partnership, as and when due, regardless of any defense, right of set-off or counterclaim that ML Partnership may have or assert, the following payments (the "Partnership Guarantee Payments"):

- o any accumulated and unpaid distributions that previously have been declared on ML Partnership preferred securities out of funds legally available for distribution,
- o the redemption price with respect to any partnership preferred securities called for redemption by ML Partnership out of funds legally available for that purpose, and
- o upon a liquidation of ML Partnership, the lesser of:
  - (A) the aggregate of the liquidation preference and all accumulated and unpaid distributions on the partnership preferred securities to the date of payment and
  - (B) the amount of assets of ML Partnership, after satisfaction of all liabilities, remaining available for distribution to holders of partnership preferred securities in liquidation of ML Partnership.

ML&Co.'s obligation to make a Partnership Guarantee Payment may be satisfied by direct payment of the required amounts by ML&Co. to the holders of partnership preferred securities or by causing ML Partnership to pay these amounts to holders.

The Partnership Guarantee will be a guarantee on a subordinated basis with respect to the partnership preferred securities from the time of issuance of the partnership preferred securities but will not apply to any payment of distributions or the redemption price, or to payments upon the dissolution, winding-up or termination of ML Trust, except to the extent ML Partnership shall

have funds available for these purposes. If Investment Affiliates, including, where applicable, ML&Co., as guarantor, of the Affiliate Investment Instruments in which ML Partnership invests fail to make any payment in respect of the securities or, if applicable, guarantees, ML Partnership may not declare or pay dividends on the partnership preferred securities. In such event, holders of the partnership preferred securities would not be able to rely upon the Partnership Guarantee for payment of these amounts. Instead, holders of the partnership preferred securities will have the remedies described in this prospectus under "Description of the Partnership Preferred Securities--Partnership Enforcement Events", including the right to direct ML&Co. or the special representative, as the case may be, to enforce the covenant restricting certain payments by ML&Co. and Finance Subsidiaries. See "--Covenants of ML&Co." below.

The Guarantees, when taken together with ML&Co. Debenture and ML&Co.'s obligations to pay all fees and expenses of ML Trust and ML Partnership, constitute a guarantee to the extent set forth in this prospectus by ML&Co. of the distribution, redemption and liquidation payments payable to the holders of the TOPrS. The Guarantees do not apply, however, to current distributions by ML Partnership unless and until distributions are declared by ML Partnership out of funds legally available for payment or to liquidating distributions unless there are assets available for payment in ML Partnership.

#### OBLIGATIONS OF ML&CO.

Under the Partnership Guarantee, ML&Co. will agree that if:

- o for any distribution period, full distributions on a cumulative basis on any partnership preferred securities have not been paid or declared and set apart for payment,
- o an event of default by any Investment Affiliate in respect of any Affiliate Investment Instrument has occurred and is continuing, or
- o ML&Co. is in default of its obligations under any Guarantee,

then, during that period,

- o ML&Co. may not declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of its capital stock or comparable equity interest, except for:
  - o dividends or distributions in shares of, or options, warrants or rights to subscribe for or purchase shares of, its capital stock, and conversions or exchanges of common stock of one class into common stock of another class,
  - o redemptions or purchases of any rights under the Rights Agreement and the issuance of preferred stock pursuant to those rights and
  - o purchases or acquisitions by ML&Co. or its affiliates in connection with transactions effected by or for the account of customers of ML&Co. or any of its subsidiaries or in connection with the distribution or trading of such capital stock or comparable equity interest and
- o ML&Co. may not make, permit any Finance Subsidiary to make, or make any payments that would enable any Finance Subsidiary to make, any payment of any dividends on, any distribution with respect to, or any redemption, purchase or other acquisition of, or any liquidation payment with respect to, any preferred security or comparable equity interest of any Finance Subsidiary.

#### EVENTS OF DEFAULT; ENFORCEMENT OF PARTNERSHIP GUARANTEE

An event of default under the Partnership Guarantee will occur upon the failure of ML&Co. to perform any of its payment or other obligations thereunder.

The holders of a majority in liquidation amount of the partnership preferred securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the special representative in respect of the Partnership Guarantee or to direct the exercise of any trust or power conferred upon the special representative under the Partnership Guarantee. If the special representative fails to enforce its rights under the Partnership Guarantee, after a holder of partnership preferred securities has made a written request, such holder of partnership preferred securities may institute a legal proceeding directly against ML&Co. to enforce the special representative's rights under the Partnership Guarantee without first instituting a legal proceeding against ML Partnership, the special representative or any other person or entity. Notwithstanding the foregoing, if

ML&Co. has failed to make a guarantee payment, a holder of partnership preferred securities may directly institute a proceeding against ML&Co. for enforcement of the Partnership Guarantee for the payment.

#### STATUS OF THE PARTNERSHIP GUARANTEE; SUBORDINATION

The Partnership Guarantee will constitute an unsecured obligation of ML&Co. and will rank subordinate and junior in right of payment to all other liabilities of ML&Co. and will rank equally with the most senior preferred stock issued from time to time by ML&Co., with similar guarantees issued by ML&Co. in connection with

- o the \$275,000,000 aggregate liquidation amount of 7 3/4% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust I,
- o the \$300,000,000 aggregate liquidation amount of 8% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust II,
- o the \$750,000,000 aggregate liquidation amount of 7% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust III,
- o the \$400,000,000 aggregate liquidation amount of 7.12% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust IV,
- o the \$850,000,000 aggregate liquidation amount of 7.28% Trust Originated Preferred Securities issued by Merrill Lynch Preferred Capital Trust V and
- o with any guarantee now or hereafter entered into by ML&Co. in respect of any preferred stock of any other Finance Subsidiary.

Accordingly, the rights of the holders of partnership preferred securities to receive payments under the Partnership Guarantee will be subject to the rights of the holders of any obligations of ML&Co. that are senior in priority to the obligations under the Partnership Guarantee. Furthermore, the holders of obligations of ML&Co. that are senior to the obligations under the Partnership Guarantee, including, but not limited to, obligations constituting senior indebtedness, will be entitled to the same rights upon payment default or dissolution, liquidation and reorganization in respect of the Partnership Guarantee that inure to the holders of senior indebtedness as against the holders of the ML&Co. Debenture. The limited partnership agreement provides that each holder of partnership preferred securities, by their acceptance, agrees to the subordination provisions and other terms of the Partnership Guarantee.

The Partnership Guarantee will constitute a guarantee of payment and not of collection. That is, the guaranteed party may directly institute a legal proceeding against ML&Co. to enforce its rights under the Partnership Guarantee without instituting a legal proceeding against any other person or entity.

The Partnership Guarantee will be deposited with ML&Co. to be held for the benefit of the holders of the partnership preferred securities. In the event of the appointment of a special representative to, among other things, enforce the Partnership Guarantee, the special representative may take possession of the Partnership Guarantee for that purpose. If no special representative has been appointed to enforce the Partnership Guarantee, ML&Co. has the right to enforce the Partnership Guarantee on behalf of the holders of the partnership preferred securities.

#### AMENDMENTS AND ASSIGNMENT

Except with respect to any changes that do not adversely affect the rights of holders of partnership preferred securities, in which case no consent will be required, the Partnership Guarantee may be amended only with the prior approval of the holders of not less than a majority in liquidation preference of the outstanding partnership preferred securities. All guarantees and agreements contained in the Partnership Guarantee shall bind the successors, assigns, receivers, trustees and representatives of ML&Co. and shall inure to the benefit of the holders of the partnership preferred securities then outstanding. Except in connection with any permitted merger or consolidation of ML&Co. with or into another entity or any permitted sale, transfer or lease of ML&Co.'s assets to another entity in which the surviving corporation, if other than ML&Co., assumes ML&Co.'s obligations under the Partnership Guarantee, ML&Co. may not assign its rights or delegate its obligations under the Partnership Guarantee without the prior approval of the holders of at least a majority of the aggregate stated liquidation preference of the partnership preferred securities then outstanding.

#### TERMINATION OF THE PARTNERSHIP GUARANTEE



The Partnership Guarantee will terminate and be of no further force and effect as to the partnership preferred securities upon:

- o full payment of the redemption price of all partnership preferred securities, or
- o full payment of the amounts payable in accordance with the Limited Partnership Agreement upon liquidation of ML Partnership.

The Partnership Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of partnership preferred securities must in accordance with the Delaware Limited Partnership Act restore payment of any sums paid under the partnership preferred securities or the Partnership Guarantee. The Delaware Limited Partnership Act provides that a limited partner of a limited partnership who wrongfully receives a distribution may be liable to the limited partnership for the amount of such distribution.

#### GOVERNING LAW

The Partnership Guarantee will be governed by and construed in accordance with the internal laws of the State of New York.

#### UNITED STATES FEDERAL INCOME TAXATION

In the opinion of Brown & Wood LLP, tax counsel to ML&Co., ML Trust and ML Partnership ("Tax Counsel"), the following summary accurately describes the material United States Federal income tax consequences that may be relevant to the purchase, ownership and disposition of the TOPrS. Unless otherwise stated, this summary deals only with the TOPrS held as capital assets by United States Persons who purchase the TOPrS upon original issuance. As used in this prospectus, a "United States Person" means a person that is a (1) citizen or resident of the United States, (2) a corporation or a partnership (including an entity treated as a corporation or partnership for United States Federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia (unless, in the case of a partnership, Treasury regulations are adopted that provide otherwise), (3) an estate whose income is subject to United States federal income tax regardless of its source, or (4) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (4) of the previous sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to such date, that elect to continue to be treated as United States persons will also be a United States Person. The tax treatment of a holder may vary depending on its particular situation.

This summary does not address all the tax consequences that may be relevant to holders who may be subject to special tax treatment, such as banks, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, tax-exempt investors, or foreign investors. This summary does not include any description of any alternative minimum tax consequences or the tax laws of any state or local government or of any foreign government that may be applicable to the TOPrS. This summary is based on the Internal Revenue Code of 1986 as amended (the "Code"), the Treasury regulations promulgated under the Code and administrative and judicial interpretations of the Code, as of the date of this prospectus, all of which are subject to change, possibly on a retroactive basis.

The TOPrS are not being marketed to persons that are not United States Persons ("non-United States Persons") and, consequently, the following discussion does not discuss the tax consequences that might be relevant to non-United States Persons. Moreover, in order to protect ML Trust and ML Partnership from potential adverse consequences, non-United States Persons will be subject to withholding on distributions on the TOPrS at a rate of 30%. In determining a holder's status, the United States entity otherwise required to withhold taxes may rely on an IRS form W-8, an IRS form W-9, or a holder's certification of its non-foreign status signed under penalty of perjury. Non-United States Persons should consult their tax advisors as to the specific United States Federal income tax consequences of the purchase, ownership, and disposition of TOPrS.

Tax Counsel has advised that there is no authority directly on point dealing with securities similar to the TOPrS or transactions of the type described in this prospectus and that the opinions of Tax Counsel are not binding on the IRS or the courts, either of which could take a contrary position. No rulings have been or will be sought from the IRS. Accordingly, there can be no assurance that the IRS will not challenge the opinions expressed in this tax section or that a court would not sustain a challenge to these opinions. Nevertheless, Tax Counsel has advised that it is of the view that, if challenged, the opinions expressed in this tax section would be sustained by a court with jurisdiction in a properly presented case.

Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the TOPrS, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in United States federal or other tax laws. For a discussion of the possible redemption of the TOPrS or redemption of the partnership preferred securities upon the occurrence of certain tax events see "Description of the TOPrS--Trust Special Event Redemption or Distribution" and "Description of the Partnership Preferred Securities--Partnership Special Event Redemption" respectively.

#### CLASSIFICATION OF ML TRUST

Tax Counsel is of the opinion that, under current law, and based on certain representations made by ML Trust as well as certain facts and assumptions with respect to the transaction described in this prospectus, ML Trust will be classified for United States Federal income tax purposes as a grantor trust and not as an association taxable as a corporation. Accordingly, for United States Federal income tax purposes, each holder of the TOPrS will be considered the owner of an undivided interest in the partnership preferred securities held by ML Trust. As a result of this treatment, each holder of the TOPrS will be required to include in its gross income its distributive share of income attributable to ML Partnership. This amount will generally be equal to a holder's allocable share of amounts accrued on the partnership preferred securities. No amount included in income with respect to the TOPrS will be eligible for the corporate dividends-received deduction.

#### CLASSIFICATION OF THE PARTNERSHIP

Tax Counsel is of the opinion that, under current law, and based on certain representations made by the ML Trust as well as certain facts and assumptions with respect to the transaction described in this prospectus, ML Partnership will be classified for United States Federal income tax purposes as a partnership and not as an association or publicly traded partnership taxable as a corporation.

Tax Counsel's opinion is based on certain factual assumptions relating to the organization and operation of ML Partnership and is conditioned upon certain representations made by ML&Co. as General Partner and ML Partnership as to factual matters, including the organization and the operation of ML Partnership and the type and frequency of investments made by ML Partnership.

ML&Co. as general partner has represented that it intends to operate ML Partnership in a manner that will enable ML Partnership to be classified as a partnership for all future taxable periods in which any partnership preferred securities remain outstanding. In particular, under the limited partnership agreement, the general partner cannot take any action that would cause ML Partnership to constitute a "publicly traded partnership" taxable as a corporation. Accordingly, it is expected that ML Partnership will continue to qualify as a partnership and, therefore, will not constitute a publicly traded partnership taxable as a corporation for all taxable years in which any partnership preferred securities remain outstanding.

#### CLASSIFICATION OF THE DEBENTURES

ML Partnership, ML&Co., the relevant Investment Affiliates and the holders of the Trust Securities (by acceptance of a beneficial interest in a Trust Security) will agree to treat the Debentures as indebtedness of the relevant issuer for all United States tax purposes. In connection with the issuance of the Debentures, Tax Counsel will issue its opinion that, under current law, and based on certain representations, facts and assumptions to be set forth in such opinion, the Debentures will be classified as indebtedness of the relevant issuer for United States Federal income tax purposes.

#### INCOME AND DEDUCTIONS

Because ML Trust will be classified as a grantor trust for United States federal income tax purposes, holders of TOPrS will be considered to own an undivided interest in the partnership preferred securities held by ML Trust. As a result of this treatment, a holder of TOPrS will be required to take into income their proportionate share of income attributable to ML Partnership. A holder's distributive share of income attributable to ML Partnership generally will be substantially equal to the amount of the cash distributions that accumulate with respect to the TOPrS. Accordingly, if quarterly distributions on the TOPrS are paid currently, the amount of income recognized by a holder during a taxable year generally will be substantially equal to the cash distributions received by the holder of the TOPrS.

The nature and timing of the income that is allocated to holders of the TOPrS will, however, depend on the United States Federal income tax characterization of the investments held by ML Partnership during the relevant

period. Because ML Partnership will be an accrual basis taxpayer for United States Federal income tax purposes, income will accrue on the TOPrS and will be allocated to holders of the TOPrS on a daily accrual basis, generally at a rate that is expected to be equal to (and that will not be greater than) the distribution rate on the TOPrS, regardless of the holders' method of accounting. Actual cash distributions on the TOPrS will not, however, be separately reported as taxable income to the holders at the time they are received.

If distributions on the partnership preferred securities are not made currently, the corresponding distributions on the TOPrS will not be made currently. Because ML Partnership is an accrual basis taxpayer it can be expected that during a period in which interest payments on the Debentures or distributions on ML Partnership preferred securities are deferred (for whatever reason), holders will generally recognize income in advance of their receipt of any cash distributions with respect to their TOPrS. The amount of income that will be allocated to holders of TOPrS during any such deferral period will equal their pro rata share of the amount of distributions accruing on the partnership preferred securities during the deferral period.

ML Partnership does not presently intend to make a Section 754 election. Accordingly, a subsequent purchaser of the TOPrS who does not purchase the TOPrS at initial issuance will not be permitted to adjust the tax basis in his allocable share of ML Partnership's assets so as to reflect any difference between his purchase price for the TOPrS and his share of ML Partnership's underlying tax basis in its assets. As a result, a holder of the TOPrS may be required to report a larger or smaller amount of income from holding the TOPrS than would otherwise be appropriate based upon the holder's purchase price for the TOPrS.

#### RECEIPT OF PARTNERSHIP PREFERRED SECURITIES UPON LIQUIDATION OF ML TRUST

Under certain circumstances, as described under the caption "Description of the TOPrS--Trust Special Event Redemption or Distribution", partnership preferred securities may be distributed to holders of The TOPrS in exchange for their TOPrS and in liquidation of ML Trust. Unless the liquidation of ML Trust occurs as a result of ML Trust being subject to United States Federal income tax with respect to income accrued or received on the partnership preferred securities, a distribution to holders under these circumstances would, for United States Federal income tax purposes, be treated as a nontaxable event to each holder. Each holder would receive an aggregate tax basis in the partnership preferred securities equal to the holder's aggregate tax basis in its TOPrS with a holding period in the partnership preferred securities so received in liquidation of ML Trust that would include the period during which the TOPrS were held. If, however, the liquidation of ML Trust were to occur because ML Trust is subject to United States Federal income tax with respect to income accrued or received on the partnership preferred securities, the distribution of partnership preferred securities to holders by ML Trust would likely be a taxable event to each holder, and a holder would recognize gain or loss as if the holder had exchanged its TOPrS for the partnership preferred securities it received upon the liquidation of ML Trust. Gain or loss to each holder would be equal to the difference between the holder's aggregate tax basis in its TOPrS surrendered in the exchange and the aggregate fair market value of the partnership preferred securities received in the exchange.

#### REDEMPTION OF TOPrS FOR CASH

Under certain circumstances, as described under the caption "Description of the TOPrS--Mandatory Redemption", "Description of the TOPrS--Trust Special Event Redemption or Distribution" and "Description of the Partnership Preferred Securities--Partnership Special Event Redemption", the General Partner may cause ML Partnership to redeem the partnership preferred securities for cash, in which event ML Trust shall simultaneously apply the cash received to redeem the TOPrS. Under current law, this redemption of the TOPrS would constitute, for United States Federal income tax purposes, a taxable disposition, and a holder would recognize gain or loss as if it sold the holder's proportionate interest in the redeemed partnership preferred securities for an amount of cash equal to the proceeds received upon redemption. See "--Disposition of TOPrS".

#### DISPOSITION OF TOPrS

A holder that sells TOPrS will recognize gain or loss equal to the difference between the amount realized on the sale of the TOPrS and the holder's adjusted tax basis in the TOPrS sold. Gain or loss to the seller will be a capital gain or loss and will be a long-term capital gain or loss if the TOPrS have been held for more than one year at the time of the sale. A holder will be required to include accumulated but unpaid distributions on the partnership preferred securities through the date of disposition in income as ordinary income, and to add this amount to the adjusted tax basis of its TOPrS.

A holder's tax basis in its TOPrS generally will equal

- o the amount paid by the holder for its TOPrS,
- o increased by the amount includible in income by the holder with respect to its TOPrS, and
- o reduced by the amount of cash or other property distributed to the holder with respect to its TOPrS.

A holder who acquires TOPrS at different prices may be required to maintain a single aggregate adjusted tax basis in all of his TOPrS and, upon sale or other disposition of some of his TOPrS, to allocate a pro rata portion of such aggregate tax basis to the TOPrS sold, rather than maintaining a separate tax basis in each TOPrS for purposes of computing gain or loss on a sale of that TOPrS.

OTHER PARTNERSHIP PROVISIONS

SECTION 708. Under Section 708 of the Code, ML Partnership will be deemed to terminate for United States Federal income tax purposes if 50% or more of the capital and profits interests in ML Trust are sold or exchanged within a 12-month period. Pursuant to final Treasury regulations issued on May 9, 1997, if a deemed termination under Section 708 were to occur, ML Partnership would be considered to have contributed its assets to a new partnership in return for partnership interests therein and then to have distributed those new partnership interests to the partners of the old partnership in liquidation thereof.

SECTION 701. The Department of Treasury has promulgated regulations under Section 701 of the Code that generally permit it to recast a transaction or disregard a partnership if a partnership is formed or availed of in connection with a transaction a principal purpose of which is to reduce substantially the present value of the partners' aggregate federal tax liability in a manner that is inconsistent with the intent of the partnership provisions of the Code or to treat a partnership as an aggregate of its partners as appropriate to carry out the purpose of any provision of the Code or the Treasury regulations thereunder. ML Partnership has been formed for, and will engage in, activities typical for partnerships. Although there is no precedent that applies to the transactions contemplated herein, Tax Counsel believes that ML Partnership is not of the type intended to fall within the scope of these regulations.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Income on the TOPrS will be reported to holders on an IRS Form 1099, which form should be mailed to holders of TOPrS by January 31 following each calendar year. Payments made on and proceeds from the sale of TOPrS may be subject to a "back-up" withholding tax of 31% unless the holder complies with certain identification requirements. Any withheld amount generally will be allowed as a credit against the holder's United States Federal income tax, provided the required information is timely filed with the IRS.

NEW WITHHOLDING REGULATIONS

On October 6, 1997, the Treasury Department issued new regulations (the "New Regulations") which make certain modifications to the back-up withholding and information reporting rules described above. The New Regulations attempt to unify certification requirements and modify reliance standards. The New Regulations will generally be effective for payments made after December 31, 1999, subject to certain transition rules. Prospective investors are urged to consult their own tax advisors regarding the New Regulations.

UNDERWRITING

Subject to the terms and conditions set forth in a purchase agreement, ML Trust has agreed to sell to each of the underwriters named below, and each of the underwriters, for whom MLPF&S and are acting as representatives, has severally agreed to purchase the number of TOPrS set forth opposite its name below. In the purchase agreement, the several underwriters have agreed, subject to the terms and conditions set forth therein, to purchase all the TOPrS offered by this prospectus if any of the TOPrS are purchased. In the event of default by an underwriter, the purchase agreement provides that, in certain circumstances, the purchase commitments of the non-defaulting underwriters may be increased or the purchase agreement may be terminated.

	Number of Trust
Underwriters	Preferred Securities

Merrill Lynch, Pierce, Fenner & Smith Incorporated.....		_____
--	--	-------

Total		=====
-------	--	-------

#### COMMISSION AND DISCOUNTS

The underwriters propose to offer the TOPrS to the public at the public offering price set forth on the cover page of this prospectus, and, to certain dealers at that price less a concession not in excess of \$ per TOPrS; provided, that the concession for sales of 10,000 or more TOPrS to any single purchaser will be \$ per TOPrS. The underwriters may allow, and such dealers may reallow, a discount not in excess of \$ per TOPrS to certain brokers and dealers. After the TOPrS are released for sale to the public, the offering price, concession and discount may be changed. Proceeds to be received by ML&Co. will be net of the underwriting discount and expenses payable by ML&Co.

In view of the fact that the proceeds of the sale of the TOPrS will ultimately be used to purchase the investment instruments of ML&Co. and its subsidiaries, the purchase agreement provides that ML&Co. will pay as compensation to the underwriters, an amount in immediately available funds of \$ per TOPrS (or \$ in the aggregate) for the accounts of the several underwriters; provided that, such compensation for sales of 10,000 or more TOPrS to any single purchaser will be \$ per TOPrS. Therefore, to the extent of any sales, the actual amount of underwriters' compensation will be less than the aggregate amount specified in the preceding sentence.

#### LISTING

Application will be made to list the TOPrS on the NYSE. Trading of the TOPrS on the NYSE is expected to commence within a 30-day period after the initial delivery of the TOPrS. The representatives have advised ML Trust that they intend to make a market in the TOPrS prior to the commencement of trading on the NYSE. The representatives will have no obligation to make a market in the TOPrS, however, and may cease market making activities, if commenced, at any time.

Before this offering there has been no public market for the TOPrS. In order to meet one of the requirements for listing the TOPrS on the NYSE, the underwriters will undertake to sell lots of 100 or more TOPrS to a minimum of 400 beneficial holders, that there will be at least one million units of TOPrS outstanding and that the TOPrS will have a minimum market value of \$4,000,000.

#### PRICE STABILIZATION, SHORT POSITIONS AND PENALTY BIDS

In connection with the offering, the underwriters are permitted to engage in certain transactions that stabilize the market price of the TOPrS. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the market price of the TOPrS. If an underwriter creates a short position in the TOPrS in connection with the offering, i.e., if it sells more TOPrS than are set forth on the cover page of this prospectus, the underwriter may reduce that short position by purchasing TOPrS in the open market. In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.

The underwriters may also impose a penalty bid on certain underwriters and selling group members. This means that if an underwriter purchases TOPrS in the open market to reduce the underwriter's short position or to stabilize the price of the TOPrS, they may reclaim the amount of the selling concession from the underwriters and selling group members who sold those TOPrS as part of the offering. The imposition of a penalty bid might have an effect on the price of a security to the extent that it were to discourage resales of the security.

Neither ML&Co. nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the TOPrS. In addition, neither ML&Co. nor any of the underwriters makes any representation that the underwriters will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

#### MISCELLANEOUS

ML Trust, ML&Co., and ML Partnership have agreed to indemnify the underwriters against, or contribute to payments that the underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act.

Because MLPF&S, one of the underwriters in the offering, is an affiliate of ML&Co. and a member of the National Association of Securities Dealers, Inc., the offering of TOPrS will be conducted pursuant to the applicable sections of Rule 2810 of the Conduct Rules of the NASD. The underwriters may not confirm sales to any discretionary account without the prior specific written approval of the customer.

Certain of the underwriters and their affiliates engage in transactions with, and perform services for, ML&Co. in the ordinary course of business and have engaged, and may in the future engage, in commercial banking and investment banking transactions with ML&Co. MLPF&S may use this prospectus for offers and sales related to market-making transactions in the TOPrS. MLPF&S may act as principal or agent in these transactions, and the sales will be made at prices related to prevailing market prices at the time of sale.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the TOPrS and other securities. For further information on ML&Co. and the TOPrS, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### LEGAL MATTERS

Certain matters of Delaware law relating to the legality of the TOPrS, the

validity of ML Trust Agreement, the formation of ML Trust and ML Partnership and the legality under state law of the TOPrS and the partnership preferred securities are being passed upon by Skadden, Arps, Slate, Meagher & Flom (Delaware), special Delaware counsel to ML Trust, the Partnership and ML&Co.. The legality under state law of The Trust Guarantee, the Partnership Guarantee, the ML&Co. Debenture and the Investment Guarantees with respect to the Affiliate Debentures will be passed upon on behalf of ML Trust, ML Partnership and ML&Co. by Brown & Wood LLP, New York, New York. The validity of the TOPrS, the partnership preferred securities and the Trust Guarantee and the Partnership Guarantee will be passed upon on behalf of the underwriters by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, counsel to the underwriters.

EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing. The balance sheets of Merrill Lynch Preferred Funding VI, L.P. and Merrill Lynch Preferred Capital Trust VI as of December 25, 1998 included in this prospectus have also been audited by Deloitte & Touche LLP and have been included in reliance upon such reports of Deloitte & Touche LLP given upon their authority as experts in accounting and auditing.

INDEX OF DEFINED TERMS

DEFINED TERMS	PAGE NO.
- - - - -	- - - - -
Affiliate Debentures.....	
Affiliate Investment Instruments.....	
Business Day.....	
Change in Investment Company Act Law.....	
Code.....	
Eligible Institution.....	
Finance Subsidiary.....	
Investment Affiliate.....	
Investment Company Act.....	
Investment Guarantee.....	
ML&Co.....	
ML&Co. Debenture.....	
ML Partnership.....	
MLPF&S.....	
Moody's.....	
Partnership Enforcement Event.....	
Partnership Guarantee.....	
Partnership Guarantee Payments.....	
Partnership Investment Company Event.....	
Partnership Special Event.....	
Partnership Tax Event.....	
Rights Agreement.....	
S&P.....	
Special Event.....	
Tax Action.....	
Tax Counsel.....	
TOPrS.....	
Trust Enforcement Event.....	
Trust Guarantee.....	
Trust Guarantee Payments.....	
Trust Investment Company Event.....	
Trust Securities.....	
Trust Special Event.....	
Trust Tax Event.....	
United States Person.....	

INDEX TO FINANCIAL STATEMENTS

PAGE NO.
- - - - -

Independent Auditors' Report.....	F-2
Balance Sheet.....	F-3
Note to Balance Sheet.....	F-3

MERRILL LYNCH PREFERRED CAPITAL TRUST VI

Independent Auditors' Report.....	F-4
Balance Sheet.....	F-5
Note to Balance Sheet.....	F-5

INDEPENDENT AUDITORS' REPORT

To the General Partner and Initial Limited Partner of  
Merrill Lynch Preferred Funding VI, L.P.

We have audited the accompanying balance sheet of Merrill Lynch Preferred Funding VI, L.P. (the "Partnership") as of December 25, 1998. This balance sheet is the responsibility of the Partnership's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit of the balance sheet provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of the Partnership as of December 25, 1998, in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP  
New York, New York

January 28, 1999

BALANCE SHEET  
OF MERRILL LYNCH PREFERRED FUNDING VI, L.P.

December 25, 1998

Assets.....	\$ --
	=====
Partnership Securities	
Limited partner interest.....	\$ 85
General partner interest.....	15
	100
Less: Receivables from partners for subscribed partnership interests...	(100)
	=====
	\$ --
	=====

NOTE TO BALANCE SHEET OF MERRILL LYNCH PREFERRED FUNDING VI, L.P.

Merrill Lynch Preferred Funding VI, L.P. (the "Partnership") is a limited partnership that was formed under the Delaware Revised Uniform Limited Partnership Act on December 7, 1998 for the exclusive purposes of purchasing certain eligible debt instruments of Merrill Lynch & Co., Inc. ("ML&Co.") and wholly owned subsidiaries of ML&Co. (the "Affiliate Investment Instruments") with the proceeds from the sale of Partnership Preferred Securities (the "Partnership Preferred Securities") to Merrill Lynch Preferred Capital Trust VI (the "Trust") and a capital contribution from ML&Co. in exchange for the general partnership interest in the Partnership (collectively, the "Partnership Proceeds").



The Partnership Preferred Securities will be redeemable for cash, at the option of the Partnership, in whole or in part, from time to time, after a certain date to be determined. Except as provided in the Limited Partnership Agreement and Partnership Preferred Securities Guarantee Agreement, and as otherwise provided by law, the holders of the Partnership Preferred Securities will have no voting rights.

The Partnership Proceeds will be used initially to purchase debt instruments from ML&Co. and certain domestic wholly owned subsidiaries of ML&Co., retaining 1% in unaffiliated debt securities. The Partnership shall have a perpetual existence subject to certain termination events. ML&Co. serves as the sole general partner of the Partnership. ML&Co., in its capacity as General Partner of the Partnership, has agreed to pay all fees and expenses related to the organization and operations of the Partnership (including any taxes, duties, assessments or government charges of whatever nature (other than withholding taxes) imposed by the United States or any other domestic taxing authority upon the Partnership) and the offering of the Partnership Preferred Securities and be responsible for all debts and other obligations of the Partnership (other than with respect to the Partnership Preferred Securities). The General Partner has agreed to indemnify certain officers and agents of the Partnership.

INDEPENDENT AUDITORS' REPORT

To the Trustees of

Merrill Lynch Preferred Capital Trust VI

We have audited the accompanying balance sheet of Merrill Lynch Preferred Capital Trust VI (the "Trust") as of December 25, 1998. This balance sheet is the responsibility of the Trust's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit of the balance sheet provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of the Trust as of December 25, 1998, in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP  
New York, New York

January 28, 1999

BALANCE SHEET OF  
MERRILL LYNCH PREFERRED CAPITAL TRUST VI

December 25, 1998

Assets.....	\$ 0
	----
Trust securities.....	\$ 0
	----

NOTE TO BALANCE SHEET OF MERRILL LYNCH PREFERRED CAPITAL TRUST VI

Merrill Lynch Preferred Capital Trust VI (the "Trust") is a statutory business trust formed on December 7, 1998 under the laws of the State of Delaware for the exclusive purposes of (i) issuing the Trust Originated Preferred Securities (the "TOPrS") and the common securities (together with the TOPrS, the "Trust Securities") representing undivided beneficial ownership interests in the assets of the Trust, (ii) purchasing Partnership Preferred Securities (the "Partnership Preferred Securities") representing the limited

partnership interests of Merrill Lynch Preferred Funding VI, L.P. (the "Partnership") with the proceeds from the sale of the Trust Securities, and (iii) engaging in only those other activities necessary or incidental thereto. The Trust has a perpetual existence, subject to certain termination events as provided in the Declaration of Trust under which it was formed. Subsequent to December 25, 1998, the Trust intends to issue and sell its TOPrS in a public offering and to issue and sell its common securities to Merrill Lynch & Co., Inc. ("ML&Co"). No TOPrS have been issued as of December 25, 1998.

The proceeds from the Trust's sale of the Trust Securities will be used to purchase the Partnership Preferred Securities from the Partnership. The Partnership Preferred Securities will be redeemable for cash, at the option of the Partnership, in whole or in part, from time to time, after a certain date to be determined. Upon any redemption of the Partnership Preferred Securities, the TOPrS will be redeemed, in whole or in part, as applicable. Holders of the TOPrS will have limited voting rights and will not be entitled to vote to appoint, remove or replace, or to increase or decrease the number of, trustees, which voting rights are vested exclusively in the holder of the common securities.

ML&Co. will be obligated to pay compensation to the underwriters of the offering of the TOPrS. ML&Co. will pay all fees and expenses related to the organization and operations of the Trust (including any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other domestic taxing authority upon the Trust) and the offering of the TOPrS and be responsible for all debts and other obligations of the Trust (other than the Trust Securities). ML&Co. has also agreed to indemnify the Trustees and certain other persons.

=====  
[LOGO]

Merrill Lynch Preferred Capital Trust VI  
% Trust Originated Preferred Securities  
"TOPrS"  
Liquidation Amount \$25 per TOPrS  
guaranteed to the extent described in this prospectus by  
Merrill Lynch & Co., Inc.

-----  
PROSPECTUS  
-----

Merrill Lynch & Co.  
, 199

=====  
Information contained in this prospectus supplement is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus supplement and the accompanying prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated March 29, 1999

PROSPECTUS SUPPLEMENT  
-----

§  
[LOGO]

MERRILL LYNCH & CO., INC.  
MEDIUM-TERM NOTES, SERIES B  
DUE NINE MONTHS OR MORE FROM DATE OF ISSUE

THE NOTES:

- o We will offer notes from time to time and specify the terms and conditions of each issue of notes in a pricing supplement.
- o The notes will be senior unsecured debt securities of ML&Co.
- o The notes will have stated maturities of nine months or more from the date they are originally issued.
- o We will pay amounts due on the notes in U.S. dollars or any other consideration described in the applicable pricing supplement.
- o The notes may bear interest at fixed or floating rates or may not bear any interest. If the notes bear interest at a floating rate, the floating rate may be based on one or more indices or formulas plus or minus a fixed amount or multiplied by a factor.
- o We will specify whether the notes can be redeemed or repaid before their maturity and whether they are subject to mandatory redemption, redemption at the option of ML&Co. or repayment at the option of the holder of the notes.

INVESTING IN THE NOTES INVOLVES CERTAIN RISKS.  
SEE "RISK FACTORS" ON PAGE S-3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

<TABLE>  
<CAPTION>

to	Public Offering Price	Agent's Discounts And Commissions	Proceeds, before expenses, Merrill Lynch & Co.,
Inc.	-----	-----	-----
----	<C>	<C>	<C>
Per note.....	100%	.05%-.60%	99.95%-99.40%
Total(1).....	\$ _00,000,000	\$ - \$	\$ - \$

(1) Or the equivalent in one or more foreign or composite currencies.

We may sell notes to the agent referred to below as principal for resale at varying or fixed offering prices or through the agent as agent using its reasonable efforts on our behalf. We may also sell notes without the assistance of the agent, whether acting as principal or as agent.

If we sell other securities referred to in the accompanying prospectus, the amount of notes that we may offer and sell under this prospectus supplement may be reduced.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus supplement is , 1999.

TABLE OF CONTENTS  
PROSPECTUS SUPPLEMENT

	PAGE
	----
Risk Factors.....	S-3
Description of the Notes.....	S-5

United States Federal Income Taxation.....	S-25
Plan of Distribution.....	S-32
Validity of the Notes.....	S-33

PROSPECTUS

PAGE  
----

Merrill Lynch & Co., Inc.....	
Use of Proceeds.....	
Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.....	
The Securities.....	
Description of Debt Securities.....	
Description of Debt Warrants.....	
Description of Currency Warrants.....	
Description of Index Warrants.....	
Description of Preferred Stock.....	
Description of Depositary Shares.....	
Description of Preferred Stock Warrants.....	
Description of Common Stock.....	
Description of Common Stock Warrants.....	
Plan of Distribution.....	
Where You Can Find More Information.....	
Incorporation of Information We File With the SEC.....	
Experts.....	

References in this prospectus supplement to "ML&Co.", "we", "us" and "our" are to Merrill Lynch & Co., Inc.

References in this prospectus supplement to "MLPF&S" are to the agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

RISK FACTORS

Your investment in the notes involves certain risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the following discussion of risks before deciding whether an investment in the notes is suitable for you. The notes are not an appropriate investment for you if you are unsophisticated with respect to the significant components of their relationships.

STRUCTURE RISKS OF NOTES INDEXED TO INTEREST RATE, CURRENCY OR OTHER INDICES OR FORMULAS

If you invest in notes indexed to one or more interest rate, currency or other indices or formulas, there will be significant risks not associated with a conventional fixed rate or floating rate debt security. These risks include fluctuation of the indices or formulas and the possibility that you will receive a lower, or no, amount of principal, premium or interest and at different times than you expected. We have no control over a number of matters, including economic, financial and political events, that are important in determining the existence, magnitude and longevity of these risks and their results. In addition, if an index or formula used to determine any amounts payable in respect of the notes contains a multiplier or leverage factor, the effect of any change in that index or formula will be magnified. In recent years, values of certain indices and formulas have been volatile and volatility in those and other indices and formulas may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future.

REDEMPTION MAY ADVERSELY AFFECT YOUR RETURN ON THE NOTES

If your notes are redeemable at our option or are otherwise subject to mandatory redemption, we may, in the case of optional redemption, or must, in the case of mandatory redemption, choose to redeem your notes at times when prevailing interest rates may be relatively low. Accordingly, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

THERE MAY BE AN UNCERTAIN TRADING MARKET FOR YOUR NOTES; MANY FACTORS AFFECT THE TRADING VALUE OF YOUR NOTES

We cannot assure you a trading market for your notes will ever develop or be maintained. Many factors independent of our creditworthiness may affect the trading market of your notes. These factors include:

- o the complexity and volatility of the index or formula applicable to the notes,
- o the method of calculating the principal, premium and interest in respect of the notes,
- o the time remaining to the maturity of the notes,

- o the outstanding amount of the notes,
- o the redemption features of the notes,
- o the amount of other securities linked to the index or formula applicable to the notes, and
- o the level, direction and volatility of market interest rates generally.

In addition, because some notes were designed for specific investment objectives or strategies, these notes will have a more limited trading market and experience more price volatility. There may be a limited number of buyers for these notes. This may affect the price you receive for these notes or your ability to sell these notes at all. You should not purchase notes unless you understand and know you can bear the related investment risks.

#### OUR CREDIT RATINGS MAY NOT REFLECT ALL RISKS OF AN INVESTMENT IN THE NOTES

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of your notes. Our credit ratings, however, may not reflect the potential impact of risks related to structure, market or other factors discussed above on the value of your notes.

#### DESCRIPTION OF THE NOTES

The notes will be issued as a series of debt securities under a senior indenture, dated as of October 1, 1993, as amended (the "1993 Indenture"), between ML&Co. and The Chase Manhattan Bank, as trustee. The term "senior debt securities," as used in this prospectus supplement, refers to all securities issued and issuable from time to time under ML&Co.'s senior indentures and includes the notes. The senior debt securities and ML&Co.'s senior indentures are more fully described in the accompanying prospectus. The following summary of the material provisions of the notes and of the 1993 Indenture is not complete and is qualified in its entirety by reference to the 1993 Indenture, a copy of which has been filed as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus are a part.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. Neither we nor MLPF&S has authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor MLPF&S is making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement is accurate only as of the date on the front cover of the applicable pricing supplement.

The following description of notes will apply unless otherwise specified in an applicable pricing supplement.

#### TERMS OF THE NOTES

All senior debt securities, including the notes, issued and to be issued under ML&Co.'s senior indentures will be unsecured general obligations of ML&Co. and will rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. from time to time outstanding. Because ML&Co. is a holding company, the right of ML&Co. and its creditors, including the holders of the notes, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of that subsidiary, except to the extent that a bankruptcy court may recognize the claims of ML&Co. itself as a creditor of that subsidiary. In addition, dividends, loans and advances to ML&Co. from certain subsidiaries, including MLPF&S, are restricted by net capital requirements under the Securities Exchange Act of 1934, as amended, and under rules of certain exchanges and other regulatory bodies.

ML&Co.'s senior indentures do not limit the aggregate principal amount of senior debt securities which ML&Co. may issue. ML&Co. may issue its senior debt securities from time to time as a single series or in two or more separate series up to the aggregate principal amount from time to time authorized by ML&Co. for each series. ML&Co. may, from time to time, without the consent of the holders of the notes, provide for the issuance of notes or other senior debt securities under its senior indentures in addition to the \$ aggregate principal amount of notes offered by this prospectus supplement. As of December 25, 1998, ML&Co. had \$ billion aggregate principal amount of notes issued and outstanding. The aggregate principal amount of notes which may be offered and sold by this

prospectus supplement may be reduced by the sale by ML&Co. of other securities under the registration statement of which this prospectus supplement and the accompanying prospectus are a part.

The notes will be offered on a continuing basis and will mature on a day nine months or more from the date of issue, as selected by the purchaser and agreed to by ML&Co. Interest-bearing notes will bear interest at either fixed or floating rates as specified in the applicable pricing supplement. Notes may be issued at significant discounts from their principal amount payable at stated maturity, or on any date before the stated maturity date on which the principal or an installment of principal of a note becomes due and payable, whether by the declaration of acceleration, call for redemption at the option of ML&Co., repayment at the option of the holder or otherwise (the stated maturity date or such prior date, as the case may be, is referred to as, a "Maturity"). Some notes may not bear interest.

Unless otherwise indicated in a note and in the applicable pricing supplement, the notes will be denominated in United States dollars and ML&Co. will make payments of principal of, and premium, if any, and interest on, the notes in United States dollars.

Interest rates, interest rate formulae and other variable terms of the notes are subject to change by ML&Co. from time to time, but no change will affect any note already issued or as to which ML&Co. has accepted an offer to purchase.

Each note will be issued in fully registered book-entry form or certificated form, in denominations of \$1,000 and integral multiples of \$1,000, unless otherwise specified in the applicable pricing supplement. Notes in book-entry form may be transferred or exchanged only through a participating member of The Depository Trust Company, also known as DTC, or any other depository as is identified in an applicable pricing supplement. See "-Book-Entry Notes". Registration of transfer of notes in certificated form will be made at the corporate trust office of the trustee. There will be no service charge for any registration of transfer or exchange of notes, but ML&Co. may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with any transfer or exchange, other than exchanges pursuant to the 1993 Indenture not involving any transfer.

ML&Co. will make payments of principal of, and premium and interest, if any, on notes in book-entry form through the trustee to the depository or its nominee. See "Notes in Book-Entry Form". Unless otherwise specified in the applicable pricing supplement, a beneficial owner of notes in book-entry form that are denominated in a currency other than United States dollars (a "Specified Currency") electing to receive payments of principal or any premium or interest in that Specified Currency must notify the participant of DTC through which its interest is held on or before the applicable regular record date, in the case of a payment of interest, and on or before the sixteenth day, whether or not a Business Day, as defined below, before its stated maturity, in the case of principal or premium, of the beneficial owner's election to receive all or a portion of any payment in a Specified Currency. The participant must notify the depository of any election on or before the third Business Day after the regular record date. The depository will notify the paying agent of the election on or before the fifth Business Day after the regular record date. If complete instructions are received by the participant and forwarded to the depository, and forwarded by the depository to the paying agent, on or before the relevant dates, the beneficial owner of the notes in book-entry form will receive payments in the Specified Currency.

In the case of notes in certificated form, ML&Co. will make payment of principal or premium, if any, at the Maturity of each note in immediately available funds upon presentation of the note and, in the case of any repayment on an optional repayment date, upon submission of a duly completed election form if and as required by the provisions described below, at the corporate trust office of the trustee in the Borough of Manhattan, The City of New York, or at any other place as ML&Co. may designate. Payment of interest due at Maturity will be made to the person to whom payment of the principal of the note in certificated form will be made. Payment of interest due on notes in certificated form other than at Maturity will be made at the corporate trust office of the trustee or, at the option of ML&Co., may be made by check mailed to the address of the person entitled to receive payment as the address shall appear in the security register. Notwithstanding the immediately preceding sentence, a holder of \$1,000,000 or more in aggregate principal amount of notes in certificated form, whether having identical or different terms and provisions, having the same interest payment dates will, at the option of ML&Co., be entitled to receive interest payments, other than at Maturity, by wire transfer of immediately available funds if appropriate wire transfer instructions have been received in writing by the trustee not less than 15 days prior to the applicable interest payment date. Any wire instructions received by the trustee shall remain in effect until revoked by the holder.

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or

required by law, regulation or executive order to close in The City of New York; provided, however, that, with respect to non-United States dollar-denominated notes, the day is also not a day on which commercial banks are authorized or required by law, regulation or executive order to close in the Principal Financial Center, as defined below, of the country issuing the Specified Currency or, if the Specified Currency is Euro, the day is also a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System is open; provided, further, that, with respect to notes as to which LIBOR is an applicable Interest Rate Basis, the day is also a London Business Day. "London Business Day" means a day on which commercial banks are open for business, including dealings in the Index Currency, as defined below, in London.

"Principal Financial Center" means, unless otherwise specified in the applicable pricing supplement,

- (1) the capital city of the country issuing the Specified Currency, except that with respect to United States dollars, Australian dollars, Canadian dollars, Deutsche marks, Dutch guilders, South African rand and Swiss francs, the "Principal Financial Center" will be The City of New York, Sydney and Melbourne, Toronto, Frankfurt, Amsterdam, Johannesburg and Zurich, respectively, or
- (2) the capital city of the country to which the LIBOR Currency relates, except that with respect to United States dollars, Canadian dollars, Deutsche marks, Dutch guilders, Portuguese escudos, South African rand and Swiss francs, the "Principal Financial Center" will be The City of New York, Toronto, Frankfurt, Amsterdam, London, Johannesburg and Zurich, respectively.

#### TRANSACTION AMOUNT

Interest rates offered by ML&Co. with respect to the notes may differ depending upon, among other things, the aggregate principal amount of notes purchased in any transaction. ML&Co. may offer notes with similar variable terms but different interest rates concurrently at any time. ML&Co. may also concurrently offer notes having different variable terms to different investors.

#### REDEMPTION AT THE OPTION OF ML&CO.

The notes will not be subject to any sinking fund. ML&Co. may redeem the notes at its option prior to their stated maturity only if an initial redemption date is specified in the applicable notes and in the applicable pricing supplement. If so indicated in the applicable pricing supplement, ML&Co. may redeem the notes at its option on any date on and after the applicable initial redemption date specified in the applicable pricing supplement. On and after the initial redemption date, if any, ML&Co. may redeem the related note at any time in whole or from time to time in part at its option at the applicable redemption price referred to below together with interest on the principal of the applicable note payable to the redemption date, on notice given, unless otherwise specified in the applicable pricing supplement, not more than 60 nor less than 30 days before the redemption date. ML&Co. will redeem the notes in increments of \$1,000, provided that any remaining principal amount will be an authorized denomination of the applicable note. Unless otherwise specified in the applicable pricing supplement, the redemption price with respect to a note will initially mean a percentage, the initial redemption percentage, of the principal amount of the note to be redeemed specified in the applicable pricing supplement and shall decline at each anniversary of the initial redemption date by a percentage specified in the applicable pricing supplement, of the principal amount to be redeemed until the redemption price is 100% of the principal amount.

#### REPAYMENT AT THE OPTION OF THE HOLDER

If so indicated in an applicable pricing supplement, ML&Co. will repay the notes in whole or in part at the option of the holders of the notes on any optional repayment date specified in the applicable pricing supplement. If no optional repayment date is indicated with respect to a note, it will not be repayable at the option of the holder before its stated maturity. Any repayment in part will be in an amount equal to \$1,000 or integral multiples of \$1,000, provided that any remaining principal amount will be an authorized denomination of the applicable note. The repurchase price for any note so repurchased will be 100% of the principal amount to be repaid, together with interest on the principal of the applicable note payable to the date of repayment. For any note to be repaid, the trustee must receive, at its office maintained for such purpose in the Borough of Manhattan, The City of New York, currently the corporate trust office of the trustee, not more than 60 nor less than 30 days before the optional repayment date:

- o in the case of a note in certificated form, the note and the form entitled "Option to Elect Repayment" duly completed, or

- o in the case of a note in book-entry form, instructions to that effect from the applicable beneficial owner of the notes to the depository and forwarded by the depository.

Notices of elections from a holder to exercise the repayment option must be received by the trustee by 5:00 p.m., New York City time, on the last day for giving such notice. Exercise of the repayment option by the holder of a note will be irrevocable.

Only the depository may exercise the repayment option in respect of global securities representing notes in book-entry form. Accordingly, beneficial owners of global securities that desire to have all or any portion of the notes in book-entry form represented by global securities repaid must instruct the participant through which they own their interest to direct the depository to exercise the repayment option on their behalf by forwarding the repayment instructions to the trustee as discussed above. In order to ensure that the instructions are received by the trustee on a particular day, the applicable beneficial owner must so instruct the participant through which it owns its interest before that participant's deadline for accepting instructions for that day. Different firms may have different deadlines for accepting instructions from their customers. Accordingly, beneficial owners of notes in book-entry form should consult the participants through which they own their interest for the respective deadlines. All instructions given to participants from beneficial owners of notes in book-entry form relating to the option to elect repayment will be irrevocable. In addition, at the time instructions are given, each beneficial owner will cause the participant through which it owns its interest to transfer its interest in the global security or securities representing the related notes in book-entry form, on the depository's records, to the trustee. See "-Book-Entry Notes".

If applicable, ML&Co. will comply with the requirements of Section 14(e) of the Exchange Act and the rules promulgated thereunder and any other securities laws or regulations in connection with any repayment at the option of the holder.

ML&Co. may at any time purchase notes at any price or prices in the open market or otherwise. Notes so purchased by ML&Co. may, at the discretion of ML&Co., be held, resold or surrendered to the trustee for cancellation.

#### INTEREST

Each note will bear interest from the date of issue at the rate per annum or, in the case of a floating rate note, pursuant to the interest rate formula stated in the applicable note and in the applicable pricing supplement until the principal of the note is paid or made available for payment. Interest will be payable in arrears on each interest payment date specified in the applicable pricing supplement on which an installment of interest is due and payable and at Maturity. The first payment of interest on any note originally issued between a regular record date and the related interest payment date will be made on the interest payment date immediately following the next succeeding regular record date to the registered holder on the next succeeding regular record date. The regular record date will be the fifteenth calendar day, whether or not a Business Day, immediately preceding the related interest payment date.

#### FIXED RATE NOTES

Unless otherwise specified in an applicable pricing supplement, each fixed rate note will bear interest from, and including, the date of issue, at the rate per annum stated on the face of the note until the principal amount of the note is paid or made available for payment. Interest payments on fixed rate notes will equal the amount of interest accrued from and including the immediately preceding interest payment date in respect of which interest has been paid or from and including the date of issue, if no interest has been paid with respect to the applicable fixed rate notes, to, but excluding, the related interest payment date or Maturity, as the case may be. Unless otherwise specified in the applicable pricing supplement, interest on fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months.

Unless otherwise specified in the applicable pricing supplement, interest on fixed rate notes will be payable semiannually on May 15 and November 15 of each year and at Maturity. If any interest payment date or the Maturity of a fixed rate note falls on a day that is not a Business Day, the related payment of principal, premium, if any, or interest will be made on the next succeeding Business Day as if made on the date the applicable payment was due, and no interest will accrue on the amount payable for the period from and after the interest payment date or Maturity, as the case may be.

#### FLOATING RATE NOTES

Interest on floating rate notes will be determined by reference to the applicable Interest Rate Basis or Interest Rate Bases, which may be one or more of:



- o the CD Rate,
- o the CMT Rate,
- o the Commercial Paper Rate,
- o the Eleventh District Cost of Funds Rate,
- o the Federal Funds Rate,
- o LIBOR,
- o the Prime Rate,
- o the Treasury Rate, or
- o any other Interest Rate Basis or interest rate formula that is specified in the applicable pricing supplement.

A floating rate note may bear interest with respect to two or more Interest Rate Bases.

TERMS. Each applicable pricing supplement will specify the terms of the floating rate note being delivered, including:

- o whether the floating rate note is
  - o a "Regular Floating Rate Note",
  - o a "Inverse Floating Rate Note" or
  - o a "Floating Rate/Fixed Rate Note",
- o the Interest Rate Basis or Bases,
- o the Initial Interest Rate,
- o the Interest Reset Dates,
- o the interest payment dates,
- o the period to maturity of the instrument or obligation with respect to which the Interest Rate Basis or Bases will be calculated (the "Index Maturity"),
- o the Maximum Interest Rate and Minimum Interest Rate, if any,
- o the number of basis points to be added to or subtracted from the related Interest Rate Basis or Bases (the "Spread"),
- o the percentage of the related Interest Rate Basis or Bases by which the Interest Rate Basis or Bases will be multiplied to determine the applicable interest rate (the "Spread Multiplier"),
- o if one or more of the specified Interest Rate Bases is LIBOR, the LIBOR Currency, the Index Maturity and the Designated LIBOR Page, and
- o if one or more of the specified Interest Rate Bases is the CMT Rate, the Designated CMT Telerate Page and Designated CMT Maturity Index.

The interest rate borne by the floating rate Notes will be determined as follows:

Regular Floating Rate Notes. Unless a floating rate note is designated as a Floating Rate/Fixed Rate Note, an Inverse Floating Rate Note or as having an Addendum attached or as having "Other Provisions" apply relating to a different interest rate formula, it will be a "Regular Floating Rate Note" and, except as described below or in an applicable pricing supplement, will bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases:

- o plus or minus the applicable Spread, if any, and/or
- o multiplied by the applicable Spread Multiplier, if any.

Commencing on the first Interest Reset Date, the rate at which interest on the Regular Floating Rate Note will be payable will be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period from the date of issue to the first Interest Reset Date will be the Initial Interest Rate.

Floating Rate/Fixed Rate Notes. If a floating rate note is designated as a "Floating Rate/Fixed Rate Note", it will bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases:

- o plus or minus the applicable Spread, if any, and/or

- o multiplied by the applicable Spread Multiplier, if any.

Commencing on the first Interest Reset Date, the rate at which interest on the applicable Floating Rate/Fixed Rate Note will be payable will be reset as of each Interest Reset Date; provided, however, that:

- o the interest rate in effect for the period from the date of issue to the first Interest Reset Date will be the Initial Interest Rate, and
- o the interest rate in effect commencing on, and including, the date on which interest begins to accrue on a fixed rate basis to Maturity will be the Fixed Interest Rate, if the rate is specified in the applicable pricing supplement, or if no Fixed Interest Rate is specified, the interest rate in effect on the Floating Rate/Fixed Rate Note on the day immediately preceding the date on which interest begins to accrue on a fixed rate basis.

Inverse Floating Rate Notes. If a floating rate note is designated as an "Inverse Floating Rate Note", except as described below, it will bear interest equal to the Fixed Interest Rate specified in the related pricing supplement minus the rate determined by reference to the applicable Interest Rate Basis or Bases:

- o plus or minus the applicable Spread, if any, and/or
- o multiplied by the applicable Spread Multiplier, if any;

provided, however, that unless otherwise specified in the applicable pricing supplement, the interest rate on the applicable Inverse Floating Rate Note will not be less than zero percent. Commencing on the first Interest Reset Date, the rate at which interest on the applicable Inverse Floating Rate Note is payable will be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period from the date of issue to the first Interest Reset Date will be the Initial Interest Rate.

Each Interest Rate Basis shall be the rate determined in accordance with the applicable provisions below. Except as set forth above, the interest rate in effect on each day will be:

- o if the day is an Interest Reset Date, the interest rate determined as of the Interest Determination Date (as defined below) immediately preceding the applicable Interest Reset Date or
- o if the day is not an Interest Reset Date, the interest rate determined as of the Interest Determination Date immediately preceding the applicable Interest Reset Date.

Interest Reset Dates. The applicable pricing supplement will specify the dates on which the interest rate on the related floating rate note will be reset (each, an "Interest Reset Date"). Unless otherwise specified in the applicable pricing supplement, the Interest Reset Date will be, in the case of floating rate notes which reset:

- o daily - each Business Day;
- o weekly - the Wednesday of each week, with the exception of weekly reset Floating Rate Notes as to which the Treasury Rate is an applicable Interest Rate Basis, which will reset the Tuesday of each week, except as described below;
- o monthly - the third Wednesday of each month, with the exception of monthly reset Floating Rate Notes as to which the Eleventh District Cost of Funds Rate is an applicable Interest Rate Basis, which will reset on the first calendar day of the month;
- o quarterly - the third Wednesday of March, June, September and December of each year;
- o semiannually - the third Wednesday of the two months specified in the applicable pricing supplement; and
- o annually - the third Wednesday of the month specified in the applicable pricing supplement;

provided, however, that with respect to Floating Rate/Fixed Rate Notes, the rate of interest will not reset after the applicable date on which interest on a fixed rate basis begins to accrue.

If any Interest Reset Date for any floating rate note would otherwise be a day that is not a Business Day, the applicable Interest Reset Date will be postponed to the next succeeding day that is a Business Day, except that in the case of a floating rate note as to which LIBOR is an applicable Interest Rate Basis, if the Business Day falls in the next succeeding calendar month, then the

Interest Reset Date will be the immediately preceding Business Day. In addition, in the case of a floating rate note for which the Treasury Rate is an applicable Interest Rate Basis if the Interest Determination Date would otherwise fall on an Interest Reset Date, then the applicable Interest Reset Date will be postponed to the next succeeding Business Day.

Maximum and Minimum Interest Rates. A floating rate note may also have either or both of the following:

- o a maximum numerical limitation, or ceiling, on the rate at which interest may accrue during any interest period (a "Maximum Interest Rate"), and
- o a minimum numerical limitation, or floor, on the rate at which interest may accrue during any period (a "Minimum Interest Rate").

The 1993 Indenture is, and any notes issued under the 1993 Indenture will be, governed by and construed in accordance with the laws of the State of New York. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to securities in which \$2,500,000 or more has been invested. While ML&Co. believes that New York law would be given effect by a state or federal court sitting outside of New York, state laws frequently regulate the amount of interest that may be charged to and paid by a borrower, including, in some cases, corporate borrowers. It is suggested that prospective investors consult their personal advisors with respect to the applicability of these laws. ML&Co. has agreed for the benefit of the beneficial owners of the notes, to the extent permitted by law, not to claim voluntarily the benefits of any laws concerning usurious rates of interest against a beneficial owner of the notes.

Interest Payments. Each applicable pricing supplement will specify the dates on which interest will be payable. Each floating rate note will bear interest from the date of issue at the rates specified in the applicable floating rate note until the principal of the applicable note is paid or otherwise made available for payment. Except as provided below or in the applicable pricing supplement, the interest payment dates with respect to floating rate notes will be, in the case of floating rate notes which reset:

- o daily, weekly or monthly - the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in the applicable pricing supplement;
- o quarterly - the third Wednesday of March, June, September and December of each year;
- o semiannually - the third Wednesday of the two months of each year specified in the applicable pricing supplement;
- o annually - the third Wednesday of the month of each year specified in the applicable pricing supplement; and
- o at Maturity.

If any interest payment date for any floating rate note, other than an interest payment date at Maturity, would otherwise be a day that is not a Business Day, the interest payment date will be postponed to the next succeeding day that is a Business Day except that in the case of a floating rate note as to which LIBOR is an applicable Interest Rate Basis, if the Business Day falls in the next succeeding calendar month, the applicable interest payment date will be the immediately preceding Business Day. If the Maturity of a floating rate note falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest will be made on the next succeeding Business Day, and no interest on such payment will accrue for the period from and after the Maturity.

All percentages resulting from any calculation on floating rate notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards. For example, 9.876545%, or .09876545, would be rounded to 9.87655%, or .0987655. All dollar amounts used in or resulting from any calculation on floating rate notes will be rounded to the nearest cent with one-half cent being rounded upward.

Interest payments on floating rate notes will equal the amount of interest accrued from and including the immediately preceding interest payment date in respect of which interest has been paid or from and including the date of issue, if no interest has been paid, to but excluding the related interest payment date or Maturity.

With respect to each floating rate note, accrued interest is calculated by multiplying its face amount by an accrued interest factor. The accrued interest factor is computed by adding the interest factor calculated for each day in the period for which accrued interest is being calculated.

- o In the case of notes for which the Interest Rate Basis is the CD Rate, the Commercial Paper Rate, the Eleventh District Cost of Funds Rate,

the Federal Funds Rate, LIBOR or the Prime Rate, the interest factor for each day will be computed by dividing the interest rate applicable to each day by 360.

- o In the case of notes for which the Interest Rate Basis is the CMT Rate or the Treasury Rate, the interest factor for each day will be computed by dividing the interest rate applicable to each day by the actual number of days in the year.
- o The interest factor for notes for which the interest rate is calculated with reference to two or more Interest Rate Bases will be calculated in each period in the same manner as if only one of the applicable Interest Rate Bases applied.

Interest Determination Dates. The interest rate applicable to each interest reset period commencing on the Interest Reset Date with respect to that interest reset period will be the rate determined as of the applicable "Interest Determination Date."

- o The Interest Determination Date with respect to the CD Rate, the CMT Rate and the Commercial Paper Rate will be the second Business Day preceding each Interest Reset Date for the related note.
- o The Interest Determination Date with respect to the Federal Funds Rate and the Prime Rate, will be the Business Day immediately preceding each Interest Reset Date.
- o The Interest Determination Date with respect to the Eleventh District Cost of Funds Rate will be the last working day of the month immediately preceding each Interest Reset Date on which the Federal Home Loan Bank of San Francisco publishes the Index, as defined below.
- o The Interest Determination Date with respect to LIBOR will be the second London Business Day preceding each Interest Reset Date.
- o The Interest Determination Date with respect to the Treasury Rate will be the day in the week in which the related Interest Reset Date falls on which day Treasury Bills, as defined below, are normally auctioned. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday; provided, however, that if an auction is held on the Friday of the week preceding the related Interest Reset Date, the related Interest Determination Date will be the preceding Friday; and provided, further, that if an auction falls on any Interest Reset Date, then the related Interest Reset Date will instead be the first Business Day following the auction.
- o The Interest Determination Date pertaining to a floating rate note the interest rate of which is determined with reference to two or more Interest Rate Bases will be the latest Business Day which is at least two Business Days before the applicable Interest Reset Date for the applicable floating rate note on which each Interest Reset Basis is determinable. Each Interest Rate Basis will be determined on the Interest Determination Date, and the applicable interest rate will take effect on the related Interest Reset Date.

Calculation Date. Unless otherwise provided in the applicable pricing supplement, MLPF&S will be the calculation agent. Upon the request of the holder of any floating rate note, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next Interest Reset Date with respect to that floating rate note. Unless otherwise specified in the applicable pricing supplement, the calculation date, if applicable, pertaining to any Interest Determination Date will be the earlier of:

- o the tenth calendar day after the applicable Interest Determination Date, or, if the tenth calendar day is not a Business Day, the next succeeding Business Day or
- o the Business Day preceding the applicable Interest Payment Date or Maturity, as the case may be.

CD RATE. CD Rate Notes will bear interest at the rates, calculated with reference to the CD Rate and the Spread and/or Spread Multiplier, if any, specified in the applicable CD Rate Notes and in any applicable pricing supplement.

"CD Rate" means:

- (1) the rate on the applicable Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified in the applicable pricing supplement published in H.15(519) under the heading "CDs (secondary market)", or
- (2) if the rate referred to in clause (1) above is not so published by

3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date for negotiable United States dollar certificates of deposit of the Index Maturity specified in the applicable pricing supplement as published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "CDs (secondary market)", or

- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on the applicable Interest Determination Date, of three leading non-bank dealers in negotiable United States dollar certificates of deposit in The City of New York selected by the calculation agent for negotiable United States dollar certificates of deposit of major United States money center banks for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity specified in the applicable pricing supplement in an amount that is representative for a single transaction in that market at that time, or
- (4) if the dealers selected by the calculation agent are not quoting as mentioned in clause (3) above, the CD rate in effect on the applicable Interest Determination Date.

"H.15(519)" means the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

"H.15 Daily Update" means the daily update of H.15(519), available through the world-wide-web site of the Board of Governors of the Federal Reserve System at <http://www.bog.frb.fed.us/releases/h15/update>, or any successor site or publication.

CMT Rate. CMT Rate Notes will bear interest at the rates, calculated with reference to the CMT Rate and the Spread and/or Spread Multiplier, if any, specified in the applicable CMT Rate Notes and in any applicable pricing supplement.

"CMT Rate" means:

- (1) the rate displayed on the Designated CMT Telerate Page under the caption "...Treasury Constant Maturities... Federal Reserve Board Release H.15... Mondays Approximately 3:45 P.M.", under the column for the Designated CMT Maturity Index for:
  - (a) if the Designated CMT Telerate Page is 7051, the rate on the applicable Interest Determination Date, and
  - (b) if the Designated CMT Telerate Page is 7052, the weekly or the monthly average, as specified in the applicable pricing supplement, for the week or the month, as applicable, ended immediately preceding the week or the month, as applicable, in which the related Interest Determination Date falls, or
- (2) if the rate referred to in clause (1) is no longer displayed on the relevant page or is not so displayed by 3:00 P.M., New York City time, on the related calculation date, the treasury constant maturity rate for the Designated CMT Maturity Index published in H.15(519), or
- (3) if the rate referred to in clause (2) is no longer published or is not published by 3:00 P.M., New York City time, on the related calculation date, the treasury constant maturity rate for the Designated CMT Maturity Index, or other United States Treasury rate for the Designated CMT Maturity Index, for the applicable Interest Determination Date with respect to the applicable Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the calculation agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in H.15(519), or
- (4) if the rate referred to in clause (4) applicable information is not so published by 3:00 P.M., New York City time, on the applicable calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as a yield to maturity, based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 P.M., New York City time, on the applicable Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers in The City of New York, which may include the agent or its affiliates (each, a "Reference Dealer"), selected by the calculation agent from five Reference Dealers selected by the calculation agent after eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation

or, in the event of equality, one of the lowest, for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year, or

- (5) if the calculation agent is unable to obtain three applicable Treasury Note quotations as referred to in clause (4), the rate on the applicable Interest Determination Date calculated by the calculation agent as a yield to maturity based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 P.M., New York City time, on the applicable Interest Determination Date of three Reference Dealers in The City of New York selected by the calculation agent from five Reference Dealers selected by the calculation agent after eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100 million, or
- (6) if three or four and not five of Reference Dealers are quoting as referred to in clause (5) above, the rate will be calculated by the calculation agent as the arithmetic mean of the offered rates obtained and neither the highest nor the lowest of quotes will be eliminated, or
- (7) if fewer than three Reference Dealers selected by the calculation agent are quoting as mentioned in clause (6), the rate in effect on the applicable Interest Determination Date.

If two Treasury Notes with an original maturity as described in clause (6) have remaining terms to maturity equally close to the Designated CMT Maturity Index, the calculation agent will obtain from five Reference Dealers quotations for the Treasury Notes with the shorter remaining term to maturity.

"Designated CMT Telerate Page" means the display on Bridge Telerate, Inc. or any successor service on the page specified in the applicable pricing supplement or any other page as may replace the specified page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519), or, if no page is specified in the applicable pricing supplement, page 7052.

"Designated CMT Maturity Index" means the original period to maturity of the U.S. Treasury securities, either 1, 2, 3, 5, 7, 10, 20 or 30 years, specified in the applicable pricing supplement with respect to which the CMT Rate will be calculated or, if no maturity is specified in the applicable pricing supplement, 2 years.

COMMERCIAL PAPER RATE. Commercial Paper Rate Notes will bear interest at the rates, calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any, specified in the applicable Commercial Paper Rate Notes and in any applicable pricing supplement.

"Commercial Paper Rate" means:

- (1) the Money Market Yield on the applicable Interest Determination Date of the rate for commercial paper having the Index Maturity specified in the applicable pricing supplement published in H.15(519) under the caption "Commercial Paper-Nonfinancial", or
- (2) if the rate described in clause (1) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date for commercial paper having the Index Maturity specified in the applicable pricing supplement published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "Commercial Paper-Nonfinancial", or
- (3) if the rate is referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on the applicable Interest Determination Date of three leading dealers of United States dollar commercial paper in The City of New York, which may include the agent and its affiliates, selected by the calculation agent for commercial paper having the Index Maturity specified in the applicable pricing supplement placed for industrial issuers whose bond rating is "Aa", or the equivalent, from a nationally recognized statistical rating organization, or
- (4) if the dealers selected by the calculation agent are not quoting as

mentioned in clause (3), the rate in effect on the applicable Interest Determination Date.

"Money Market Yield" means a yield calculated in accordance with the following formula and expressed as a percentage:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

ELEVENTH DISTRICT COST OF FUNDS RATE. Eleventh District Cost of Funds Rate Notes will bear interest at the rates, calculated with reference to the Eleventh District Cost of Funds Rate and the Spread and/or Spread Multiplier, if any, specified in the applicable Eleventh District Cost of Funds Rate Notes and in any applicable pricing supplement.

"Eleventh District Cost of Funds Rate" means:

- (1) the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which the applicable Interest Determination Date falls as set forth under the caption "11th District" on the display on Bridge Telerate, Inc. or any successor service on page 7058 or any other page as may replace the specified page on that service ("Telerate Page 7058") as of 11:00 A.M., San Francisco time, on the applicable Interest Determination Date, or
- (2) if the rate referred to in clause (1) does not appear on Telerate Page 7058 on the related Interest Determination Date, the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "Index") by the Federal Home Loan Bank of San Francisco as the cost of funds for the calendar month immediately preceding the applicable Interest Determination Date, or
- (3) if the Federal Home Loan Bank of San Francisco fails to announce the Index on or before the applicable Interest Determination Date for the calendar month immediately preceding the applicable Interest Determination Date, the rate in effect on the applicable Interest Determination Date.

FEDERAL FUNDS RATE. Federal Funds Rate Notes will bear interest at the rates, calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any, specified in the applicable Federal Funds Rate Notes and in any applicable pricing supplement.

"Federal Funds Rate" means:

- (1) the rate on the applicable Interest Determination Date for United States dollar federal funds as published in H.15(519) under the heading "Federal Funds (Effective)", as displayed on Bridge Telerate, Inc. or any successor service on page 120 or any other page as may replace the applicable page on that service ("Telerate Page 120"), or
- (2) if the rate referred to in clause (1) does not appear on Telerate Page 120 or is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date for United States dollar federal funds published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "Federal Funds/Effective Rate", or
- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in The City of New York, which may include the agent or its affiliates, selected by the calculation agent before 9:00 A.M., New York City time, on the applicable Interest Determination Date, or
- (4) if the brokers selected by the calculation agent are not quoting as mentioned in clause (3), the rate in effect on the applicable Interest Determination Date.

LIBOR. LIBOR Notes will bear interest at the rates, calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any, specified in the applicable LIBOR Notes and in any applicable pricing supplement.

"LIBOR" means:

- (1) if "LIBOR Telerate" is specified in the applicable pricing supplement

or if neither "LIBOR Reuters" nor "LIBOR Telerate" is specified in the applicable pricing supplement as the method for calculating LIBOR, LIBOR will be the rate for deposits in the LIBOR Currency, as defined below, having the Index Maturity specified in the applicable pricing supplement, commencing on the second London Business Day immediately following that Interest Determination Date that appears on the Designated LIBOR Page as of 11:00 A.M., London time, on the applicable Interest Determination Date, or

- (2) if "LIBOR Reuters" is specified in the applicable pricing supplement, LIBOR will be the arithmetic mean of the offered rates for deposits in the LIBOR Currency having the Index Maturity specified in the applicable pricing supplement, commencing on the second London Business Day immediately following that Interest Determination Date, that appear, on the Designated LIBOR Page specified in the applicable pricing supplement as of 11:00 A.M., London time, on the applicable Interest Determination Date. If the Designated LIBOR Page by its terms provides only for a single rate, then the single rate will be used, or
- (3) with respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the designated LIBOR Page as specified in clauses (1) and (2), respectively, the rate calculated by the calculation agent as the arithmetic mean of at least two quotations obtained by the calculation agent after requesting the principal London offices of each of four major reference banks, which may include affiliates of the agent, in the London interbank market to provide the calculation agent with its offered quotation for deposits in the LIBOR Currency for the period of the Index Maturity specified in the applicable pricing supplement, commencing on the second London Business Day immediately following the applicable Interest Determination Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on the applicable Interest Determination Date and in a principal amount that is representative for a single transaction in the applicable LIBOR Currency in that market at that time, or
- (4) if fewer than two quotations referred to in clause (3) are so provided, the rate on the applicable Interest Determination Date calculated by the calculation agent as the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center(s), on the applicable Interest Determination Date by three major banks, which may include affiliates of the agent, in the applicable Principal Financial Center selected by the calculation agent for loans in the LIBOR Currency to leading European banks, having the Index Maturity specified designated in the applicable pricing supplement and in a principal amount that is representative for a single transaction in the applicable LIBOR Currency in that market at that time, or
- (5) if the banks so selected by the calculation agent are not quoting as mentioned in clause (4), the rate in effect on the applicable Interest Determination Date.

"LIBOR Currency" means the currency specified in the applicable pricing supplement as to which LIBOR will be calculated or, if no currency is specified in the applicable pricing supplement, United States dollars.

"Designated LIBOR Page" means either:

- o if "LIBOR Telerate" is designated in the applicable pricing supplement or neither "LIBOR Reuters" nor "LIBOR Telerate" is specified in the applicable pricing supplement as the method for calculating LIBOR, the display on Bridge Telerate, Inc. or any successor service on the page specified in such pricing supplement or any page as may replace the specified page on that service for the purpose of displaying the London interbank rates of major banks for the applicable LIBOR Currency, or
- o if "LIBOR Reuters" is specified in the applicable pricing supplement, the display on the Reuter Monitor Money Rates Service or any successor service on the page specified in the applicable pricing supplement or any other page as may replace the specified page on that service for the purpose of displaying the London interbank rates of major banks for the applicable LIBOR Currency.

PRIME RATE. Prime Rate Notes will bear interest at the rates, calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any, specified in the applicable Prime Rate Notes and any applicable pricing supplement.

"Prime Rate" means:

- (1) the rate on the applicable Interest Determination Date as published in H.15(519) under the heading "Bank Prime Loan", or



- (2) if the rate referred to in clause (1) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate under the caption "Bank Prime Loan", or
- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate calculated by the calculation agent as the arithmetic mean of the rates of interest publicly announced by at least four banks that appear on the Reuters Screen US PRIME 1 Page as the particular bank's prime rate or base lending rate as of 11:00 A.M., New York City time, on the applicable Interest Determination Date, or
- (4) if fewer than four rates described in clause (3) by 3:00 P.M., New York City time, on the related calculation date as shown on Reuters Screen vs Prime 1, the rate on the applicable Interest Determination Date calculated by the calculation agent as the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on the applicable Interest Determination Date by three major banks, which may include affiliates of the agent, in The City of New York selected by the calculation agent, or
- (5) if the banks selected by the calculation agent are not quoting as mentioned in clause (4), the rate in effect on the applicable Interest Determination Date.

"Reuters Screen US PRIME 1 Page" means the display on the Reuter Monitor Money Rates Service or any successor service on the "US PRIME 1" Page or other page as may replace the US PRIME 1 Page on such service for the purpose of displaying prime rates or base lending rates of major United States banks.

TREASURY RATE. Treasury Rate Notes will bear interest at the rates, calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any, specified in the applicable Treasury Rate Notes and in any applicable pricing supplement.

"Treasury Rate" means:

- (1) the rate from the auction held on the applicable Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in the applicable pricing supplement under the caption "INVESTMENT RATE" on the display on Bridge Telerate, Inc. or any successor service on page 56 or any other page as may replace page 56 on that service ("Telerate Page 56") or page 57 or any other page as may replace page 57 on that service ("Telerate Page 57"), or
- (2) if the rate described in clause (1) is not so published by 3:00 P.M., New York City time, on the related calculation date, the Bond Equivalent Yield of the rate for the applicable Treasury Bills as published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Auction High", or
- (3) if the rate described in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills announced by the United States Department of the Treasury, or
- (4) in the event that the rate referred to in clause (3) is not announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the applicable Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or
- (5) if the rate referred to in clause (4) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or
- (6) if the rate referred to in clause (5) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on the applicable Interest Determination Date, of three primary United States government securities dealers, which may

include the agent or its affiliates, selected by the calculation agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable pricing supplement, or

- (7) if the dealers selected by the calculation agent are not quoting as mentioned in clause (6), the rate in effect on the applicable Interest Determination Date.

"Bond Equivalent Yield" means a yield calculated in accordance with the following formula and expressed as a percentage:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

#### OTHER PROVISIONS; ADDENDA

Any provisions with respect to an issue of notes, including the determination of one or more Interest Rate Bases, the specification of one or more Interest Rate Bases, the calculation of the interest rate applicable to a floating rate note, the applicable interest payment dates, the stated maturity date, any redemption or repayment provisions or any other matter relating to the applicable notes may be modified by the terms as specified under "Other Provisions" on the face of the applicable notes or in an Addendum relating to the applicable notes, if so specified on the face of the applicable notes and in the applicable pricing supplement.

#### ORIGINAL ISSUE DISCOUNT NOTES

ML&Co. may from time to time offer notes at a price less than their redemption price at Maturity, resulting in the applicable notes being treated as if they were issued with original issue discount for federal income tax purposes ("Original Issue Discount Notes"). Original Issue Discount Notes may currently pay no interest or interest at a rate which at the time of issuance is below market rates. Additional considerations relating to any Original Issue Discount Notes will be described in the applicable pricing supplement.

#### AMORTIZING NOTES

ML&Co. may from time to time offer notes ("Amortizing Notes"), with amounts of principal and interest payable in installments over the term of the notes. Unless otherwise specified in the applicable pricing supplement, interest on each Amortizing Note will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to Amortizing Notes will be applied first to interest due and payable on the Amortizing Notes and then to the reduction of the unpaid principal amount of the Amortizing Notes. Further information concerning additional terms and conditions of any issue of Amortizing Notes will be provided in the applicable pricing supplement. A table setting forth repayment information in respect of each Amortizing Note will be included in the applicable note and the applicable pricing supplement.

#### LINKED NOTES

ML&Co. may from time to time offer notes ("Linked Notes") the principal value of which at Maturity will be determined by reference to:

- (a) one or more equity or debt securities, including, but not limited to, the price or yield of such securities,
- (b) any statistical measure of economic or financial performance, including, but not limited to, any currency, consumer price or mortgage index, or
- (c) the price or value of any commodity or any other item or index or any combination,

(collectively, the "Linked Securities"). The payment or delivery of any consideration on any Linked Note at Maturity will be determined by the decrease or increase, as applicable, in the price or value of the applicable Linked Securities. The terms of and any additional considerations, including any material tax consequences, relating to any Linked Notes will be described in the applicable pricing supplement.

#### BOOK-ENTRY NOTES

##### DESCRIPTION OF THE GLOBAL SECURITIES

Upon issuance, all notes in book-entry form having the same date of issue, Maturity and otherwise having identical terms and provisions will be represented

by one or more fully registered global notes (the "Global Notes"). Each Global Note will be deposited with, or on behalf of, The Depository Trust Company as depository registered in the name of the depository or a nominee of the depository. Unless and until it is exchanged in whole or in part for notes in certificated form, no Global Note may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any such nominee to a successor of the depository or a nominee of the successor.

#### DTC PROCEDURES

The following is based on information furnished by the depository:

The depository will act as securities depository for the notes in book-entry form. The notes in book-entry form will be issued as fully registered securities registered in the name of Cede & Co., the depository's partnership nominee. One fully registered Global Note will be issued for each issue of notes in book-entry form, each in the aggregate principal amount of the issue, and will be deposited with the depository. If, however, the aggregate principal amount of any issue exceeds \$200,000,000, one Global Note will be issued with respect to each \$200,000,000 of principal amount and an additional Global Note will be issued with respect to any remaining principal amount of the issue.

The depository is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 Exchange Act. The depository holds securities that its participants deposit with the depository. The depository also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of the depository include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The depository is owned by a number of its direct 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 depository's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to the depository and its participants are on file with the SEC.

Purchasers of notes in book-entry form under the depository's system must be made by or through direct participants, which will receive a credit for those notes in book-entry form on the depository's records. The ownership interest of each actual purchaser of each note in book-entry form represented by a Global Note is, in turn, to be recorded on the records of direct participants and indirect participants. Beneficial owners in book-entry form will not receive written confirmation from the depository 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in a Global Note representing notes in book-entry form are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners of a Global Note representing notes in book-entry form will not receive notes in certificated form representing their ownership interests therein, except in the event that use of the book-entry system for such notes in book-entry form is discontinued.

To facilitate subsequent transfers, all Global Notes representing notes in book-entry form which are deposited with, or on behalf of, the depository are registered in the name of the depository's nominee, Cede & Co. The deposit of Global Notes with, or on behalf of, the depository and their registration in the name of Cede & Co. effect no change in beneficial ownership. The depository has no knowledge of the actual beneficial owners of the Global Notes representing the notes in book-entry form; the depository's records reflect only the identity of the direct participants to whose accounts such notes in book-entry form are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by the depository to direct participants, by direct participants to indirect participants, and by direct 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.

Neither the depository nor Cede & Co. will consent or vote with respect to the Global Notes representing the notes in book-entry form. Under its usual procedures, the depository mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants, identified in a

listing attached to the omnibus proxy, to whose accounts the notes in book-entry form are credited on the applicable record date.

ML&Co. will make principal, premium, if any, and/or interest, if any, payments on the Global Notes representing the notes in book-entry form in immediately available funds to the depository. The depository's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless the depository has reason to believe that it will not receive payment on the applicable payment date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the applicable participant and not of the depository, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to the depository is the responsibility of ML&Co. and the trustee, disbursement of payments to direct participants will be the responsibility of the depository, and disbursement of payments to the beneficial owners will be the responsibility of direct participants and indirect participants.

If applicable, redemption notices shall be sent to Cede & Co. If less than all of the notes in book-entry form of like tenor and terms are being redeemed, the depository's practice is to determine by lot the amount of the interest of each direct participant in the issue to be redeemed.

A beneficial owner will give notice of any option to elect to have its notes in book-entry form repaid by ML&Co., through its participant, to the trustee, and will effect delivery of the applicable notes in book-entry form by causing the direct participant to transfer the participant's interest in the Global Note notes in book-entry form, on the depository's records, to the trustee.

The depository may discontinue providing its services as securities depository with respect to the notes in book-entry form at any time by giving reasonable notice to ML&Co. or the trustee. In the event that a successor securities depository is not obtained, notes in certificated form are required to be printed and delivered.

ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository or a successor securities depository. In that event, notes in certificated form will be printed and delivered.

The laws of some states may require that certain purchasers of securities take physical delivery of securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in Global Notes.

So long as the depository, or its nominee, is the registered owner of a Global Note, the depository or its nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such Global Note for all purposes under the 1993 Indenture. Except as provided below, beneficial owners of a Global Note will not be entitled to have the notes represented by a Global Note registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders thereof under the 1993 Indenture. Accordingly, each person owning a beneficial interest in a Global Note must rely on the procedures of the depository and, if that person is not a participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1993 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a Global Note desires to give or take any action which a holder is entitled to give or take under the 1993 Indenture, the depository would authorize the participants holding the relevant beneficial interests to give or take the desired action, and the participants would authorize beneficial owners owning through the participants to give or take the desired action or would otherwise act upon the instructions of beneficial owners.

#### Exchange for Notes in Certificated Form

If:

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the Global Notes shall be exchangeable, or
- (c) an Event of Default has occurred and is continuing with respect to the

notes,

the Global Note or Global Notes will be exchangeable for notes in certificated form of like tenor and of an equal aggregate principal amount, in denominations of \$1,000 and integral multiples of \$1,000. The certificated notes will be registered in the name or names as the depository instructs the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in Global Notes.

The information in this section concerning the depository and the depository's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for the accuracy of the information.

#### UNITED STATES FEDERAL INCOME TAXATION

The following summary of certain United States Federal income tax consequences of the purchase, ownership and disposition of the notes is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change, including changes in effective dates, or possible differing interpretations. It deals only with notes 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, persons holding notes as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers, except where otherwise specifically noted. Persons considering the purchase of the notes should consult their own tax advisors concerning the application of United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the notes arising under the laws of any other taxing jurisdiction.

As used in this prospectus, the term "U.S. Holder" means a beneficial owner of a note that is for United States Federal income tax purposes:

- (1) a citizen or resident of the United States,
- (2) a corporation or a partnership (including an entity treated as a corporation or a partnership for United States Federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia (unless, in the case of a partnership, Treasury regulations are adopted that provide otherwise),
- (3) an estate whose income is subject to United States Federal income tax regardless of its source,
- (4) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or
- (5) any other person whose income or gain in respect of a note is effectively connected with the conduct of a United States trade or business.

Certain trusts not described in clause (4) above in existence on August 20, 1996 that elect to be treated as a United States person will also be a U.S. Holder for purposes of the following discussion. As used herein, the term "non-U.S. Holder" means a beneficial owner of a note that is not a U.S. Holder.

#### U.S. HOLDERS

**PAYMENTS OF INTEREST.** Payments of interest on a note 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).

**ORIGINAL ISSUE DISCOUNT.** The following summary is a general discussion of the United States Federal income tax consequences to U.S. Holders of the purchase, ownership and disposition of notes issued with original issue discount ("Discount Notes"). The following summary is based upon final Treasury regulations (the "OID Regulations") released by the Internal Revenue Service on January 27, 1994, as amended on June 11, 1996, under the original issue discount provisions of the Code.

For United States Federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a note over its issue price, if such excess equals or exceeds a de minimis amount (generally 1/4 of 1% of the note's stated redemption price at maturity multiplied by the number of

complete years to its maturity from its issue date or, in the case of a note providing for the payment of any amount other than qualified stated interest (as defined below) prior to maturity, multiplied by the weighted average maturity of the note). The issue price of each note of an issue of notes equals the first price at which a substantial amount of the notes has been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The stated redemption price at maturity of a note is the sum of all payments provided by the note other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. In addition, under the OID Regulations, if a note bears interest for one or more accrual periods at a rate below the rate applicable for the remaining term of the note (e.g., notes with teaser rates or interest holidays), and if the greater of either the resulting foregone interest on the note or any "true" discount on the note (i.e., the excess of the note's stated principal amount over its issue price) equals or exceeds a specified de minimis amount, then the stated interest on the note would be treated as original issue discount rather than qualified stated interest.

Payments of qualified stated interest on a note are 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). A U.S. Holder of a Discount Note must include original issue discount in income as ordinary interest for United States Federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of the U.S. Holder's regular method of tax accounting. In general, the amount of original issue discount included in income by the initial U.S. Holder of a Discount Note is the sum of the daily portions of original issue discount with respect to the Discount Note for each day during the taxable year (or portion of the taxable year) on which the U.S. Holder held the Discount Note. The "daily portion" of original issue discount on any Discount Note is determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that accrual period. An "accrual period" may be of any length and the accrual periods may vary in length over the term of the Discount Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between

- o the product of the Discount Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and
- o the amount of any qualified stated interest payments allocable to such accrual period.

The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the sum of the issue price of the Discount Note plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Note that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder who purchases a Discount Note for an amount that is greater than its adjusted issue price as of the purchase date and less than or equal to the sum of all amounts payable on the Discount Note after the purchase date other than payments of qualified stated interest, will be considered to have purchased the Discount Note at an "acquisition premium". Under the acquisition premium rules, the amount of original issue discount which such U.S. Holder must include in its gross income with respect to such Discount Note for any taxable year (or portion thereof in which the U.S. Holder holds the Discount Note) will be reduced (but not below zero) by the portion of the acquisition premium properly allocable to the period.

Under the OID Regulations, Floating Rate Notes and Indexed Notes (hereinafter "Variable Notes") are subject to special rules whereby a Variable Note will qualify as a "variable rate debt instrument" if

- o its issue price does not exceed the total noncontingent principal payments due under the Variable Note by more than a specified de minimis amount and
- o it provides for stated interest, paid or compounded at least annually, at current values of:
  - o one or more qualified floating rates,
  - o a single fixed rate and one or more qualified floating rates,
  - o a single objective rate, or

- o a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A "qualified floating rate" is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Note is denominated. Although a multiple of a qualified floating rate will generally not itself constitute a qualified floating rate, a variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35 will constitute a qualified floating rate. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, under the OID Regulations, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate under the OID Regulations unless such cap or floor is fixed throughout the term of the note. An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula that is based on objective financial or economic information. A rate will not qualify as an objective rate if it is based on information that is within the control of the issuer (or a related party) or that is unique to the circumstances of the issuer (or a related party), such as dividends, profits, or the value of the issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the issuer). A "qualified inverse floating rate" is any objective rate where such rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. The OID Regulations also provide that if a Variable Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate and if the variable rate on the Variable Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

If a Variable Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument" under the OID Regulations, and if the interest on a Variable Note is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually, then all stated interest on the Variable Note will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" under the OID Regulations will generally not be treated as having been issued with original issue discount unless the Variable Note is issued at a "true" discount (i.e., at a price below the Variable Note's stated principal amount) in excess of a specified de minimis amount. The amount of qualified stated interest and the amount of original issue discount, if any, that accrues during an accrual period on such a Variable Note is determined under the rules applicable to fixed rate debt instruments by assuming that the variable rate is a fixed rate equal to

- (1) in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date, of the qualified floating rate or qualified inverse floating rate, or
- (2) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Note.

The qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period pursuant to the foregoing rules.

In general, any other Variable Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of original issue discount and qualified stated interest on the Variable Note. The OID Regulations generally require that such a Variable Note be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Note's issue date. Any objective rate (other than a qualified inverse floating rate)

provided for under the terms of the Variable Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Note. In the case of a Variable Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Note provides for a qualified inverse floating rate). Under such circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Note as of the Variable Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Note is then converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of original issue discount and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general original issue discount rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Note will account for such original issue discount and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. Each accrual period appropriate adjustments will be made to the amount of qualified stated interest or original issue discount assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that such amounts differ from the actual amount of interest accrued or paid on the Variable Note during the accrual period.

If a Variable Note does not qualify as a "variable rate debt instrument" under the OID Regulations, then the Variable Note would be treated as a contingent payment debt obligation. On June 11, 1996, the Treasury Department issued final regulations (the "CPDI Regulations") concerning the proper United States Federal income tax treatment of contingent payment debt instruments. In general, the CPDI 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. Specifically, the CPDI Regulations generally require a U.S. Holder of such an instrument to include future contingent and noncontingent interest payments in income as such interest accrues based upon a projected payment schedule. Moreover, in general, under the CPDI 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 all or a portion of any loss realized could be treated as ordinary loss as opposed to capital loss (depending upon the circumstances). The CPDI Regulations apply to debt instruments issued on or after August 13, 1996. The proper United States Federal income tax treatment of Variable Notes that are treated as contingent payment debt obligations will be more fully described in the applicable pricing supplement. Furthermore, any other special United States Federal income tax considerations, not otherwise discussed herein, which are applicable to any particular issue of notes will be discussed in the applicable pricing supplement.

ML&Co. may issue notes which;

- o may be redeemable at the option of ML&Co. prior to their stated maturity (a "call option") and/or
- o may be repayable at the option of the holder prior to their stated maturity (a "put option").

Notes containing such features may be subject to rules that differ from the general rules discussed above. Investors intending to purchase notes with such features should consult their own tax advisors, since the original issue discount consequences will depend, in part, on the particular terms and features of the purchased notes.

U.S. Holders may generally, upon election, include in income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) that accrues on a debt instrument by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

FOREIGN-CURRENCY NOTES. The United States Federal income tax consequences of the purchase, ownership and disposition of notes providing for payments denominated in a currency other than U.S. dollars will be more fully described in the applicable pricing supplement.

SHORT-TERM NOTES. Notes that have a fixed maturity of one year or less ("Short-Term Notes") will be treated as having been issued with original issue discount. In general, an individual or other cash method U.S. Holder is not required to accrue such original issue discount unless the U.S. Holder elects to



do so. If such an election is not made, any gain recognized by the U.S. Holder on the sale, exchange or maturity of the Short-Term Note will be ordinary income to the extent of the original issue discount accrued on a straight-line basis, or upon election under the constant yield method (based on daily compounding), through the date of sale or maturity, and a portion of the deductions otherwise allowable to the U.S. Holder for interest on borrowings allocable to the Short-Term Note will be deferred until a corresponding amount of income is realized. U.S. Holders who report income for United States Federal income tax purposes under the accrual method, and certain other holders including banks and dealers in securities, are required to accrue original issue discount on a Short-Term Note on a straight-line basis unless an election is made to accrue the original issue discount under a constant yield method (based on daily compounding).

**MARKET DISCOUNT.** If a U.S. Holder purchases a note, other than a Discount Note, for an amount that is less than its issue price (or, in the case of a subsequent purchaser, its stated redemption price at maturity) or, in the case of a Discount Note, for an amount that is less than its adjusted issue price as of the purchase date, such U.S. Holder will be treated as having purchased the note at a "market discount", unless such market discount is less than a specified de minimis amount.

Under the market discount rules, a U.S. Holder will be required to treat any partial principal payment (or, in the case of a Discount Note, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition of, a note as ordinary income to the extent of the lesser of:

- o the amount of such payment or realized gain or
- o the market discount which has not previously been included in income and is treated as having accrued on the note at the time of such payment or disposition.

Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the note, 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 note with market discount until the maturity of the Note or certain earlier dispositions, 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 note and upon the receipt of certain cash payments 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. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the taxable year to which such election applies and may be revoked only with the consent of the IRS.

**PREMIUM.** If a U.S. Holder purchases a note for an amount that is greater than the sum of all amounts payable on the note after the purchase date other than payments of qualified stated interest, the U.S. Holder will be considered to have purchased the note 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 note and may offset interest otherwise required to be included in respect of the note during any taxable year by the amortized amount of such excess for the taxable year. However, if the note may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which could result in a deferral of the amortization of some bond premium until later in the term of the note. Any election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

**DISPOSITION OF A NOTE.** Except as discussed above, upon the sale, exchange or retirement of a note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will equal the U.S. Holder's initial investment in the note increased by any original issue discount included in income (and accrued market discount, if any, if the U.S. Holder has included such market discount in income) and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to the note. Such gain or loss generally will be long-term capital gain or loss if the note were held for more than one year. Long-term capital gains of individuals are subject to reduced capital gain rates while short-term capital gains are subject to ordinary income rates. The deductibility of capital losses is subject to certain limitations. Prospective investors should consult their own tax advisors concerning these tax law provisions.

## 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 note, unless such non-U.S. Holder is a direct or indirect 10% or greater shareholder of ML&Co., a controlled foreign corporation related to ML&Co. or a bank receiving interest described in section 881(c)(3)(A) of the Code. 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 (1) is signed by the beneficial owner of the note under penalties of perjury, (2) certifies that such owner is not a U.S. Holder and (3) 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 note 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.

On October 6, 1997, the Treasury issued new regulations (the "New Regulations") which make certain modifications to the withholding, backup withholding and information reporting rules. The New Regulations attempt to unify certification requirements and modify reliance standards. The New Regulations will generally be effective for payments made after December 31, 1999, subject to certain transition rules. Prospective investors are urged to consult their own tax advisors regarding the New Regulations.

Generally, a non-U.S. Holder will not be subject to United States Federal income taxes on any amount which constitutes capital gain upon retirement or disposition of a note, 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.

The notes 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 ML&Co. or, at the time of such individual's death, payments in respect of the notes 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 notes 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 notes 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 note to (or through) a broker, the broker must withhold 31% of the entire purchase price, unless either:

- o the broker determines that the seller is a corporation or other exempt recipient or
- o 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:

- o the broker determines that the seller is an exempt recipient or
- o 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. In addition, prospective U.S. Holders are strongly urged to consult their own tax advisors with respect to the New Withholding Regulations. See "United States Federal Income Taxation-Non-U.S.

Holder's".

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.

#### PLAN OF DISTRIBUTION

ML&Co. is offering the notes for sale on a continuing basis through the agent, MLPF&S, who will purchase the notes, as principal, from ML&Co., for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by the agent, or, if so specified in an applicable pricing supplement, for resale at a fixed public offering price. Unless otherwise specified in an applicable pricing supplement, any note sold to the agent as principal will be purchased by the agent at a price equal to 100% of the principal amount of the note less a percentage of the principal amount equal to the commission applicable to an agency sale as described below of a note of identical maturity. If agreed to by ML&Co. and the agent, the agent may utilize its reasonable efforts on an agency basis to solicit offers to purchase the notes at 100% of the principal amount of the notes, unless otherwise specified in an applicable pricing supplement. ML&Co. will pay a commission to the agent, ranging from .050% to .600% of the principal amount of a note, depending upon its stated maturity or, with respect to a note for which the stated maturity is in excess of 30 years, a commission as agreed upon by ML&Co. and the agent at the time of sale, sold through the agent.

The agent may sell notes it has purchased from ML&Co. as principal to other dealers for resale to investors, and may allow any portion of the discount received in connection with such purchases from ML&Co. to such dealers. After the initial public offering of notes, the public offering price, in the case of notes to be resold at a fixed public offering price, the concession and the discount allowed to dealers may be changed.

ML&Co. reserves the right to withdraw, cancel or modify the offer made by this prospectus supplement without notice and may reject orders, in whole or in part, whether placed directly with ML&Co. or through the agent. The agent will have the right, in its discretion reasonably exercised, to reject in whole or in part any offer to purchase notes received by the agent.

Unless otherwise specified in an applicable pricing supplement, payment of the purchase price of the notes will be required to be made in immediately available funds in U.S. dollars or the Specified Currency, as the case may be, in New York City on the date of settlement.

No Note will have an established trading market when issued. Unless specified in the applicable pricing supplement, ML&Co. will not list the notes on any securities exchange. The agent may from time to time purchase and sell notes in the secondary market, but the agent is not obligated to do so, and there can be no assurance that there will be a secondary market for the notes or liquidity in the secondary market if one develops. From time to time, the agent may make a market in the notes.

The agent may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933, as amended. ML&Co. has agreed to indemnify the agent against or to make contributions relating to certain civil liabilities, including liabilities under the Securities Act, or to contribute to payments the agent may be required to make in respect thereof. ML&Co. has agreed to reimburse the agent for certain expenses.

From time to time, ML&Co. may issue and sell other securities described in the accompanying prospectus, and the amount of notes that ML&Co. may offer and sell under this prospectus supplement may be reduced as a result of such sales.

In connection with the offering of notes purchased by the agent as principal on a fixed price basis, the agent is permitted to engage in certain transactions that stabilize the price of the notes. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the notes. If the agent creates a short position in the notes in connection with the offering, i.e., if it sells notes in an aggregate principal amount exceeding that set forth in the applicable pricing supplement, then the agent may reduce that short position by purchasing notes in the open market. In general, purchases of notes for the purpose of stabilization or to reduce a short position could cause the price of the notes to be higher than in the absence of these purchases.

Neither ML&Co. nor the agent make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither ML&Co. nor the agent makes any representation that the agent will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The distribution of the notes will conform to the requirements set forth in

the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

VALIDITY OF THE NOTES

The validity of the notes will be passed upon for ML&Co. and the agent by Brown & Wood LLP, New York, New York.

[LOGO]

\$

MERRILL LYNCH & CO., INC.

MEDIUM-TERM NOTES,  
SERIES B

-----  
PROSPECTUS SUPPLEMENT  
-----

Merrill Lynch & Co.  
, 199

-----  
The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

PROSPECTUS  
-----

MERRILL LYNCH & CO., INC.  
SENIOR DEBT SECURITIES

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in our outstanding senior debt securities listed below and the senior debt securities that we will issue in the future.

<TABLE>	
Redeemable Notes	
<CAPTION>	<C>
<S>	
\$1,650,000,000 of 6% Notes due February 12, 2003;	\$125,000,000 of 6 3/8% Notes due September 8, 2006;
\$150,000,000 of 7.05% Notes due April 15, 2003;	\$700,000,000 6 1/2% Notes due July 15, 2018;
\$750,000,000 Floating Rate Notes due June 24, 2003;	\$1,000,000,000 6 7/8% Notes due November 15, 2018; and
\$500,000,000 6% Notes due November 15, 2004;	\$33,015,000 of 8.40% Notes due November 1, 2019.
\$500,000,000 6% Notes due July 15, 2005;	

</TABLE>

<TABLE>

Non-Redeemable Notes

<CAPTION>

<S>

\$200,000,000 of 6 3/8% Notes due March 30, 1999;  
\$300,000,000 of 8 1/4% Notes due November 15, 1999;  
\$150,000,000 of 8 3/8% Notes due February 9, 2000;  
\$150,000,000 of 6.70% Notes due August 1, 2000;  
\$500,000,000 of 6% Notes due January 15, 2001;  
\$250,000,000 of 6% Notes due March 1, 2001;  
\$300,000,000 of 6 1/2% Notes due April 1, 2001;  
\$225,000,000 of 8% Notes due February 1, 2002;  
\$150,000,000 of 7 3/8% Notes due August 17, 2002;  
\$250,000,000 of 6.64% Notes due September 19, 2002;  
\$300,000,000 of Floating Rate Notes due February 4, 2003;  
\$200,000,000 of 6 7/8% Notes due March 1, 2003;

<C>

\$500,000,000 of 6.55% Notes due August 1, 2004;  
\$200,000,000 of 6 1/4% Notes due January 15, 2006;  
\$200,000,000 of 7% Notes due March 15, 2006;  
\$350,000,000 of 7 3/8% Notes due May 15, 2006;  
\$500,000,000 of 7% Notes due January 15, 2007;  
\$150,000,000 of 8% Notes due June 1, 2007;  
\$250,000,000 of 6.56% Notes due December 16, 2007;  
\$250,000,000 of 7% Notes due April 27, 2008;  
\$150,000,000 of 6 1/4% Notes due October 15, 2008;  
\$500,000,000 of 6 3/8% Notes due October 15, 2008;  
\$250,000,000 of 6 3/4% Notes due June 1, 2028; and  
\$2,000,000,000 of 6% Notes due February 17, 2009.

</TABLE>

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 199 .

TABLE OF CONTENTS

MERRILL LYNCH & CO., INC.....	3
RATIO OF EARNINGS TO FIXED CHARGES.....	4
DESCRIPTION OF SENIOR DEBT SECURITIES.....	4
Redeemable Notes.....	11
Non-Redeemable Notes.....	16
Non-Redeemable Fixed Rate Notes.....	16
OTHER TERMS.....	18
Limitations Upon Liens.....	18
Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S.....	18
Merger and Consolidation.....	18
Modification and Waiver.....	19
Events of Default.....	19
WHERE YOU CAN FIND MORE INFORMATION.....	21
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	22
PLAN OF DISTRIBUTION.....	22
EXPERTS.....	23

MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other

derivatives;

- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the senior debt securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	YEAR ENDED LAST FRIDAY IN DECEMBER				
	1994	1995	1996	1997	1998
	----	----	----	----	----
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF SENIOR DEBT SECURITIES

The senior debt securities were issued as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the senior debt securities of which this prospectus is a part. The following summaries of certain provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

Series of senior debt securities may from time to time be issued under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and each series of the senior debt securities are governed by and construed in accordance with the laws of the State of New York.

Under present New York law the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to senior debt securities in which \$2,500,000 or more has been invested. While ML&Co. believes that New York law would be given effect by a state or Federal court sitting outside of New York, state laws frequently regulate the amount of interest that may be charged to and paid by a borrower, including, in some cases, corporate borrowers. ML&Co. agrees for the benefit of the holders of its senior debt securities, to the extent permitted by law, not to claim voluntarily the benefits of any laws concerning usurious rates of interest against a holder of senior debt

securities.

Outstanding senior debt securities are issuable only in fully registered form without coupons, in denominations of \$1,000 and integral multiples of \$1,000, unless otherwise indicated. No service charge will be made for any registration of transfer or exchange of senior debt securities, but ML&Co. may require payment of a sum sufficient to cover any tax or other governmental charges that may be imposed in connection with any registration, transfer or exchange.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of ML&Co. itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

Principal, premium and interest on the senior debt securities will be payable at the office of the trustee in New York City so designated, provided that, unless otherwise set forth below, payment of interest may be made at the option of ML&Co. by check mailed to the address of the person entitled to that payment as shown on the security register. In addition, the transfer of the senior debt securities is and will be registrable, and senior debt securities are and will be exchangeable at the trustee's designated office.

Unless otherwise specified with respect to a particular series of senior debt securities, the senior debt securities are not subject to any sinking fund and are not redeemable before maturity.

#### BOOK-ENTRY SECURITIES

Specified series of the senior debt securities have been issued in global form and are considered book-entry securities. Beneficial owners of these senior debt securities will not receive physical delivery of these securities nor may they be entitled to have these securities registered in their name. These book-entry securities are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company, also known as DTC, as depository, registered in the name of DTC or its nominee. Unless and until it is exchanged in whole or in part for senior debt securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

In some cases, investors of outstanding senior debt securities have elected to hold interests in the global notes through either the depository in the United States or Cedelbank, societe anonyme, and Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System, if they are participants in these systems, or indirectly through organizations which are participants in these systems. Cedelbank and Euroclear hold interests on behalf of their participants through customers' securities accounts in Cedelbank's and Euroclear's names on the books of their respective depositories, which in turn will hold these interests in customers' securities accounts in the depositories' names on the books of the depository. Citibank, N.A. acts as depository for Cedelbank and The Chase Manhattan Bank acts as depository for Euroclear.

#### DTC PROCEDURES

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange Inc. and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial

relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of securities under DTC's system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities; DTC's records reflect only the identity of the direct participants to whose accounts the securities are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the securities are credited on the record date.

Principal, premium, if any, and/or interest, if any, payments on the senior debt securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the Depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of that participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of these payments to direct participants is the responsibility of DTC, and disbursement of these payments to the beneficial owners is the responsibility of direct and indirect participants.

#### EXCHANGE FOR CERTIFICATED SECURITIES

If the depository is at any time unwilling or unable to continue as depository and

- (a) a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global notes shall be exchangeable, and
- (c) an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the senior debt securities,

the global notes will be exchangeable for senior debt securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$1,000 and integral multiples of \$1,000. The definitive securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that these instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global notes.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, senior debt securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### CEDELBANK

Cedelbank has advised ML&Co. that it is incorporated under the laws of Luxembourg as a professional depository. Cedelbank holds securities for its



participating organizations and facilities the clearance and settlement of securities transactions between Cedelbank participants through electronic book-entry changes in accounts of Cedelbank participants, thereby eliminating the need for physical movement of certificates. Cedelbank provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Cedelbank interfaces with domestic markets in several countries. As a professional depository, Cedelbank is subject to regulation by the Luxembourg Monetary Institute. Cedelbank participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Cedelbank is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Cedelbank participant either directly or indirectly.

Distributions with respect to the book-entry securities held beneficially through Cedelbank are credited to cash accounts of Cedelbank participants in accordance with its rules and procedures, to the extent received by the U.S. depository for Cedelbank.

#### EUROCLEAR

Euroclear has advised ML&Co. that it was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by the Brussels, Belgium office of Morgan Guaranty Trust Company of New York (the "Euroclear Operator"), under contract with Euro-clear Clearance Systems S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks, central banks, securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator is the Belgian branch of a New York banking corporation which is a member bank of the Federal Reserve System. As such, it is regulated and examined by the Board of Governors of the Federal Reserve System and the New York State Banking Department, as well as the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to book-entry securities held beneficially through Euroclear are credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the U.S. depository for Euroclear.

#### CLEARANCE AND SETTLEMENT PROCEDURES

Secondary market trading between DTC participants will occur in the ordinary way in accordance with the depository's rules and will be settled in immediately available funds using the depository's Same-Day Funds Settlement System. Secondary market trading between Cedelbank participants and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Cedelbank and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the depository on the one hand, and directly or indirectly through Cedelbank or Euroclear participants, on the other, will be effected in the depository in accordance with the depository's rules on behalf of the relevant European international clearing system by its U.S. depository; however, any cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines.

The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering or receiving book-entry securities in the depository, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the depository. Cedelbank and Euroclear participants may not deliver instructions directly to the depository.

Because of time-zone differences, credits of book-entry securities received in Cedelbank or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and will be credited on the business day following the depository settlement date. Any credits or transactions in book-entry securities settled during processing will be reported to the relevant Euroclear or Cedelbank participants on that business day. Cash received in Cedelbank or Euroclear as a result of sales of securities by or through a Cedelbank participant or a Euroclear participant to a DTC participant will be received with value on the depository settlement date but will be available in the relevant Cedelbank or Euroclear cash account only as of the business day following settlement in the depository.

Although the depository, Cedelbank and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of book-entry securities among participants of the depository, Cedelbank and Euroclear, they are under no obligation to perform or continue to perform these procedures and these procedures may be discontinued at any time.

#### NOTICES

Notices to holders of outstanding senior debt securities will be sent by mail to the registered holders and will be published, whether the securities are in global or definitive form, and so long as the securities are listed on the Luxembourg Stock Exchange, in a daily newspaper of general circulation in Luxembourg. It is expected that publication will be made in Luxembourg in the Luxembourg Wort. Any notice shall be deemed to have been given on the date of publication or, if published more than once, on the date of the first publication. So long as senior debt securities are listed on the Luxembourg Stock Exchange, any change in the Luxembourg Paying Agent and Transfer Agent will be published in Luxembourg in the manner set forth above.

#### FURTHER ISSUES

ML&Co. may from time to time, without notice to or the consent of the registered holders of any series of outstanding senior debt securities, create and issue additional senior debt securities ranking equally with the original series of senior debt securities in all respects other than the payment of interest accruing before the originally issue date of the additional senior debt securities. The new issue of senior debt securities may be consolidated and form a single series with the original issue of the securities of that series and have the same terms as to status, redemption or otherwise as the senior debt securities of the original series.

#### PAYMENT OF ADDITIONAL AMOUNTS

Unless otherwise stated, ML&Co. will, subject to the exceptions and limitations set forth below, pay as additional interest on the senior debt securities, additional amounts in order for the net payment of the principal of and interest on the senior debt securities to a holder who is a non-United States person, after deduction for any present or future tax, assessment or other governmental charge of the United States of a political subdivision or taxing authority in or of any United States political subdivision, imposed by withholding with respect to the payment, will not be less than the amount provided in the senior debt securities to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts shall not apply:

- (1) to any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the holder, or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:
  - (a) being or having been present or engaged in a trade or business in the United States or having had a permanent establishment in the United States;
  - (b) having a current or former relationship with the United States, including a relationship as a citizen or resident of the United States;

States;

- (c) being or having been a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or a corporation that has accumulated earnings to avoid United States federal income tax;
  - (d) being or having been present a "10-percent shareholder" of ML&Co. as defined in section 871 (h)(3) of the United States Internal Revenue Code or any successor provisions; or
  - (e) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business.
- (2) to any holder that is not the sole beneficial owner of the securities, or any portion of the securities, or that is a fiduciary or partnership, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
  - (3) to any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the security, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from tax, assessment or other governmental charge;
  - (4) to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by ML&Co. or a paying agent from the payment;
  - (5) to any tax, assessment or other governmental charge that is imposed or withheld solely by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
  - (6) to any estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or similar tax, assessment or other governmental charge;
  - (7) to any tax, assessment or other governmental charge required to be withheld by any payment agent from any payment of principal or of interest on any senior debt security, if that payment can be made without any withholding by any other payment agent; or
  - (8) in the case of any combination of items (1), (2), (3), (4), (5), (6) and (7).

Some of the outstanding senior debt securities are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the payments due and payable. Except as specifically provided under this heading "--Payment of Additional Amounts" and under the heading "--Redemption for Tax Reasons", ML&Co. will not be required to make any payment with respect to any tax, assessment or other governmental charge imposed by any government or a political subdivision or taxing authority.

As used under this heading "--Payment of Additional Amounts" and "--Redemption for Tax Reasons", the term "United States" means the United States of America, including the States and the District of Columbia, and its territories, its possessions and other areas subject to its jurisdiction.

"United States person" means any individual who is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia, other than a partnership that is not treated as a United States person under any applicable Treasury regulations, any estate the income of which is subject to United States federal income taxation regardless of its source, or any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and

one or more United States persons have the authority to control all substantial decision of the trust. Notwithstanding the preceding sentence, to the extent provided in the Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons before that date that elect to continue to be treated as United States persons will also be a United States person.

"Non-United States person" means a person who is not a United States person.

#### REDEMPTION FOR TAX REASONS

As designated, some of the outstanding senior debt securities provide that, if, as a result of any change in, or amendment to, the laws, or any regulations or rulings promulgated under those laws, of the United States or any political subdivision or taxing authority in or of the United States, or any change in, or amendments to, an official position regarding the applicable or interpretation of those laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the date the applicable series of senior debt securities were initially issued, ML&Co. becomes or, based upon a written opinion of independent counsel selected by ML&Co., will become obligated to pay additional amounts as described in this prospectus under the heading "--Payment of Additional Amounts" with respect to those securities, then ML&Co. may, at its option redeem, as a whole, but not in part, the securities on not less than 30 nor more than 60 days prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued but unpaid to the date fixed for redemption.

#### TAX CONSIDERATIONS

It is suggested that you should reach an investment decision regarding the senior debt securities only after carefully considering the suitability of the senior debt securities in the light of your particular circumstances.

You should also consider the tax consequences, if any, of investing in the Securities and should consult your tax advisor.

#### REDEEMABLE NOTES

##### TERMS AND PROVISIONS APPLICABLE TO EACH SERIES OF REDEEMABLE NOTES

The specific terms and provisions applicable to each series of redeemable notes of ML&Co. are described below. The title of each series of the redeemable notes designates the interest rate and maturity date of that series of notes.

Each series of redeemable notes bears interest at a specified rate payable through their stated maturity date to the persons in whose names the notes are registered on the record date preceding each interest payment date as indicated below. If any interest payment date or the stated maturity date falls on a day that is not a Business Day, as defined below, the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date the payment was due, and no interest will accrue on the amount so payable for the period from and after that interest payment date or stated maturity date, as the case may be. Unless otherwise stated below, "Business Day" with respect to any place of payment means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that place of payment are authorized or obligated by law to close.

The redeemable notes are subject to redemption by ML&Co. or repayment at the option of their holders before their stated maturity dates as indicated below. Beneficial interests in any redeemable notes that are book-entry securities may be acquired, or subsequently transferred, only in denominations of \$1,000 and integral multiples of \$1,000.

##### TERMS AND PROVISIONS OF 6% NOTES DUE FEBRUARY 12, 2003

The stated maturity date for the 6% Notes due February 12, 2003 is February 12, 2003.

These notes of this series bear interest from February 12, 1998 and are payable semiannually on February 12 and August 12 of each year and at maturity, to the persons in whose names the notes are registered on the preceding July 29 and January 29, respectively.

The notes of this series are not subject to redemption by ML&Co. before maturity unless the events described under the section entitled "--Redemption for Tax Reasons" occur.

In the event definitive notes are issued, the holders of these notes will be able to receive payments on the notes and effect transfers of the notes at the offices of Chase Manhattan Bank Luxembourg S.A. or its successor as paying agent in Luxembourg.

ML&Co. has appointed Chase Manhattan Bank Luxembourg S.A. as a paying agent in Luxembourg with respect to this series of notes, and as long as these notes are listed on the Luxembourg Stock Exchange, ML&Co. will maintain a paying agent in Luxembourg and any change in the Luxembourg paying agent and transfer agent will be published in Luxembourg. See "--Notices".

#### TERMS AND PROVISIONS OF 7.05% NOTES DUE APRIL 15, 2003

The 7.05% Notes due April 15, 2003 will mature on April 15, 2003 unless redeemed earlier as provided below.

The notes of this series bear interest and are payable semiannually on each October 15 and April 15 to the persons in whose names the notes are registered on the next preceding October 1 and April 1, respectively.

The notes are subject to redemption at the option of ML&Co. on or after April 15, 1998, in whole or in part in increments of \$1,000, at a redemption price of 100% of the principal amount of the notes to be redeemed plus accrued interest to but excluding the date of redemption. Notice of redemption will be given not less than 30 or more than 60 days before the date of redemption to each holder of notes to be redeemed.

#### TERMS AND PROVISIONS OF FLOATING RATE NOTES DUE JUNE 24, 2003

The Floating Rate Notes due June 24, 2003 will mature on June 24, 2003.

The notes of this series are not subject to redemption by ML&Co. before maturity unless the events described in the section entitled "--Redemption for Tax Reasons" occur.

In the event definitive notes are issued, the holders of these notes will be able to receive payments on the notes and effect transfers of the notes at the offices of Chase Manhattan Bank Luxembourg S.A. or its successor as paying agent in Luxembourg.

ML&Co. has appointed Chase Manhattan Bank Luxembourg S.A. as a paying agent in Luxembourg with respect to notes, and as long as the notes are listed on the Luxembourg Stock Exchange, ML&Co. will maintain a paying agent in Luxembourg and any change in the Luxembourg paying agent and transfer agent will be published in Luxembourg. See "--Notices".

This series of notes bear interest from June 24, 1998 until their maturity, payable in arrears on March 24, June 24, September 24 and December 24 of each year and at maturity, to the persons in whose names the Notes are registered on the preceding March 9, June 9, September 9 and December 9, respectively; provided, however, that interest payable at maturity will be payable to the person to whom principal shall be payable. Interest payable on each interest payment date will include interest accrued from and including the first day of the interest period relating to that interest payment date to and including the last day of that interest period. Each interest period comprises the period beginning on and including June 24, 1998 and ending on and including the day preceding the first interest payment date, and, thereafter, each successive period beginning on and including each interest payment date and ending on and including the day preceding the next succeeding interest payment date.

With respect to this series of notes, "Business Day", with respect to any place of payment, means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in that place of payment are authorized or required by law, regulation or executive order to close, and which day is also a London Business Day.

"London Business Day" means any day, other than a Saturday or a Sunday, on which commercial banks and foreign exchange markets settle payments in London, England.

The per annum rate of interest with respect to this series of notes will be reset on each interest reset date and will be LIBOR plus 0.15%. Each interest payment date will be an interest reset date.

The interest rate applicable to each interest period will be the rate determined on the interest determination date applicable to that interest period. The interest determination date applicable to any interest reset date will be the second London Business Day preceding that interest reset date.

With respect to each interest reset date, "LIBOR" will be determined by MLPF&S as the calculation agent for an interest determination date and will be the rate for deposits in United States dollars having a maturity of three months beginning on the second London Business Day immediately following that interest determination date that appears on Telerate Page 3750 as of 11:00 A.M., London time, on that interest determination date.

If fewer than two offered rates appear, or no rate appears, as applicable, the calculation agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the calculation agent, to provide the Calculation Agent with its offered quotation for deposits in United States dollars having a maturity of three months beginning on the second London Business Day immediately following that interest determination date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on that interest determination date and in a principal amount that is representative for a single transaction in United States dollars in that market at that time. If at least two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in The City of New York, on that interest determination date by three major banks in The City of New York selected by the calculation agent for loans in United States dollars to leading European banks, having a maturity of three months and in a principal amount that is representative for a single transaction in United States dollars in that market at that time; provided, however, that if the banks so selected by the calculation agent are not quoting as mentioned in this sentence, LIBOR determined on that interest determination date will be LIBOR in effect on that interest determination date.

"Telerate Page 3750" means page 3750 on the Bridge Telerate, or any other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for United States dollars, for the purpose of displaying the London interbank rates of major banks for United States dollars.

Interest on this series of notes will be computed and paid on the basis of the actual number of days for which interest accrues in each interest period divided by 360.

All percentages resulting from any calculation on the notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545)) would be rounded to 9.87655% (or .0987655), and all dollar amounts used in or resulting from any calculation on the notes will be rounded to the nearest cent, with one-half cent being rounded upward.

ML&Co. will notify the Luxembourg Stock Exchange or will cause the Luxembourg Stock Exchange to be notified of the interest rate, the interest amount that will accrue, and commencement and ending dates for each interest period as soon as practicable after the determination is made.

#### TERMS AND PROVISIONS OF 6% NOTES DUE NOVEMBER 15, 2004

The 6% Notes due November 15, 2004 will mature on November 15, 2004.

The notes of this series bear interest and are payable semiannually on May 15 and November 15 of each year and at maturity, to the persons in whose names the notes are registered on the preceding May 1 and November 1, respectively.

The notes of this series are not subject to redemption by ML&Co. before maturity unless the events described in the section entitled "--Redemption for Tax Reasons" occur.

In the event definitive notes are issued, the holders will be able to receive payments on the notes and effect transfers of the notes at the offices of Chase Manhattan Bank Luxembourg S.A. or its successor as paying agent in Luxembourg with respect to the notes.

ML&Co. has appointed Chase Manhattan Bank Luxembourg S.A. as a paying agent in Luxembourg with respect to the notes, and as long as the notes are listed on the Luxembourg Stock Exchange, ML&Co. will maintain a paying agent in Luxembourg and any change in the Luxembourg paying agent and transfer agent will be published in Luxembourg. See "--Notices".

#### TERMS AND PROVISIONS OF 6% NOTES DUE JULY 15, 2005

The 6% Notes due July 15, 2005 will mature at par on July 15, 2005.

The notes of this series bear interest and are payable semiannually on January 15 and July 15 of each year and at maturity, to the persons in whose names the notes are registered on the preceding December 31 and June 30, respectively.

The notes of this series are not subject to redemption by ML&Co. before maturity unless the events described in the section entitled "--Redemption for Tax Reasons" occur.

In the event definitive notes are issued, the holders will be able to receive payments on the notes and effect transfers of the notes at the offices of Chase Manhattan Bank Luxembourg S.A. or its successor as paying agent in Luxembourg with respect to the notes.

ML&Co. has appointed Chase Manhattan Bank Luxembourg S.A. as a paying agent in Luxembourg with respect to the notes, and as long as the notes are listed on the Luxembourg Stock Exchange, ML&Co. will maintain a paying agent in Luxembourg and any change in the Luxembourg paying agent and transfer agent will be published in Luxembourg. See "--Notices".

TERMS AND PROVISIONS OF 6 3/8% NOTES DUE SEPTEMBER 8, 2006

The 6 3/8% Notes due September 8, 2006 will mature on September 8, 2006 unless redeemed earlier as provided below.

The notes of this series bear interest and are payable semiannually on each March 8 and September 8 to the persons in whose names the notes are registered on the preceding February 23 and August 23, respectively.

The notes are subject to redemption at the option of ML&Co. on or after September 8, 2003, in whole or in part in increments of \$1,000, at a redemption price of 100% of the principal amount of the notes to be redeemed plus accrued interest to but excluding the date of redemption. Notice of redemption of the notes shall be given not less than 30 or more than 60 days before the date of redemption to each holder of the notes to be redeemed.

TERMS AND PROVISIONS OF 6 1/2% NOTES DUE JULY 15, 2018

The 6 1/2% Notes due July 15, 2018 will mature on July 15, 2018.

The notes of this series bear interest and are payable semiannually on January 15 and July 15 of each year and at maturity, to the persons in whose names the notes are registered on the preceding December 31 and June 30, respectively.

The notes of this series are not subject to redemption by ML&Co. before maturity unless the events described in the section entitled "--Redemption for Tax Reasons" occur.

In the event definitive notes are issued, the holders will be able to receive payments on the notes and effect transfers of the notes at the offices of Chase Manhattan Bank Luxembourg S.A. or its successor as paying agent in Luxembourg with respect to the notes.

ML&Co. has appointed Chase Manhattan Bank Luxembourg S.A. as a paying agent in Luxembourg with respect to the notes, and as long as the notes are listed on the Luxembourg Stock Exchange, ML&Co. will maintain a paying agent in Luxembourg and any change in the Luxembourg paying agent and transfer agent will be published in Luxembourg. See "--Notices".

TERMS AND PROVISIONS OF 6 7/8% NOTES DUE NOVEMBER 15, 2018

The 6 7/8% Notes due November 15, 2018 will mature on November 15, 2018.

The notes of this series bear interest and are payable semiannually on May 15 and November 15 of each year and at maturity, to the persons in whose names the notes are registered on the preceding May 1 and November 1, respectively.

The notes of this series are not subject to redemption by ML&Co. before maturity unless the events described in the section entitled "--Redemption for Tax Reasons" occur.

In the event definitive notes are issued, the holders will be able to receive payments on the notes and effect transfers of the notes at the offices of Chase Manhattan Bank Luxembourg S.A. or its successor as paying agent in Luxembourg with respect to the notes.

ML&Co. has appointed Chase Manhattan Bank Luxembourg S.A. as a paying agent in Luxembourg with respect to the notes, and as long as the notes are listed on the Luxembourg Stock Exchange, ML&Co. will maintain a paying agent in Luxembourg and any change in the Luxembourg paying agent and transfer agent will be published in Luxembourg. See "--Notices".

TERMS AND PROVISIONS OF 8.40% NOTES DUE NOVEMBER 1, 2019

The 8.40% Notes due November 1, 2019 will mature on November 1, 2019.

The notes of this series bear interest and are payable semiannually on each May 1 and November 1 to the persons in whose names the notes are registered on the preceding April 15 and October 15, respectively.

The notes are not redeemable by ML&Co. before maturity unless \$20,000,000 or less of aggregate principal amount of the notes are outstanding, in which case the notes are redeemable at any time on or after November 1, 1994, in whole but not in part, on at least 15 days and not more than 60 days prior notice at a redemption price of 100% of principal amount of the notes plus accrued interest to the date of redemption.

NON-REDEEMABLE NOTES

Each series of Non-Redeemable Notes bears interest at a specified rate payable semiannually through maturity to the persons in whose names the notes are registered on the regular record date preceding each interest payment date. The Non-Redeemable Notes are not subject to redemption by ML&Co. or repayment at the option of their holders before their stated maturity dates, and are issuable and transferable in denominations of \$1,000 and any integral multiple of \$1,000. Beneficial interests in Non-Redeemable Notes that are book-entry securities may be acquired, or subsequently transferred, only in denominations of \$1,000 and integral multiples of \$1,000. The title of each series of Non-Redeemable Notes designates the interest rate or interest rate basis and maturity date of that series of notes.

NON-REDEEMABLE FIXED RATE NOTES

<TABLE>  
<CAPTION>

Series -----	Interest Payment Dates -----	Regular Record Dates -----
<S>	<C>	<C>
6 3/8% Notes due March 30, 1999*	March 30 and September 30	March 15 and September 15
8 1/4% Notes due November 15, 1999	May 15 and November 15	May 1 and November 1
8 3/8% Notes due February 9, 2000*	February 9 and August 9	January 25 and July 25
6.70% Notes due August 1, 2000*	February 1 and August 1	January 15 and July 15
6% Notes due January 15, 2001*	January 15 and July 15	January 1 and July 1
6% Notes due March 1, 2001*	March 1 and September 1	February 15 and August 15
6 1/2% Notes due April 1, 2001*	April 1 and October 1	March 15 and September 15
8% Notes due February 1, 2002	February 1 and August 1	January 15 and July 15
7 3/8% Notes due August 17, 2002*	February 17 and August 17	February 2 and August 2
6.64% Notes due September 19, 2002*	March 19 and September 19	March 4 and September 4
8.30% Notes due November 1, 2002	May 1 and November 1	April 15 and October 15
6% Notes due February 12, 2003*	February 12 and August 12	January 29 and July 29
6 7/8% Notes due March 1, 2003*	March 1 and September 1	February 15 and August 15
6.55% Notes due August 1, 2004*	February 1 and August 1	January 15 and July 15
6 1/4% Notes due January 15, 2006*	January 15 and July 15	January 1 and July 1
7% Notes due March 15, 2006*	March 15 and September 15	March 1 and September 1
7 3/8% Notes due May 15, 2006*	May 15 and November 15	May 1 and November 1
7% Notes due January 15, 2007*	January 15 and July 15	January 1 and July 1
8% Notes due June 1, 2007	June 1 and December 1	May 15 and November 15
6.56% Notes due December 16, 2007*	June 16 and December 16	June 1 and December 1
7% Notes due April 27, 2008*	April 27 and October 27	April 12 and October 12
6 1/4% Notes due October 15, 2008*	April 15 and October 15	March 31 and September 30
6 3/8% Notes due October 15, 2008*	April 15 and October 15	April 1 and October 1
6 3/4% Notes due June 1, 2028*	June 1 and December 1	May 15 and November 15
6% Notes due February 17, 2009*	February 1 and August 1	February 17 and August 17

</TABLE>

\*Book-Entry Securities

NON-REDEEMABLE FLOATING RATE NOTES DUE FEBRUARY 4, 2003

The Floating Rate Notes due February 4, 2003 will mature on February 4, 2003.

The notes of this series are not subject to redemption by ML&Co. before their maturity.

The notes bear interest payable in arrears on February 4, May 4, August 4 and November 4 of each year until maturity. Interest payable on each interest payment date will include interest accrued from and including the first day of the interest period relating to that interest payment date to and including the last day of that interest period. Each interest period comprises the period beginning on and including the original issue date of the notes and ending on and including the day preceding the first interest payment date, and, thereafter, each successive period beginning on and including each interest payment date and ending on and including the day preceding the next succeeding interest payment date.

With respect to this series of notes, "Business Day", with respect to any place of payment, means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in that place of payment are authorized or required by law, regulation or executive order to close, and which day is also a London Business Day.



"London Business Day" means any day, other than a Saturday or a Sunday, on which commercial banks and foreign exchange markets settle payments in London, England.

The per annum rate of interest with respect to this series of notes will be reset on each interest reset date and will be LIBOR plus 0.2%. Each interest payment date will be an interest reset date.

The interest rate applicable to each interest period will be the rate determined on the interest determination date applicable to that interest period. The interest determination date applicable to any interest reset date will be the second London Business Day preceding that interest reset date.

With respect to each interest reset date, "LIBOR" will be determined by MLPF&S as the calculation agent for an interest determination date and will be the rate for deposits in United States dollars having a maturity of three months beginning on the second London Business Day immediately following that interest determination date that appears on Telerate Page 3750 as of 11:00 A.M., London time, on that interest determination date.

If fewer than two offered rates appear, or no rate appears, as applicable, the calculation agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the calculation agent, to provide the Calculation Agent with its offered quotation for deposits in United States dollars having a maturity of three months beginning on the second London Business Day immediately following that interest determination date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on that interest determination date and in a principal amount that is representative for a single transaction in United States dollars in that market at that time. If at least two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in The City of New York, on that interest determination date by three major banks in The City of New York selected by the calculation agent for loans in United States dollars to leading European banks, having a maturity of three months and in a principal amount that is representative for a single transaction in United States dollars in that market at that time; provided, however, that if the banks so selected by the calculation agent are not quoting as mentioned in this sentence, LIBOR determined on that interest determination date will be LIBOR in effect on that interest determination date.

"Telerate Page 3750" means page 3750 on the Bridge Telerate, or any other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for United States dollars, for the purpose of displaying the London interbank rates of major banks for United States dollars.

Interest on this series of notes will be computed and paid on the basis of the actual number of days for which interest accrues in each interest period divided by the actual number of days in the relevant year.

All percentages resulting from any calculation on the notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545)) would be rounded to 9.87655% (or .0987655), and all dollar amounts used in or resulting from any calculation on the notes will be rounded to the nearest cent, with one-half cent being rounded upward.

#### OTHER TERMS

##### LIMITATIONS UPON LIENS

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

LIMITATION ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### MERGER AND CONSOLIDATION

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe of all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### MODIFICATION AND WAIVER

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under

"--Events of Default".

#### EVENTS OF DEFAULT

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

Any Event of Default with respect to any series of debt securities may be waived by the holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New

We have filed a registration statement on Form S-3 with the SEC covering the senior debt securities. For further information on ML&Co. and the senior debt securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the senior debt securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the senior debt securities.

MLPF&S may act as principal or agent in these market-making transactions.

The distribution of the senior debt securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement

schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

MERRILL LYNCH & CO., INC.  
MEDIUM-TERM NOTES

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, will use this prospectus when making offers and sales related to market-making transactions in the following securities.

- o The final terms and conditions of each issue of notes are specified in the applicable pricing supplement.
- o The notes are senior unsecured debt securities of ML&Co.
- o The notes have stated maturities of nine months or more from the date they were originally issued.
- o We will pay amounts due on the notes in U.S. dollars or any other consideration described in the applicable pricing supplement.
- o The notes bear interest at fixed or floating rates or may not bear any interest. If the notes bear interest at a floating rate, the floating rate is based on one or more indices or formulas plus or minus a fixed amount or multiplied by a factor.
- o Whether the notes are redeemable or repayable before their maturity and whether they are subject to mandatory redemption, redemption at the option of ML&Co. or repayment at the option of the holder of the notes is specified in the applicable pricing supplement.

INVESTING IN THE NOTES INVOLVES CERTAIN RISKS.  
SEE "RISK FACTORS" ON PAGE 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the notes will be the prevailing market price at the time of sale.

-----  
MERRILL LYNCH & CO.  
-----

The date of this prospectus is , 1999.

TABLE OF CONTENTS

RISK FACTORS..... 3  
MERRILL LYNCH & CO., INC..... 4  
RATIO OF EARNINGS TO FIXED CHARGES..... 5  
DESCRIPTION OF NOTES..... 5  
OTHER TERMS..... 13  
WHERE YOU CAN FIND MORE INFORMATION..... 17  
INCORPORATION OF INFORMATION WE FILE WITH THE SEC..... 17  
PLAN OF DISTRIBUTION..... 18  
EXPERTS..... 18

RISK FACTORS

Your investment in the notes will include certain risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the following discussion of risks before deciding whether an investment in the notes is suitable for you. The notes are not an appropriate investment for you if you are unsophisticated with respect to the significant components of their relationship.

Structure Risks of Notes Indexed to Interest Rate, Currency or Other Indices or Formulas

If you invest in notes indexed to one or more interest rate, currency or other indices or formulas, there will be significant risks not associated with a conventional fixed rate or floating rate debt security. These risks include fluctuation of the indices or formulas and the possibility that you will receive a lower, or no, amount of principal, premium or interest and at different times than you expected. We have no control over a number of matters, including economic, financial and political events, that are important in determining the existence, magnitude and longevity of these risks and their results. In addition, if an index or formula used to determine any amounts payable in respect of the notes contains a multiplier or leverage factor, the effect of any change in that index or formula will be magnified. In recent years, values of certain indices and formulas have been volatile and volatility in those and other indices and formulas may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future.

Redemption May Adversely Affect Your Return on the Notes

If your notes are redeemable at our option or are otherwise subject to mandatory redemption, we may, in the case of optional redemption, or must, in the case of mandatory redemption, choose to redeem your notes at times when prevailing interest rates may be relatively low. Accordingly, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

There May Be an Uncertain Trading Market for Your Notes; Many Factors Affect the Trading Value of Your Notes

We cannot assure you a trading market for your notes will continue to exist. Many factors independent of our creditworthiness may affect the trading market of your notes. These factors include:

- o the complexity and volatility of the index or formula applicable to the notes,
- o the method of calculating the principal, premium and interest in respect of the notes,
- o the time remaining to the maturity of the notes,
- o the outstanding amount of the notes,

- o the redemption features of the notes,
- o the amount of other securities linked to the index or formula applicable to the notes, and
- o the level, direction and volatility of market interest rates generally.

In addition, because some notes were designed for specific investment objectives or strategies, these notes will have a more limited trading market and experience more price volatility. There may be a limited number of buyers for these notes. This may affect the price you receive for these notes or your ability to sell these notes at all. You should not purchase notes unless you understand and know you can bear the related investment risks.

#### Our Credit Ratings May Not Reflect All Risks of an Investment in the Notes

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of your notes. Our credit ratings, however, may not reflect the potential impact of risks related to structure, market or other factors discussed above on the value of your notes.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services ; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the notes described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

<S>	Year Ended Last Friday in December				
	<C> 1994 ----	<C> 1995 ----	<C> 1996 ----	<C> 1997 ----	<C> 1998 ----
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

</TABLE>

#### DESCRIPTION OF NOTES

##### Terms of the Notes

"Pricing supplement", as used herein, means a prospectus supplement relating to an individual issue of the notes, as filed with the SEC

The terms and conditions described below apply to each note unless otherwise specified in the applicable pricing supplement.

Except as provided in the applicable pricing supplement, the notes are denominated in U.S. dollars. If provided in the applicable pricing supplement, notes may be denominated in a foreign currency or in units of two or more currencies ("Multi-Currency Notes").

Except as provided in the applicable pricing supplement:

- o the notes were issued only in fully registered form without coupons;
- o floating rate notes and Zero Coupon Notes, as defined, were issued in denominations of \$25,000 or any amount in excess of \$25,000 which is an integral multiple of \$1,000; and
- o fixed rate notes were issued in denominations of \$1,000 or any integral multiple in excess of \$1,000.

Unless otherwise specified in the applicable pricing supplement:

- o principal and interest, if any, is payable;
- o the transfer of the notes is registrable, and
- o the notes are exchangeable for notes bearing identical terms and provisions,

at the office of the trustee in The City of New York designated for such purpose, provided that ML&Co., at its option, may pay interest, other than interest payable at maturity or on any date of redemption or repayment, by check mailed to the address of the person entitled to receive payment as shown on the security register. ML&Co. will pay the principal and interest payable at maturity or the date of redemption or repayment on each note upon maturity, redemption or repayment, as the case may be, in immediately available funds against presentation of the note at the office of the trustee maintained for that purpose.

Notwithstanding the preceding two sentences, ML&Co. may pay interest on a note which bears interest at a floating rate at maturity or earlier redemption or repayment by wire transfer of immediately available funds to a designated account maintained in the United States upon:

- (1) receipt of written notice by the trustee from the holder of the applicable note not less than one Business Day before the due date of the relevant principal payment; and
- (2) presentation of the note at the corporate trust office of the



trustee in the Borough of Manhattan, The City of New York, or at any other place as ML&Co. may designate.

A holder of not less than \$1,000,000 aggregate principal amount of floating rate notes may by written notice to the trustee at the corporate trust office or at such other address as ML&Co. will give notice in writing not less than 15 days before an interest payment date, arrange to have the interest payable on all notes held by that holder on the relevant interest payment date, and all subsequent interest payment dates until written notice to the contrary is given to the trustee, made by wire transfer of immediately available funds to a designated account maintained in the United States.

Except as provided in the applicable pricing supplement, "Business Day" means any day that is not a Saturday or Sunday and that, in The City of New York, is neither a legal holiday nor a day on which banking institutions are authorized or obligated by law or regulation to close.

#### REPAYMENT AT OPTION OF HOLDER

If so indicated in an applicable pricing supplement, notes are repayable by ML&Co. in whole or in part at the option of the holders of the notes on their respective optional repayment dates specified in the applicable pricing supplement. If no optional repayment date is indicated with respect to a note, that note is not repayable at the option of the holder before maturity. Any repayment in part will be in increments of \$1,000 provided that any remaining principal amount of the applicable note will be an authorized denomination of the applicable note. The repurchase price for any note repurchased is 100% of the principal amount to be repaid, together with interest payable to the date of repayment.

Notwithstanding anything to the contrary in this prospectus, if repayable at the option of the holder, a note is repayable only on an interest payment date. If any optional repayment date specified with respect to a note is not an interest payment date, whether because the payment date is not a Business Day or otherwise, the applicable repayment date will, instead of being the date specified, be the interest payment date nearest the specified optional repayment date whether the applicable interest payment date precedes or succeeds the specified optional repayment date. In the event that an equal number of days separates a specified optional repayment date and the preceding interest payment date, on the one hand, and the succeeding interest payment date, on the other hand, the optional repayment date will be the succeeding interest payment date.

In order for a note which is by its terms repayable at the option of the holder to be repaid before maturity, ML&Co. must receive at the corporate trust office of the trustee, or at any other address of which ML&Co. will from time to time notify the holders of the notes, during the period from and including the 20th Business Day preceding the applicable optional repayment date up to and including the close of business on the 16th Business Day preceding the applicable optional repayment date:

- (1) the applicable note with the information under the caption "option to elect repayment" duly completed, or
- (2) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or a trust company in the United States of America dated no later than the 16th Business Day preceding the applicable optional repayment date and setting forth the name of the holder of the note, the principal amount of the note, the amount of the note to be repaid, a statement that the option to elect repayment is being exercised and a guarantee that the note with the information required under the caption "option to elect repayment" duly completed will be received at the above-mentioned office of the trustee, not later than the 5th Business Day after the date of the telegram, telex, facsimile transmission or letter and note, duly completed, is received at the office of the trustee by the 5th Business Day.

A holder's effective exercise of the repayment option will be irrevocable. A holder of a note will not be permitted to transfer or exchange that note or, in the event that a note is to be repaid in part, that portion of the note to be repaid, after exercise of the repayment option. ML&Co. will make all determinations with respect to all questions as to the validity, eligibility, including time of receipt and acceptance of any note for repayment. All such determinations will be final, binding and non-appealable. ML&Co. has the right to offer for resale any note acquired by it pursuant to the foregoing arrangements. Accordingly, ML&Co. may not satisfy the indebtedness evidenced by any note repurchased by it by such repurchase.

#### REDEMPTION AT OPTION OF ML&CO.

The notes do not have a sinking fund but are redeemable at the option

of ML&Co. if a redemption date is specified in the applicable notes and in the applicable pricing supplement. If indicated in an applicable pricing supplement, the notes are subject to redemption by ML&Co. on and after their respective redemption dates specified in the applicable pricing supplement. On and after the redemption date, if any, the related note is redeemable in whole or in part at the option of ML&Co. on notice given not more than 60 nor less than 30 days before the date of redemption in the case of fixed rate notes, or on notice given not more than 30 nor less than 15 days before the date of redemption in the case of floating rate notes. Any redemption in part will be in increments of \$1,000 provided that any remaining principal amount of the applicable note will be an authorized denomination of the applicable note. The redemption price is equal to 100% of the principal amount to be redeemed, together with interest payable to the date of redemption. Notwithstanding the above, however, floating rate notes, if redeemable at the option of ML&Co., are redeemable only on interest payment dates occurring on or after the applicable redemption dates.

#### INTEREST RATE

Each note bears interest at the rate per annum, or pursuant to the interest rate formula, stated in the applicable note and in the applicable pricing supplement until the principal of the note is paid or made available for payment. Interest is payable on each interest payment date and at maturity or, if applicable, upon redemption or repayment. Interest is payable to the person in whose name a note is registered at the close of business on the regular record date next preceding each interest payment date; provided, however, interest payable at maturity or, if applicable, upon redemption or repayment will be payable to the person to whom principal will be payable. Except as provided in the applicable pricing supplement, Merrill Lynch, Pierce, Fenner & Smith Incorporated, referred to in this prospectus as MLPF&S, is the calculation agent with respect to floating rate notes.

Each floating rate note bears interest at rates determined by reference to an interest rate formula, which may be adjusted by a Spread or Spread Multiplier, each as defined below, unless otherwise specified in the applicable note. A floating rate note may also have either or both of the following:

- o a maximum limitation, or ceiling, on the rate at which interest which may accrue during any interest period; and
- o a minimum limitation, or floor, on the rate at which interest which may accrue during any interest period.

The applicable pricing supplement designates either a fixed rate of interest per annum payable on the applicable note, in which case the note is a fixed rate note, or one of the following base rates, as applicable to the relevant floating rate note:

- o the commercial paper index rate, in which case the note is a Commercial Paper Index Rate Note,
- o the federal funds rate, in which case the note is a Federal Funds Rate Note,
- o the prime rate, in which case the note is a Prime Rate Note,
- o the treasury index rate, in which case the note is a Treasury Index Rate Note,
- o LIBOR, in which case the note is a LIBOR Note, or
- o such other interest rate formula as is set forth in the applicable pricing supplement.

Except as specified in the applicable pricing supplement, floating rate notes have daily, weekly, quarterly, semiannual or annual resets of the rate of interest.

#### FIXED RATE NOTES

Each fixed rate note bears interest at the rate per annum stated on the face of the applicable note until the principal of the note is paid or made available for payment. Except as provided in the applicable pricing supplement, interest is payable semi-annually on May 15 and November 15 of each year and at maturity, or on the date of redemption or repayment if a fixed rate note is redeemed by ML&Co. or repaid at the holder's option prior to maturity. Interest is computed on the basis of a 360-day year of twelve 30-day months. Interest is payable to the person in whose name a fixed rate note is registered at the close of business on the May 1 or November 1 regular record date next preceding the

May 15 or November 15 interest payment date. Interest rates are subject to change by ML&Co. from time to time, but no change will affect any fixed rate note previously issued or as to which ML&Co. has accepted an offer to purchase.

Any payment of principal or interest required to be made on an interest payment date, at maturity or earlier redemption or repayment of a fixed rate note which is not a Business Day need not be made on that day, but may be made on the next succeeding Business Day with the same force and effect as if made on the interest payment date, maturity date or date of redemption or repayment, as the case may be. No interest will accrue with respect to the payment for the period from and after the applicable interest payment date, maturity date or date of redemption or repayment.

#### FLOATING RATE NOTES

The applicable pricing supplement specifies:

- o the base rate or other interest rate formula ,
- o the Spread, or Spread Multiplier, if any, and
- o the maximum or minimum interest rate limitation, if any, applicable to each floating rate note.

In addition, the pricing supplement specifies for each floating rate note the following terms, if applicable: the initial interest rate, the interest payment dates, the Index Maturity, Interest Reset Dates, optional repayment dates, redemption date and any other variable term applicable to the note.

The interest rate on each floating rate note is calculated by reference to the specified interest rate formula:

- (1) plus or minus the number of basis points specified in the applicable pricing supplement as being applicable to the interest rate for the relevant floating rate note (the "Spread"), if any, or
- (2) multiplied by the percentage of the base rate applicable to the interest rate for the applicable floating rate note (the "Spread Multiplier"), if any.

"Index Maturity" means, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable pricing supplement.

"Regular record date" with respect to floating rate notes means the 15th day, whether or not a Business Day, before the applicable interest payment date.

The "calculation date", if applicable, with respect to any Interest Determination Date as specified with respect to each base rate is the earlier of:

- o the tenth calendar day after the Interest Determination Date or, if the tenth calendar day is not a Business Day, the next succeeding Business Day, or
- o the Business Day before the interest payment date on which the accrued interest will be payable.

Except as otherwise provided herein with respect to LIBOR Notes or in the applicable pricing supplement, if any Interest Reset Date for any floating rate note would otherwise be a day that is not a Business Day, that Interest Reset Date will be postponed to the next succeeding day that is a Business Day.

Each floating rate note bears interest from the date of issue at the rates determined as described below until the principal of the note is paid or otherwise made available for payment. The rate of interest on a floating rate note is reset each Interest Reset Date applicable to the note; provided, however, that except in the case of floating rate notes which reset daily, the interest rate in effect for the ten days immediately before maturity, redemption or repayment, as the case may be, will be the interest rate in effect on the tenth day preceding such maturity, redemption or repayment, as the case may be. Except as otherwise provided herein or in the applicable pricing supplement, the rate of interest determined on an Interest Reset Date with respect to a floating rate note will be applicable on and after the applicable Interest Reset Date to, but not including, the next succeeding Interest Reset Date, or until the date of maturity or date of redemption or repayment, as the case may be.

If an interest payment date with respect to any floating rate note falls on a day that is not a Business Day with respect to the note, that interest payment date will be the following day that is a Business Day, except that in the case of a LIBOR Note, if such day falls in the next calendar month, the interest payment date will be the preceding day that is a Business Day. If

the maturity date or date of redemption or repayment of any floating rate note falls on a day that is not a Business Day, the payment of interest and principal may be made on the next succeeding Business Day, and no interest on that payment will accrue for the period from and after the maturity date or the date of redemption or repayment.

Except as provided in the applicable pricing supplement, interest payments on floating rate notes will be the amount of interest accrued from, and including, the next preceding interest payment date in respect of which interest has been paid to, but excluding, the interest payment date. With respect to a floating rate note, accrued interest from the last date to which interest has been paid is calculated by multiplying the principal amount of the applicable floating rate note by an accrued interest factor. The accrued interest factor is computed by adding the interest factors, calculated for each day, from the last date to which interest has been paid, to the date for which accrued interest is being calculated. The interest factor for each day is computed by dividing the interest rate applicable to each day by 360, in the case of Commercial Paper Index Rate Notes, Federal Funds Rate Notes, Prime Rate Notes and LIBOR Notes, or by the actual number of days in the year, in the case of Treasury Index Rate Notes.

All percentages resulting from any calculation on floating rate notes will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward. For example, 9.876545% or .09876545 would be rounded to 9.87655% or .0987655. All dollar amounts used in or resulting from calculations on floating rate notes will be rounded to the nearest cent with one-half cent being rounded upward.

Upon the request of the holder of any floating rate note, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate which will become effective as a result of a determination made with respect to the most recent Interest Determination Date with respect to the applicable note.

#### COMMERCIAL PAPER INDEX RATE NOTES

Commercial Paper Index Rate Notes bear interest at the interest rates, calculated with reference to the Commercial Paper Index Rate and the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

Unless otherwise indicated in the applicable pricing supplement, "Commercial Paper Index Rate" means, with respect to any Interest Determination Date relating to a Commercial Paper Index Rate Note, the Money Market Yield calculated as described below of the rate on that date for commercial paper having the Index Maturity specified in the applicable pricing supplement as such rate is published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates" or any successor publication of the Board of Governors of the Federal Reserve System ("H.15(519)"), under the heading "Commercial Paper". In the event that such rate is not published by 9:00 A.M. New York City time on the calculation date pertaining to the applicable Interest Determination Date, then the Commercial Paper Index Rate will be the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the Index Maturity as published by the Federal Reserve Bank of New York in its daily statistical release, "Composite 3:30 P.M. Quotations for U.S. Government Securities" ("Composite Quotations") under the heading "Commercial Paper". If by 3:00 P.M., New York City time, on the applicable calculation date such rate is not yet published in either H.15(519) or Composite Quotations, the Commercial Paper Index Rate for that Interest Determination Date will be calculated by the calculation agent and will be the Money Market Yield of the arithmetic mean of the offered rates of three leading dealers of commercial paper in The City of New York selected by the calculation agent as of 11:00 A.M., New York City time, on that Interest Determination Date for commercial paper having the specified Index Maturity placed for an industrial issuer whose bond rating is "AA" or the equivalent from a nationally recognized rating agency. If the dealers selected by the calculation agent are not quoting as mentioned in the preceding sentence, the Commercial Paper Index Rate will be the Commercial Paper Index Rate in effect on such Interest Determination Date.

"Money Market Yield" means the yield calculated in accordance with the following formula and expressed as a percentage:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and "M" refers to the actual number of days in the interest period for which interest is being calculated.

The Interest Determination Date pertaining to an Interest Reset Date

on a Commercial Paper Index Rate Note is the Business Day before the Interest Reset Date.

#### FEDERAL FUNDS RATE NOTES

Federal Funds Rate Notes bear interest at the interest rates, calculated with reference to the Federal Funds Rate and the Spread, or Spread Multiplier, if any, specified in the applicable pricing supplement.

Unless otherwise indicated in the applicable pricing supplement, "Federal Funds Rate" means, with respect to any Interest Determination Date relating to a Federal Funds Rate Note, the rate on that date for Federal Funds as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates" ("H.15(519)") or any successor publication under the heading "Federal Funds (Effective)" or, if not so published by 9:00 A.M., New York City time, on the calculation date pertaining to the applicable Interest Determination Date, the Federal Funds Rate will be the interest rate on the Interest Determination Date as published by the Federal Reserve Bank of New York in its daily statistical release, "Composite 3:30 P.M. Quotations for U.S. Government Securities" ("Composite Quotations") under the heading "Federal Funds/Effective Rate". If such rate is not yet published by 9:00 A.M. on the calculation date pertaining to the applicable Interest Determination Date, the Federal Funds Rate for the applicable Interest Determination Date will be the rate on the applicable Interest Determination Date made publicly available by the Federal Reserve Bank of New York which is equivalent to the rate which appears in H.15(519) under the heading "Federal Funds (Effective)". If the rate described in the preceding sentence is not made publicly available by the Federal Reserve Bank of New York by 9:00 A.M. on the calculation date, the Federal Funds Rate will be the last Federal Funds Rate in effect before the applicable Interest Determination Date.

The rate of interest on a Federal Funds Rate Note is reset on each Interest Reset Date applicable to the note. Unless otherwise specified in the applicable pricing supplement, with respect to Federal Funds Rate Notes, each Business Day is an Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date on a Federal Funds Rate Note is the Business Day before the applicable Interest Reset Date.

#### PRIME RATE NOTES

Prime Rate Notes bear interest at the interest rates, calculated with reference to the Prime Rate and the Spread, or Spread Multiplier, if any, specified in the applicable pricing supplement.

Unless otherwise indicated in the applicable pricing supplement, "Prime Rate" means, with respect to any Interest Determination Date relating to a Prime Rate Note, the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on the Interest Determination Date by three major money center banks in The City of New York selected by the calculation agent. If fewer than three quotations are provided, the Prime Rate will be calculated by the calculation agent and will be determined as the arithmetic mean on the basis of the prime rates quoted in The City of New York on the calculation date by three substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, and unaffiliated with ML&Co., having total equity capital of at least \$500 million and being subject to supervision or examination by a Federal or State authority, selected by the calculation agent. If the substitute banks or trust companies selected by the calculation agent are not quoting as mentioned in the preceding sentence, the Prime Rate will be the Prime Rate in effect on such Interest Determination Date relating to a Prime Rate Note.

The Interest Determination Date pertaining to an Interest Reset Date on a Prime Rate Note is the Business Day before the applicable Interest Reset Date.

#### LIBOR NOTES

LIBOR Notes bear interest at the interest rates calculated with reference to LIBOR and the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

Unless otherwise indicated in the applicable pricing supplement, LIBOR, with respect to any Interest Determination Date relating to a LIBOR Note will equal the arithmetic mean as determined by the calculation agent of the offered rates which appear as of 11:00 A.M., London time, on the Reuters Screen LIBOR Page on the Reuter Monitor Money Rates Service for deposits in United States dollars for the period of the Index Maturity specified in the applicable pricing supplement commencing on the second day on which dealings in deposits in United States dollars are transacted in the London interbank market (a

"London Banking Day") immediately following the applicable Interest Determination Date; provided, however, that if fewer than two quotations appear, the calculation agent will request the principal London office of four major banks in the London interbank market selected by the calculation agent to provide the calculation agent with a quotation of their offered rates at approximately 11:00 A.M., London time, on the applicable Interest Determination Date for deposits in United States dollars for the period of the applicable Index Maturity and in a principal amount equal to an amount that is representative for a single transaction in such market at such time commencing on the second London Banking Day immediately following the applicable Interest Determination Date. If at least two quotations are provided, LIBOR for the applicable Interest Determination Date will equal the arithmetic mean of the quotations. If fewer than two quotations are provided, LIBOR for the applicable Interest Determination Date will equal the arithmetic mean of the rates quoted by three major banks in The City of New York, as selected by the calculation agent, at approximately 11:00 A.M., New York City time, on the applicable Interest Determination Date for loans to leading European banks in United States dollars for the period of the applicable Index Maturity and in a principal amount equal to an amount that is representative for a single transaction in such market at such time commencing on the second London Banking Day following the Interest Determination Date. If the banks selected by the calculation agent are not quoting as mentioned in the preceding sentence, LIBOR for the applicable Interest Determination Date will be LIBOR in effect on such Interest Determination Date.

The Interest Determination Date pertaining to an Interest Reset Date on a LIBOR Note is the second London Banking Day next preceding the applicable Interest Reset Date.

#### TREASURY INDEX RATE NOTES

Treasury Index Rate Notes bear interest at the interest rates, calculated with reference to the Treasury Index Rate and the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

Unless otherwise indicated in the pricing supplement, "Treasury Index Rate" means, with respect to any Interest Determination Date relating to a Treasury Index Rate Note, the per annum discount rate for direct obligations of the United States with a maturity of thirteen weeks ("91-day Treasury bills"), expressed as a bond equivalent on the basis of a year of 365 or 366 days, at the 91-day Treasury bill auction occurring on the applicable Interest Determination Date as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates", or any successor publication, under the heading "Treasury bills--auction average (investment)" or if not published by 9:00 A.M. New York City time on the calculation date as reported by the United States Department of the Treasury. Treasury bills are usually sold at auction on Monday of each week unless that day is a legal holiday in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday.

The day of each auction of 91-day Treasury bills, unless otherwise specified in the pricing supplement, is an Interest Determination Date provided that the results of the auction are published or reported, and each Business Day following such an Interest Determination Date is a Treasury Index Rate Note Interest Reset Date. The rate of interest applicable to Treasury Index Rate Notes will therefore not be reset during any period in which auctions are not held or the results of auctions are not so published or reported.

#### ZERO COUPON NOTES

Notes which do not bear interest ("Zero Coupon Notes") were initially offered at a substantial discount from their principal amount at maturity. There are no periodic payments of interest. The calculation of the accrual of Original Issue Discount, as defined below, in the period during which a Zero Coupon Note remains outstanding, is on a semiannual bond equivalent basis using a year composed of twelve 30-day months. Upon maturity, Original Issue Discount will cease to accrue on a Zero Coupon Note.

Limitation of Claims in Bankruptcy: If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the holder of a Zero Coupon Note with respect to the principal amount thereof may, under Section 502(b)(2) of Title 11 of the United States Code, be limited to the issue price of the Zero Coupon Note plus that portion of the Original Issue Discount that is amortized from the date of issue to the commencement of the proceeding.

#### OTHER TERMS

ML&Co. issued the notes as a series of securities under an Indenture, dated as of April 1, 1983, as amended and restated (the "1983 Indenture"),

between ML&Co. and The Chase Manhattan Bank, as trustee. All of the securities issued under the 1983 Indenture are referred to in this prospectus as the "senior debt securities". A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the notes of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definition of terms in the 1983 Indenture .

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon such terms as ML&Co. may establish under the provisions of the 1983 Indenture .

The 1983 Indenture and the notes are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and reopen a previously issued series of senior debt securities and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co.. However, since ML&Co. is a holding company, the right of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary . In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Securities Exchange Act of 1934, as amended, and under rules of certain exchanges and other regulatory bodies.

#### LIMITATIONS UPON LIENS

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### LIMITATION ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### MERGER AND CONSOLIDATION

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
- o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
- o perform and observe of all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### MODIFICATION AND WAIVER

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### EVENTS OF DEFAULT

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may



declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of the 1983 Indenture without the consent of each holder of each outstanding security of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The notes and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for more information on the public reference rooms and their copy charges. You may also inspect our SEC reports and other information at the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the notes. For further information on ML&Co. and the notes, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and

- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of the initial registration statement and prior to effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the notes and is to be used by MLPF&S when making offers and sales related to market-making transactions in the notes.

MLPF&S may act as principal or agent in these market-making transactions.

The distribution of the notes will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

MERRILL LYNCH & CO., INC.

MAJOR 11 INTERNATIONAL MARKET INDEX TARGET-TERM MITTS SECURITIES (R) DUE  
DECEMBER 6, 2002  
"MITTS (R) SECURITIES"  
\$10 PRINCIPAL AMOUNT PER UNIT

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch,

Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary when making offers and sales related to market-making transactions in the MITTS Securities.

The MITTS Securities:

- o 100% principal protection at maturity
- o No payments before maturity date
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o Linked to the value of the Major 11 International Index
- o The MITTS Securities are listed on the American Stock Exchange under the symbol "EEM".

Payment at Maturity:

- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the percentage increase, if any, in the value of the Major 11 International Index as described in this prospectus.
- o You will receive no less than the principal amount of your MITTS Securities.

INVESTING IN THE MITTS SECURITIES INVOLVE RISKS.  
SEE "RISK FACTORS" BEGINNING ON PAGE 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
MERRILL LYNCH & CO.  
-----

The date of this prospectus is , 199 .

"MITTS" and "Market Index Target-Term Securities" are registered service marks of Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
DESCRIPTION OF MITTS SECURITIES.....	9
THE INDEX.....	17
OTHER TERMS.....	23
PROJECTED PAYMENT SCHEDULE.....	27
WHERE YOU CAN FIND MORE INFORMATION.....	28
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	28
PLAN OF DISTRIBUTION.....	29
EXPERTS.....	29

## RISK FACTORS

Your investment in the MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

### YOU MAY NOT EARN A RETURN ON YOUR INVESTMENT

You should be aware that if the average value of the index over five trading days shortly before the maturity date is less than 100, the value of the index on the date the MITTS Securities were priced, we will pay you only \$10 for each unit of the MITTS Securities you own. This will be true even if, at some time during the life of the MITTS Securities, the value of the index was higher than 100 but later falls below 100.

### YOUR YIELD MAY BE LOWER THAN THE YIELD ON A STANDARD DEBT SECURITY OF COMPARABLE MATURITY

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

### YOUR RETURN WILL NOT REFLECT THE RETURN OF OWNING THE STOCKS INCLUDED IN THE INDEX

The AMEX calculates the index by reference to the sub-indices comprising eleven major international market indices that reflect the prices of the common stocks included in those sub-indices without taking into consideration the value of dividends paid on those stocks, except in the case of the Deutscher Aktienindex Sub-Index which reflects dividends paid on its underlying common stocks. Your return on your MITTS Securities will not reflect the return you would realize if you actually owned all of the stocks underlying the index and received the dividends paid on those stocks because, except as noted above, the value of the index is calculated by reference to the prices of the stocks included in the index without taking into consideration the value of dividends paid on those stocks.

### YOUR RETURN MAY BE AFFECTED BY CURRENCY EXCHANGE RATES

Although the stocks comprising the sub-indices are traded in currencies other than U.S. dollars and the MITTS Securities are denominated in U.S. dollars, we will not adjust the amount payable at maturity for currency exchange rates in effect at the maturity of the MITTS Securities. Any amount in addition to the principal amount of each unit payable to you at maturity is based solely upon the percentage increase in the index. Changes in exchange rates, however, may reflect changes in the relevant European, Australian and Asian economies which in turn may affect the value of the sub-indices and the MITTS Securities.

### YOUR RETURN MAY BE AFFECTED BY FACTORS AFFECTING INTERNATIONAL SECURITIES MARKETS.

The underlying stocks that constitute the sub-indices have been issued by companies listed on European, Australian and Asian exchanges. You should be aware that investments in securities indexed to the value of European, Australian and Asian securities involve risks. The European, Australian and Asian securities markets may be more volatile than U.S. or other securities markets and may be affected by market developments in different ways than U.S. or other securities markets. Direct or indirect government intervention to stabilize a particular non-U.S. securities market and cross-shareholdings in European, Australian and Asian companies on these markets may affect prices and volume of trading on those markets. Also, there is generally less publicly available information about non-U.S. companies than about U.S. companies that are subject to the reporting requirements of the SEC and non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Securities prices in Europe, Australia and Asia may be affected by political, economic, financial and social factors in those regions. In addition, recent or future changes in a country's government, economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to non-U.S. companies or investments in non-U.S. equity securities, and possible fluctuations in the rate of exchange between currencies are factors that could negatively affect

the international securities markets. Moreover, the relevant European, Australian and Asian economies may differ favorably or unfavorably from the U.S. economy in economic factors such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency. Because some sub-indices have a greater weighting than others in calculating the value of the index, fluctuations in the securities markets relating to those sub-indices will have a greater effect on the value of the index than fluctuations in securities markets relating to sub-indices with a lesser weighting.

#### THERE MAY BE AN UNCERTAIN TRADING MARKET FOR THE MITTS SECURITIES IN THE FUTURE

Although the MITTS Securities are listed on the AMEX under the symbol "EEM", you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, there can be no assurance that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

If the trading market for the MITTS Securities is limited, there may be a limited number of buyers for your MITTS Securities if you do not wish to hold your investment until maturity. This may affect the price you receive.

There are many factors affecting the trading value of the MITTS Securities

We believe that the trading value of the MITTS Securities will be affected by the value of the index and by a number of other factors. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe the expected impact on the market value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o The value of the index. The trading value of the MITTS Securities will depend substantially on the amount by which the index exceeds or does not exceed 100, the value of the index on the date the MITTS Securities were priced for sale to the public. If you choose to sell your MITTS Securities at a time when the value of the index exceeds 100, you may receive substantially less than the amount that would be payable at maturity based on that index value because of the expectation that the index will continue to fluctuate until shortly before the maturity date when the average value of the index over five trading days is determined. If you choose to sell your MITTS Securities when the value of the index is below, or not sufficiently above, 100, you may receive less than \$10 per unit of your MITTS Securities. In general, rising dividend rates or dividends per share in the respective home countries related to the common stocks underlying the sub-indices may increase the value of the index while falling dividend rates in these countries may decrease the value of the index. Political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.
- o Interest rates. Because the MITTS Securities repay, at a minimum, the principal amount at maturity, we expect that the trading value of the MITTS Securities will be affected by changes in interest rates. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease. If U.S. interest rates decrease, we expect the trading value of the MITTS Securities will increase. In general, if interest rates in the applicable home countries increase, we expect that the trading value of the MITTS Securities will increase. If interest rates in the applicable home countries decrease, we expect the trading value of the MITTS Securities will decrease. However, interest rates in the applicable home countries may also affect the relevant economies and, in turn, the value of the sub-indices. Rising interest rates in the applicable home countries may lower the value of the sub-indices and the MITTS Securities. Falling interest rates in the applicable home countries may increase the value of the index and the value of the MITTS Securities.
- o Volatility of the Index. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time Remaining to Maturity. We anticipate that before their maturity the MITTS Securities may trade at a value above that which would be expected based on 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 before their maturity of the MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend Yields. If dividend yields on the stocks comprising the sub-indices increase, we expect that the value of the MITTS Securities will

decrease, and conversely, if dividend yields on the underlying stock comprising the sub-indices decrease, we expect that the value of the MITTS Securities will increase.

- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon other factors in addition to our ability to pay our obligations under the MITTS Securities, an improvement in our credit ratings will not reduce other investment risks related to an investment in the MITTS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the value of the index.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities except that we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

AMOUNTS PAYABLE ON THE MITTS SECURITIES MAY BE LIMITED BY STATE LAW.

New York State laws govern the 1983 Indenture under which the MITTS Securities were issued. New York has certain usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the MITTS Securities holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

PURCHASES AND SALES BY US AND OUR AFFILIATES MAY AFFECT YOUR RETURN.

We and our affiliates may from time to time buy or sell the stocks underlying the index for their own accounts for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the index in a manner that would be adverse to your investment in the MITTS Securities.

POTENTIAL CONFLICTS OF INTERESTS.

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. Under certain circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the Index; Market Disruption Events" and "---Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with such arrangement. We did not seek competitive bids for such an arrangement from unaffiliated parties.

OTHER CONSIDERATIONS.

You should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax advisor.

MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

<S>	Year Ended Last Friday in December				
	<C> 1994	<C> 1995	<C> 1996	<C> 1997	<C> 1998
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

- -----  
(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the

interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF MITTS SECURITIES

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture, which is more fully described in this prospectus.

The MITTS Securities will mature on December 6, 2002.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner prior to maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "Events of Default and Acceleration" and "Other Terms Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

#### PAYMENT AT MATURITY

At maturity, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of that MITTS Security plus a Supplemental Redemption Amount, if any, all as provided below. If the Supplemental Redemption Amount is not greater than zero, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>			
<S>	<C>	<C>	
principal amount per MITTS Security (\$10 per unit)	x	Ending Index Value - Starting Index Value	-----
		Starting Index Value	

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Index Value" equals 100.

The "Participation Rate" equals 115%.

The "Ending Index Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of the index in New York 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 or arithmetic mean of the closing values of the index on those Calculation Days, and if there is only one Calculation Day, then the Ending Index Value will equal the closing value of the index on that 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 occurrences of a Market Disruption Event on that 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.

The "Calculation Day" means any Index Business Day during the Calculation Period on which a Market Disruption Event has not occurred.

The "Index Business Day" is a day on which the New York Stock Exchange and the AMEX are open for trading 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 ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Index Values:

- o the total amount payable at maturity for each \$10 principal amount of MITTS Securities,
- o the total rate of return to beneficial owners of the MITTS Securities,
- o the pretax annualized rate of return to beneficial owners of MITTS Securities, and
- o the pretax annualized rate of return of an investment in the stocks underlying the index, which includes an assumed aggregate dividend yield of 2.36% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Hypothetical Ending Index Value	Percentage Change Over the Starting Index Value	Total Amount Payable at Maturity per \$10 Principal	Total Rate of Return on Securities	Pretax Annualized Rate of Return on Securities (1)	Pretax Annualized Rate of Return of Stocks Underlying the Index (1) (2)
<S>	<C>	<C>	<C>	<C>	<C>
40	-60%	\$10.00	0.00%	0.00%	-15.48%
50	-50%	\$10.00	0.00%	0.00%	-11.24%
60	-40%	\$10.00	0.00%	0.00%	-7.73%
70	-30%	\$10.00	0.00%	0.00%	-4.72%
80	-20%	\$10.00	0.00%	0.00%	-2.09%
90	-10%	\$10.00	0.00%	0.00%	0.25%
100 (3)	0%	\$10.00	0.00%	0.00%	2.36%
110	10%	\$11.15	11.50%	2.18%	4.28%
120	20%	\$12.30	23.00%	4.16%	6.04%
130	30%	\$13.45	34.50%	5.98%	7.68%
140	40%	\$14.60	46.00%	7.67%	9.20%
150	50%	\$15.75	57.50%	9.24%	10.62%
160	60%	\$16.90	69.00%	10.71%	11.96%
170	70%	\$18.05	80.50%	12.09%	13.22%
180	80%	\$19.20	92.00%	13.40%	14.41%
190	90%	\$20.35	103.50%	14.64%	15.55%
200	100%	\$21.50	115.00%	15.81%	16.63%
210	110%	\$22.65	126.50%	16.93%	17.66%
220	120%	\$23.80	138.00%	18.00%	18.64%
230	130%	\$24.95	149.50%	19.03%	19.59%

</TABLE>

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

(2) This rate of return assumes:

- (a) an investment of a fixed amount in the stocks underlying the sub-indices with the allocation of this amount reflecting the current relative weights of these stocks in the sub-indices;
- (b) a percentage change in the aggregate price of the stocks that equals the percentage change in the index from the Starting Index Value to the relevant hypothetical Ending Index Value;
- (c) a constant dividend yield of 2.36% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the index at the end of each quarter assuming this value increases or decreases linearly from the Starting Index Value to the applicable hypothetical Ending Index Value;
- (d) no transaction fees or expenses;
- (e) a term for the MITTS Securities from November 26, 1997 to December 6, 2002; and
- (f) a final Index value equal to the Ending Index Value. The aggregate dividend yield of the stocks underlying the Sub-Indices as of the close of business on November 20, 1997 was approximately 2.36%.

(3) The Starting Index Value equals 100.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the resulting total and pretax annualized rate of return will depend entirely on the actual Ending Index Value determined by the calculation agent as provided in this prospectus.

#### ADJUSTMENTS TO THE INDEX; MARKET DISRUPTION EVENTS

If at any time the method of calculating the index, or its value, 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 any 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 any 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 no changes or modifications had been made, and calculate the closing value with reference to the index, as adjusted. Accordingly, if the method of calculating the index is modified so that the value of the 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 the index in order to arrive at a value of the index as if it had not been modified, e.g., as if a split had not occurred.

"MARKET DISRUPTION EVENT" means the occurrence or existence on any Overseas Index Business Day with respect to a sub-index during the one-half hour period that ends at the regular official weekday time at which trading on the Index Exchange related to that sub-index occurs of any suspension of, or limitation imposed on, trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) on (1) the Index Exchange in securities that comprise 20% or more of the value of such sub-index or (2) any exchanges on which futures or options on such sub-index are traded in such options or futures if, in the determination of the calculation agent, such suspension or limitation is material.

For the purpose of the foregoing definition, (1) a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular hours of the relevant exchange and (2) a limitation on trading imposed during the course of a day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange will constitute a Market Disruption Event.

"OVERSEAS INDEX BUSINESS DAY" means, with respect to any sub-index, any day that is, or, but for the occurrence of a Market Disruption Event, would have been, a trading day on the relevant Index Exchange or on any exchanges on which futures or options on the sub-index are traded, other than a day on which trading on any exchange is scheduled to close before its regular weekday closing time.

"INDEX EXCHANGE" means, with respect to any sub-index, the principal exchange on which the shares comprising that sub-index are traded.

#### DISCONTINUANCE OF THE INDEX

If the AMEX discontinues publication of the index and the AMEX or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the index (a "Successor Index"), then, upon the calculation agent's notification of any determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by the AMEX or any 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, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If the AMEX 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 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 before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 AMEX discontinues publication of the index before 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

- o the determination of the Ending Index Value and

- o 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 these values to be made available by telephone.

Notwithstanding these alternative arrangements, discontinuance of the publication of the index may adversely affect trading in the MITTS Securities.

#### EVENTS OF DEFAULT AND ACCELERATION

In case an Event of Default with respect to any MITTS Securities shall have occurred and be continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount of each unit, will be equal to the principal amount and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "Description of MITTS Securities-Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the MITTS 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 MITTS Securities.

In case of default in payment at the maturity date of the MITTS Securities, whether at their stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 6.25% per annum to the extent that payment of any interest shall be legally enforceable on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of that amount has been made or duly provided for.

#### GLOBAL SECURITIES

##### DESCRIPTION OF THE GLOBAL SECURITIES

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as Depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any such nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the Trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

#### DTC PROCEDURES

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

Exchange for Certificated Securities

If:

o the depository is at any time unwilling or unable to continue as

depository and a successor depository is not appointed by ML&Co. within 60 days,

- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy .

#### SAME-DAY SETTLEMENT AND PAYMENT

All payments of principal and the Supplemental Redemption Amount, if any, will be made by ML&Co. in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

The value of the Major 11 International Index on any Index Business Day is calculated and disseminated by the AMEX. The AMEX generally calculates and disseminates the value of the index based on the most recently reported values of the sub-indices, at approximately 15-second intervals during the AMEX's business hours and the end of each Index Business Day via the Consolidated Tape Association's Network B. The index is reported on the AMEX and Bloomberg under the symbol "EUX" and on Reuters under the symbol ".EUX". The Starting Index Value was set to 100 on the date the MITTS Securities were priced for initial sale to the public (the "Pricing Date").

#### DETERMINATION OF INDEX MULTIPLIER FOR EACH SUB-INDEX

The initial weighting of each sub-index was determined at the close of business on the Pricing Date based on its relative market capitalization. The market capitalization of a stock equals the product of the total number of shares outstanding and the price per share of that stock. The total market capitalization of the stocks comprising each sub-index was determined using the most recently available information concerning the number of shares outstanding for each stock contained in a sub-index and the most recently available price for each share of that stock. Current exchange rates were used to translate this market capitalization information into U.S. dollars. The market capitalizations expressed in U.S. dollars of each sub-index were totaled (the "Total Market Capitalization"). The weighting of each sub-index was then determined and equals the percentage of the market capitalization for such sub-index relative to the Total Market Capitalization. The Index Multiplier for each sub-index was then calculated and equals:

- o the weighting for such sub-index multiplied by 100, divided by
- o the most recently available value of such sub-index.

The Index Multipliers were calculated in this way so that the index would equal 100.00 on the Pricing Date.

The Index Multiplier for each sub-index will remain fixed, except that the AMEX may adjust the Index Multiplier in the event of a significant change in how a sub-index is calculated. There will be no periodic rebalancing of the index to reflect changes in the relative market capitalizations of the sub-indices.

#### COMPUTATION OF THE INDEX

The index is calculated by totaling the products of the most recently available value of each sub-index and the Index Multiplier applicable to each sub-index. Because the sub-indices are based on stocks traded on stock exchanges in Europe, Asia and Australia, once the applicable stock exchanges close and the values of the sub-indices become fixed until the stock exchanges reopen, the value of the index will be fixed.

#### SUB-INDICES

The following is a list of the sub-indices and certain information concerning each sub-index. All disclosure contained in this prospectus regarding the sub-indices is derived from publicly available information.

##### NIKKEI STOCK AVERAGE, "NIKKEI 225"

Description of Nikkei 225: The Nikkei 225 is intended to provide an indication of the pattern of common stock price movement of the 225 most actively traded common stocks on the Tokyo Stock Exchange. The Nikkei 225 is a modified price-weighted index which means that an underlying stock's weight in the Nikkei 225 is based on its price per share rather than the total market capitalization of the issuer.

PUBLISHER: Nihon Keizai Shimbun, Inc. or also known as NKS

Required Disclosure: NKS is under no obligation to continue the calculation and dissemination of the Nikkei 225. The MITTS Securities are not sponsored, endorsed, sold or promoted by NKS. No inference should be drawn from the information contained in this prospectus that NKS makes any representation or warranty, implied or express, to ML & Co., the holders of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities in particular or the ability of the Nikkei 225 to track general stock market performance. NKS has no obligation to take the needs of ML & Co. or the holders of the MITTS Securities into consideration in determining, composing or calculating the Nikkei 225. NKS is not responsible for, and has not participated in the determination of the timing of, prices for, or quantities of, the MITTS Securities to be issued or in the determination or calculation of the equation by which the MITTS Securities are to be settled in cash. NKS has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities.

NKS has consented to the use of and reference to the Nikkei 225 in connection with the MITTS Securities.

##### FINANCIAL TIMES SE 100 INDEX "FTSE 100"

DESCRIPTION OF FTSE 100: The FTSE 100 is intended to provide an indication of the pattern of common stock price movement of the 100 common stocks with the largest market capitalization on the London Stock Exchange.

PUBLISHER: The Financial Times and London Stock Exchange

REQUIRED DISCLOSURE: The FTSE 100 is calculated by FTSE International Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries. ML&Co. has obtained full license from FTSE International Limited to use its trademark and copyright in the creation of this MITTS Security. FTSE International Limited does not sponsor, endorse or promote this MITTS Security.

##### DEUTSCHER AKTIENINDEX, "DAX(R)"

DESCRIPTION OF DAX: The DAX is a total rate of return index measuring the performance of 30 common stocks on the Frankfurt Stock Exchange selected on the basis of their market capitalization and trading volume. A total rate of return index reflects both the price performance of the relevant common stocks as well as the dividends paid on such common stocks.

PUBLISHER: Deutsche Borse AG

"DAX" is a registered trademark of Deutsche Borse AG.

##### COMPAGNIE DES AGENTS DE CHANGE 40 INDEX, "CAC 40"

DESCRIPTION OF CAC 40: The CAC 40 is intended to provide an indication of the pattern of common stock price movement of the 40 common stocks with the largest market capitalization on the Paris Bourse.

PUBLISHER: SBF-Paris Bourse

REQUIRED DISCLOSURE: "CAC-40" is a registered trademark of the Societe des Bourses Francaises-Paris Bourse, which designates the index that the SBF-Paris Bourse calculates and publishes. Authorization to use the index and the "CAC-40" trademark in connection with the MITTS Securities has been granted by license.

The SBF-Paris Bourse, owner of the trademark and of the CAC-40, does not sponsor, endorse or participate in the marketing of the MITTS Securities. The SBF-Paris Bourse makes no warranty or representation to any person, express or implied, as to the figure at which the CAC-40 stands at any particular time, nor as to the results or performance of the MITTS Securities. Neither shall the SBF-Paris Bourse be under any obligation to advise any person of any error in the published CAC-40.

SWISS MARKET INDEX, "SMI (R) "

DESCRIPTION OF SMI: The SMI is intended to provide an indication of the pattern of common stock price movement of common stocks with the largest market capitalization and greatest liquidity on the Geneva, Zurich and Basle Stock Exchanges.

PUBLISHER: Swiss Exchange

REQUIRED DISCLOSURE: "SMI" is a registered trademark of the Swiss Exchange. The MITTS Securities are not in any way sponsored, endorsed, sold or promoted by the Swiss Exchange and the Swiss Exchange makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the SMI and/or the figure at which the SMI stands at any particular time on any particular day or otherwise. The SMI is compiled and calculated solely by the Swiss Exchange. However, the Swiss Exchange shall not be liable whether in negligence or otherwise to any person for any error in the SMI and the Swiss Exchange shall have no obligation to advise any person of any error in SMI.

AMSTERDAM EXCHANGES-INDEX (R), "AEX-INDEX (R) "

DESCRIPTION OF AEX: The AEX is intended to provide an indication of the pattern of common stock price movement of the 25 common stocks with the largest market capitalization on the Amsterdam Stock Exchange.

PUBLISHER: AEX-Optiebeurs nv

REQUIRED DISCLOSURE: "AEX-index" is a registered trademark of the AEX-Optiebeurs nv. The AEX-Optiebeurs nv has all proprietary rights with relation to the AEX. The AEX-Optiebeurs nv in no way sponsors, endorses or is otherwise involved in the issue and offering of the MITTS Securities. The AEX-Optiebeurs nv disclaims any liability to any party for any inaccuracy in the data on which the AEX is based, for any mistakes, errors, or omissions in the calculation or dissemination of the AEX or for the manner in which the AEX is used in connection with the issue and offering of the MITTS Securities.

AMEX HONG KONG 30 INDEX-, "HK30"

DESCRIPTION OF HK30: The HK30 is intended to provide an indication of the pattern of common stock price movement of 30 common stocks listed on the Hong Kong Stock Exchange and selected on the basis of market weight, trading liquidity and representation of business industry.

PUBLISHER: The American Stock Exchange

REQUIRED DISCLOSURE: The "AMEX Hong Kong 30 Index" is a service mark of the AMEX. The AMEX in no way sponsors, endorses or is otherwise involved in the issuance of the MITTS Securities, other than the fact that the MITTS Securities will be listed and traded on the AMEX and the AMEX will calculate and disseminate the Major 11 Index, and the AMEX disclaims any liability to any party for any inaccuracy in the data on which the HK30 is based, for any mistakes, errors or omissions in the calculation, and/or dissemination of the HK30, or for the manner in which it is applied in connection with the issuance of the MITTS Securities.

AMEX has consented to the use and reference to the term "AMEX Hong

AUSTRALIA ALL ORDINARIES INDEX, "XAO"

DESCRIPTION OF XAO: The XAO is a capitalization-weighted index of 338 common stocks listed on the Australian Stock Exchange.

PUBLISHER: ASX Operations Pty Limited

REQUIRED DISCLOSURE: The XAO is a registered trade mark of ASX Operations Pty Limited or ASXO, a wholly-owned subsidiary of the Australian Stock Exchange Limited or ASX. ASXO has granted a license for the use of the XAO on the basis that ASXO does not expressly or impliedly approve, endorse, make any judgment or express any opinion in respect of the M&L & Co. or the MITTS Securities. ASX and its related corporations, shall have no liability for any claim whatsoever where the claim arises wholly or substantially out of accident or negligence of ASX, its related corporations and their servants and agents as the case may be or acts of third parties; and without in any way limiting the generality of the foregoing, arising out of unavailability of the All Ordinaries Index or non-supply of the All Ordinaries Index.

MILANO ITALIA BORSA 30 INDEX, "MIB 30"

DESCRIPTION OF MIB 30: The MIB 30 is intended to provide an indication of the pattern of common stock price movement of common stocks with the largest market capitalization and greatest liquidity on the Italian Stock Exchange.

PUBLISHER: Consiglio di Borsa

STOCKHOLM OPTIONS MARKET INDEX, "OMX index"

DESCRIPTION OF OMX INDEX: The OMX index is intended to provide an indication of the pattern of common stock price movement of the 30 common stocks with the largest volume of trading on the Stockholm Stock Exchange.

PUBLISHER: OM Gruppen AB

REQUIRED DISCLOSURE: The MITTS Securities are not in any way sponsored, endorsed, sold or promoted by OM Gruppen AB or OM and OM makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the OMX index and/or the figure at which the said OMX index stands at any particular time on any particular day or otherwise. The OMX index is compiled and calculated solely by an indexer on behalf of OM. However, OM shall not be liable whether in negligence or otherwise to any person for any error in the OMX index and OM shall not be under any obligation to advise any person of any error therein.

All rights to the trademark OMX, OMX INDEX are vested in OM Gruppen AB and are used under a license agreement with OM.

IBEX 35 INDEX, "IBEX 35"

DESCRIPTION OF IBEX 35: The IBEX 35 is intended to provide an indication of the pattern of common stock price movement of the 35 common stocks with the greatest liquidity continuously traded and quoted on the Joint Stock Exchange System made up of the Barcelona, Bilbao, Madrid and Valencia stock exchanges.

PUBLISHER: Sociedad de Bolsas, S.A.

REQUIRED DISCLOSURE: Sociedad de Bolsas, S.A. does not warrant in any case nor for any reason whatsoever:

- (a) the continuity of the composition of the IBEX 35 exactly as it is today;
- (b) the continuity of the method for calculating the IBEX 35 exactly as it is calculated today;
- (c) the continuity of the calculation, formula and publication of the IBEX 35;
- (d) the precision, integrity or freedom from errors or mistakes in the composition and calculation of the IBEX 35; and



- (e) the adequacy of the IBEX 35 for the purposes expected in the issue of the MITTS Securities nor for dealing in the same.

The publisher of each sub-index will add or delete stocks due to events such as the bankruptcy or merger of the issuer of a stock. The publisher of a sub-index may reevaluate the composition of the stocks underlying the sub-index at specified intervals to assure that they still meet the selection criteria or any ongoing eligibility criteria.

The publisher of a sub-index is under no obligation to continue the calculation and dissemination of such sub-index and such publisher may change the method by which such sub-index is calculated. The publishers of the sub-indices are under no obligation to take the needs of ML&Co. or the holders of the MITTS into consideration in determining, composing or calculating the sub-indices.

#### OTHER TERMS

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

Series of senior debt securities may from time to time be issued under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of ML&Co. itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### LIMITATIONS UPON LIENS

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### LIMITATION ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S

remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### MERGER AND CONSOLIDATION

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities ; and
  - o perform and observe of all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### MODIFICATION AND WAIVER

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption , or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The Holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### EVENTS OF DEFAULT

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts

payable when due and continuing for 30 days;

- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of any series of debt securities may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the Holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, we have determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount thereof and a projected Supplemental Redemption Amount equal to \$3.6261 per unit. This represents an estimated yield on the MITTS Securities equal to 6.25% per annum (compounded semiannually).

The projected payment schedule, including both projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities, has been determined solely for United States Federal income tax purposes i.e., for purposes of applying the Final Regulations to the MITTS Securities, and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even

exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over a term of five years and ten days for the MITTS Securities based upon the projected payment schedule for the MITTS Securities, including both the projected Supplemental Redemption Amount and the estimated yield equal to 6.25% per annum, compounded semiannually, as determined by ML&Co. for purposes of illustrating the application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

ACCRUAL PERIOD	INTEREST DEEMED TO ACCRUE DURING ACCRUAL PERIOD (PER UNIT)	TOTAL INTEREST DEEMED TO HAVE ACCRUED ON SECURITIES AS OF END OF ACCRUAL PERIOD (PER UNIT)
<S>	<C>	<C>
November 26, 1997 through December 6, 1997.....	\$0.0169	\$0.0169
December 7, 1997 through June 6, 1998.....	\$0.3130	\$0.3299
June 7, 1998 through December 6, 1998.....	\$0.3228	\$0.6527
December 7, 1998 through June 6, 1999.....	\$0.3329	\$0.9856
June 7, 1999 through December 6, 1999.....	\$0.3433	\$1.3289
December 7, 1999 through June 6, 2000.....	\$0.3540	\$1.6829
June 7, 2000 through December 6, 2000.....	\$0.3651	\$2.0480
December 7, 2000 through June 6, 2001.....	\$0.3765	\$2.4245
June 7, 2001 through December 6, 2001.....	\$0.3883	\$2.8128
December 7, 2001 through June 6, 2002.....	\$0.4004	\$3.2132
June 7, 2002 through December 6, 2002.....	\$0.4129	\$3.6261

</TABLE>

Projected Supplemental Redemption Amount = \$3.6261 per unit.

All prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for such information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

MERRILL LYNCH & CO., INC.

S&P 500 INFLATION ADJUSTED MARKET INDEX TARGET-TERM SECURITIES(R) DUE  
SEPTEMBER 24, 2007  
"MITTS(R) SECURITIES"

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

The MITTS Securities:

Payment at Maturity:

- o 100% principal protection at maturity
  - o No payments before the maturity date
  - o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
  - o Linked to the value of the S&P 500 Index
  - o The MITTS Securities are listed on the New York Stock Exchange under the symbol "IEM".
- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of
    - o the principal amount of each unit, adjusted by the CPI, and
    - o an additional amount based on the percentage increase, if any, in the value of the S&P 500 Index, adjusted as described in this prospectus.
  - o You will receive no less than the principal amount of your MITTS Securities and the additional amount you receive, if any, will not exceed \$10.

INVESTING IN THE MITTS SECURITIES INVOLVES RISKS.  
SEE "RISK FACTORS" BEGINNING ON PAGE 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
MERRILL LYNCH & CO.  
-----

The date of this prospectus is , 1999.

"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc. "Standard & Poor's(R)", "Standard & Poor's 500", "S&P 500(R)", "S&P(R)" and "500", are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Merrill Lynch Capital Services, Inc. and ML&Co. is an

authorized sublicensee.

Table of Contents

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	6
RATIO OF EARNINGS TO FIXED CHARGES.....	7

DESCRIPTION OF THE MITTS SECURITIES.....	8
THE INDEX.....	15
CONSUMER PRICE INDEX.....	18
OTHER TERMS.....	18
PROJECTED PAYMENT SCHEDULE.....	22
WHERE YOU CAN FIND MORE INFORMATION.....	23
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	23
PLAN OF DISTRIBUTION.....	24
EXPERTS.....	24

#### RISK FACTORS

Your investment in MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

#### YOU MAY NOT EARN A RETURN ON YOUR INVESTMENT

You should be aware that at maturity we will pay you no more than the principal amount, as adjusted, for each unit of the MITTS Securities you own if the average value of the S&P 500 Index over five trading days shortly before the maturity date is less than 1089.38. This will be true even if the value of the S&P 500 Index was higher than 1089.38 at some time during the life of the MITTS Securities but later falls below 1089.38.

You will not receive an amount in addition to the principal amount, as adjusted, that exceeds \$10 per unit regardless of how much the S&P 500 Index increases. If the S&P 500 Index reaches a value of 2178.76, you will receive an additional amount of \$10. Since \$10 is the maximum additional amount we will pay, you will not receive any incremental benefit from increases beyond that value. If we pay you the maximum additional amount of \$10 per unit, this will represent a maximum annualized rate of return of 7.05% compounded semi-annually over a term of ten years. This limitation does not apply to the principal amount, as adjusted, which is dependent on changes in the Consumer Price Index or CPI.

#### YOUR YIELD MAY BE LOWER THAN THE YIELD ON A STANDARD DEBT SECURITY OF COMPARABLE MATURITY

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of ML&Co. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you consider the effect of factors that affect the time value of money.

#### YOUR RETURN WILL NOT REFLECT THE PAYMENT OF DIVIDENDS ON THE STOCKS INCLUDED IN THE S&P 500 INDEX

S&P calculates the S&P 500 Index by reference to the prices of the common stocks comprising the S&P 500 Index without taking into consideration the value of dividends paid on those stocks. Therefore, the return you earn on the MITTS Securities, if any, will not be the same as the return that you would earn if you actually owned each of the common stocks in the S&P 500 Index and received the dividends paid on those stocks.

#### MANY FACTORS MAY AFFECT THE VALUE OF THE CONSUMER PRICE INDEX

Changes in the CPI will affect the principal amount, as adjusted, that we will pay you at maturity. The changes may be significant. Changes in the CPI are a function of the changes in specified consumer prices over time, which result from the interaction of many factors over which ML&Co. has no control.

In the past, the CPI has experienced periods of volatility and this volatility may occur in the future. Fluctuations and trends in the CPI that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future.

As a result of any change of calculating the CPI, the principal amount, as adjusted, payable on the MITTS Securities, and therefore the value of the MITTS Securities could be significantly reduced. If the CPI is substantially altered, the calculation agent may employ a substitute index to calculate the principal amount, as adjusted, as described under "Description of MITTS Securities--Payment at Maturity".

#### THERE MAY BE AN UNCERTAIN TRADING MARKET FOR THE MITTS SECURITIES IN THE FUTURE

Although the MITTS Securities are listed on the NYSE under the symbol "IEM," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the S&P 500 Index.

If the trading market for the MITTS Securities is limited and you do not wish to hold your investment until maturity, there may be a limited number of buyers for your MITTS Securities. This may affect the price you receive if you sell before maturity.

#### FACTORS AFFECTING TRADING VALUE OF THE MITTS SECURITIES

We believe that the value of the S&P 500 Index and the CPI and by a number of other factors will affect the market value of the MITTS Securities. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe the expected impact on the market value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o S&P 500 Index Value We expect that the market value of the MITTS Securities will depend substantially on the amount by which the S&P 500 Index exceeds 1089.38. If you choose to sell your MITTS Securities when the value of the S&P 500 Index exceeds 1089.38, you may receive substantially less than the amount that would be payable at maturity based on that S&P 500 Index value because of the expectation that the S&P 500 Index will continue to fluctuate until the maturity of the MITTS Securities. If you choose to sell your MITTS Securities when the value of the S&P 500 Index is below 1089.38, you may receive less than the \$10 principal amount per unit of MITTS Securities. In general, rising U.S. dividend rates may increase the value of the S&P 500 Index while falling U.S. dividend rates may decrease the value of the S&P 500 Index. Political, economic and other developments that affect the stocks included in the S&P 500 Index may also affect the value of the S&P 500 Index and the value of the MITTS Securities.
- o Interest Rates Because the MITTS Securities repay, at a minimum, the principal amount at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease. Conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will increase. Interest rates may also affect the U.S. economy and, in turn, the value of the S&P 500 Index. Rising interest rates may lower the value of the S&P 500 Index and, thus, the MITTS Securities. Falling rates may increase the value of the S&P 500 Index and, thus, may increase the value of the MITTS Securities.
- o Value of the CPI The principal amount of the MITTS Securities, as adjusted, will generally be higher in direct proportion to the percentage increase, if any, in the value of the CPI from when the initial CPI is fixed to when the final CPI is determined. However, interim increases in the CPI may or may not result in increases in the trading value of the MITTS Securities because of other economic factors. For example, an increase in the CPI may be accompanied by higher interest rates. Higher interest rates could offset any positive impact of increases in the CPI on the trading value of the MITTS Securities.
- o Volatility of the S&P 500 Index or of the CPI Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the S&P 500 Index or of the CPI increases, we expect that the trading value of the MITTS Securities will increase. Conversely, if the volatility of the S&P 500 Index or of the CPI decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time Remaining to Maturity We anticipate that prior to the maturity of the MITTS Securities, the MITTS Securities may trade at a value above



that which would be expected based on the level of interest rates and the S&P 500 Index. This difference will reflect a "time premium" due to expectations concerning the value of the S&P 500 Index during the period prior to maturity of the MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.

- o Dividend Yields If dividend yields on the stocks included in the S&P 500 Index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stocks included in the S&P 500 Index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the S&P 500 Index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

We want you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the S&P 500 Index value.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities. However, we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the S&P 500 Index or the CPI will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

#### AMOUNTS PAYABLE ON THE MITTS SECURITIES MAY BE LIMITED BY STATE LAW

New York State laws govern the indenture under which the MITTS Securities were issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the MITTS Securities holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

#### PURCHASES AND SALES BY MERRILL LYNCH

We and our other affiliates may from time to time buy or sell the stocks underlying the S&P 500 Index for their own accounts for business reasons or in connection with hedging ML&Co.'s obligations under the MITTS Securities. These transactions could affect the price of those stocks and the value of the S&P 500 Index.

#### POTENTIAL CONFLICTS OF INTERESTS

The calculation agent is a subsidiary of ML&Co., the issuer of the MITTS Securities. In some circumstances, ML&Co.'s roles as a subsidiary of ML&Co. and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. You should be aware that because the calculation agent is controlled by ML&Co., potential conflicts of interest could arise; however, the calculation agent is subject to limits and has certain duties. For example, in the case of the CPI, the calculation agent could only adjust a value of the CPI to undo a change to how the CPI is calculated or select a successor measure for inflation to maintain the intended economic benefits of the MITTS Securities to you if the CPI is discontinued. The calculation agent could not otherwise adjust a value of the CPI or replace the CPI with another measure of inflation.

#### OTHER CONSIDERATIONS

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax advisor.

MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

<S>	Year Ended Last Friday in December				
	<C> 1994	<C> 1995	<C> 1996	<C> 1997	<C> 1998
Ratio of earnings to fixed charges (a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

DESCRIPTION OF THE MITTS SECURITIES

On September 24, 1997, ML&Co. issued \$16,500,000 aggregate principal amount of S&P 500 MITTS Securities due September 24, 2007. The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on September 24, 2007.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

PAYMENT AT MATURITY

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the Adjusted Principal Amount of each unit plus the 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 MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

Determination of the Adjusted Principal Amount

The "Adjusted Principal Amount" for a MITTS Security will be determined by the calculation agent, and will equal the greater of:

- (a) the principal amount of the MITTS Security (\$10 for each unit); and
- (b) the principal amount of the MITTS Security X  $\frac{\text{Final CPI}}{\text{Initial CPI}}$

"Initial CPI" equals 160.3, the value of the CPI for the third calendar month prior to the month containing the Pricing Date.

"Final CPI" shall be determined by the calculation agent and will equal the value of the CPI for the third calendar month prior to September 24, 2007 as reported on the seventh calendar day prior to the maturity date.

"CPI" means the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics of the Department of Labor (the "BLS").

If a previously reported CPI value is revised by the BLS after the Final CPI is determined, the calculation agent will continue to use the previously reported CPI value in calculating the Adjusted Principal Amount.

If the CPI is rebased to a different year, the calculation agent will continue to use the CPI based on the base reference period in effect on the Pricing Date for those purposes, as long as the CPI continues to be published.

DETERMINATION OF THE SUPPLEMENTAL REDEMPTION AMOUNT

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>  
 <S> Principal Amount of the MITTS Security (\$10 per unit) X  $\frac{\text{Ending Index Value} - \text{Benchmark Index Value}}{\text{Benchmark Index Value}}$

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero or more than \$10 per unit. As indicated in the formula above, the calculation agent will calculate the Supplemental Redemption Amount for the MITTS Securities using the principal amount of the MITTS Securities, not the Adjusted Principal Amount which may be greater if the CPI has increased over the term of the MITTS Securities.

The "Benchmark Index Value" equals 1089.38. The Benchmark Index Value was determined on the Pricing Date by multiplying the Starting Index Value by a factor equal to 115%.

The "Ending Index Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of the S&P 500 Index (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 or arithmetic mean of the closing values of the Index on these Calculation Days. If there is only one Calculation Day, then the Ending Index Value will equal the closing value of the Index on that 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 occurrences of a Market Disruption Event on that 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 and the American Stock Exchange are open for trading and the Index or any Successor Index, as defined below on page 12, 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 ML&Co. and beneficial owners of the MITTS Securities.

HYPOTHETICAL RETURNS

The following table provides the amount payable to beneficial owners of MITTS Securities related to the pretax annualized rates of return given in the table on the following page for a range of hypothetical annualized rates of change in the CPI and percentage changes in the Index from the Starting Index Value to the Ending Index Value.

<TABLE>  
<CAPTION>

PERCENTAGE CHANGE IN INDEX FROM STARTING INDEX VALUE	ANNUALIZED RATE OF CHANGE IN CPI							
	-3.00%	-1.00%	0.00%	1.00%	3.00%	5.00%	7.00%	9.00%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
-50.00%.....	\$ 10.00	\$ 10.00	\$ 10.00	\$ 11.05	\$ 13.44	\$ 16.29	\$ 19.67	\$ 23.67
-30.00%.....	10.00	10.00	10.00	11.05	13.44	16.29	19.67	23.67
-10.00%.....	10.00	10.00	10.00	11.05	13.44	16.29	19.67	23.67
0.00%.....	10.00	10.00	10.00	11.05	13.44	16.29	19.67	23.67
10.00%.....	10.00	10.00	10.00	11.05	13.44	16.29	19.67	23.67
30.00%.....	11.30	11.30	11.30	12.35	14.74	17.59	20.98	24.98
50.00%.....	13.04	13.04	13.04	14.09	16.48	19.33	22.71	26.72
70.00%.....	14.78	14.78	14.78	15.83	18.22	21.07	24.45	28.46
90.00%.....	16.52	16.52	16.52	17.57	19.96	22.81	26.19	30.20
110.00%.....	18.26	18.26	18.26	19.31	21.70	24.55	27.93	31.93
130.00%.....	20.00	20.00	20.00	21.05	23.44	26.29	29.67	33.67
150.00%.....	20.00	20.00	20.00	21.05	23.44	26.29	29.67	33.67
170.00%.....	20.00	20.00	20.00	21.05	23.44	26.29	29.67	33.67
190.00%.....	20.00	20.00	20.00	21.05	23.44	26.29	29.67	33.67

</TABLE>

The following table provides the pretax annualized rate of return to beneficial owners of the MITTS Securities for a range of hypothetical annualized rates of change in the CPI and percentage changes in the Index from the Starting Index Value to the Ending Index Value. The far right column of the table provides the pretax annualized rate of return of an investment in the stocks underlying the Index, which includes an assumed aggregate dividend yield of 1.60% per annum, as more fully described below.

<TABLE>  
<CAPTION>

<S>	<C>	ANNUALIZED RATE OF CHANGE IN CPI (1)								PRETAX ANNUALIZED RATE OF RETURN OF STOCKS UNDERLYING THE INDEX (2)
		PERCENTAGE CHANGE IN INDEX FROM STARTING INDEX VALUE	-3.00%	-1.00%	0.00%	1.00%	3.00%	5.00%	7.00%	
		<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	-50.00%.....	0.00%	0.00%	0.00%	1.00%	2.98%	4.94%	6.88%	8.81%	-5.24%
	-30.00%.....	0.00%	0.00%	0.00%	1.00%	2.98%	4.94%	6.88%	8.81%	-1.95%
	-10.00%.....	0.00%	0.00%	0.00%	1.00%	2.98%	4.94%	6.88%	8.81%	0.55%
	0.00%.....	0.00%	0.00%	0.00%	1.00%	2.98%	4.94%	6.88%	8.81%	1.60%
	10.00%.....	0.00%	0.00%	0.00%	1.00%	2.98%	4.94%	6.88%	8.81%	2.56%
	30.00%.....	1.23%	1.23%	1.23%	2.12%	3.92%	5.73%	7.55%	9.37%	4.25%
	50.00%.....	2.67%	2.67%	2.67%	3.46%	5.06%	6.70%	8.38%	10.07%	5.71%
	70.00%.....	3.95%	3.95%	3.95%	4.65%	6.09%	7.59%	9.15%	10.74%	7.00%
	90.00%.....	5.08%	5.08%	5.08%	5.72%	7.03%	8.42%	9.86%	11.36%	8.15%
	110.00%.....	6.11%	6.11%	6.11%	6.69%	7.90%	9.19%	10.54%	11.95%	9.20%
	130.00%.....	7.05%	7.05%	7.05%	7.58%	8.70%	9.90%	11.18%	12.52%	10.15%
	150.00%.....	7.05%	7.05%	7.05%	7.58%	8.70%	9.90%	11.18%	12.52%	11.02%
	170.00%.....	7.05%	7.05%	7.05%	7.58%	8.70%	9.90%	11.18%	12.52%	11.84%
	190.00%.....	7.05%	7.05%	7.05%	7.58%	8.70%	9.90%	11.18%	12.52%	12.60%

</TABLE>

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

(2) This rate of return assumes:

- (a) an investment of a fixed amount in the stocks underlying the Index with the allocation of that amount reflecting the current relative weights of the stocks in the Index;
- (b) a percentage change in the aggregate price of the stocks that equals the percentage change in the Index from the Starting Index Value to the relevant hypothetical Ending Index Value;
- (c) a constant dividend yield of 1.60% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming the value increases or decreases linearly from the Starting Index Value to the applicable hypothetical Ending Index Value;
- (d) no transaction fees or expenses;
- (e) a term for the MITTS Securities from September 24, 1997 to September 24, 2007; and
- (f) a final Index value equal to the Ending Index Value. The aggregate dividend yield of the stocks included in the Index as of September 18, 1997 was approximately 1.60%.

As you can see from the tables, if you assume a 3% per annum change in the CPI during the term of the MITTS Securities and a 70% increase in the Index from the Starting Index Value to the Ending Index Value, \$18.22 would be payable at the maturity of the MITTS Securities and the pretax annualized rate of return to beneficial owners of the MITTS Securities calculated on a semi-annual bond equivalent basis would be 6.09%. Given a fixed annual percentage change in the CPI, any increase in the value of the Index above 230% of the Starting Index Value, a percentage increase in the Index from the Starting Index Value of 130%, will not increase the pretax annualized rate of return on the MITTS Securities.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the resulting total and pretax annualized rate of return will depend entirely on the actual Ending Index Value determined by the calculation agent as described in this prospectus.

#### ADJUSTMENTS TO THE CPI

If at any time the method of calculating the CPI, or its value, is changed in any material respect, or if the CPI is in any other way modified so that the CPI does not, in the opinion of the calculation agent, fairly represent the value of the CPI had the changes or modifications not been made,

then the calculation agent shall make any adjustments for purposes of determining the Final CPI as, in the good faith judgment of the calculation agent, may be necessary in order to arrive at a calculation of a value of an inflation index comparable to the CPI as if changes or modifications had not been made.

If the CPI is discontinued while the MITTS Securities are outstanding, the calculation agent shall determine an alternative index that in the calculation agent's sole discretion is comparable to the CPI (the "Successor CPI"). Upon the calculation agent's notification of this determination to the trustee and ML&Co., the calculation agent will substitute the Successor CPI for the CPI. The calculation agent may make any adjustments to the values of the Successor CPI in order to maintain the intended economic benefits to ML&Co. and the holders of the MITTS Securities. Upon any selection by the calculation agent of a Successor CPI, ML&Co. shall cause notice to be given to the Holders of the MITTS Securities.

#### ADJUSTMENTS TO THE INDEX; MARKET DISRUPTION EVENTS

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had those changes or modifications not been made, then, from and after that 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 any 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 the changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified, for example, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified, for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

(a) the suspension or material limitation on trading for more than two hours of trading in 100 or more of the securities included in the S&P 500 Index, or

(b) 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

(1) futures contracts related to the Index which are traded on the Chicago Mercantile Exchange or

(2) option contracts related to the Index which are traded on the Chicago Board Options Exchange, Inc.

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.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

#### DISCONTINUANCE OF THE INDEX

If S&P discontinues publication of the Index and S&P or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (any successor or substitute index is referred to as a "Successor Index"), then, upon the calculation agent's notification of the determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by S&P or any other entity for the Index. Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If S&P 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 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 before the discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 S&P discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of:

- o the determination of the Ending Index Value and
- o 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 the values to be made available by telephone.

Despite these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### EVENTS OF DEFAULT AND ACCELERATION

In case an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the Adjusted Principal Amount and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "- Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 6.58% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### GLOBAL SECURITIES

##### DESCRIPTION OF THE GLOBAL SECURITIES

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a

participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a Holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of Holders or that an owner of a beneficial interest in a global security desires to give or take any action which a Holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

#### DTC PROCEDURES

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing



attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### EXCHANGE FOR CERTIFICATED SECURITIES

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy .

#### SAME-DAY SETTLEMENT AND PAYMENT

ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

All disclosures contained in this prospectus regarding the Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by S&P as of March 22, 1999. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

The Index is published by S&P, and is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of the Index, discussed below in further detail, is based on the relative value of the aggregate Market Value of the common stocks of 500 companies as of a particular time compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of March 22, 1999 the 500 companies included in the Index represented approximately 78% of the aggregate Market Value of common stocks traded on the NYSE; however, these 500 companies are not the 500 largest companies listed on the NYSE and not all of these 500 companies are listed on the exchange. As of March 22, 1999, the aggregate Market Value of the 500 companies included in the Index represented approximately 79% of the aggregate Market Value of United States domestic, public companies. S&P chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the NYSE, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include:

- o the viability of the particular company,
- o the extent to which that company represents the industry group to which it is assigned,
- o the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry, and
- o the Market Value and trading activity of the common stock of that company.

Four main groups of companies comprise the Index, with the number of companies currently included in each group indicated in parentheses: Industrials (380), Utilities (39), Transportation (10) and Financial (71). S&P 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 does not reflect the payment of dividends on the stocks underlying it. The return based on the MITTS Securities will not be the same return you would receive if you were to purchase these underlying stocks and hold them for a period equal to the maturity of the MITTS Securities.

#### COMPUTATION OF THE INDEX

S&P currently computes the Index as of a particular time as follows:

(a) the product of the market price per share and the number of then outstanding shares of each component stock is determined at a particular time (the "Market Value" of the stock);

(b) the Market Value of all component stock as of that time are aggregated;

(c) the mean average of the Market Values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;

(d) the mean average Market Values of all these common stocks over the base period are aggregated (the aggregate amount being the "Base Value");

(e) the current aggregate Market Value of all component stocks is divided by the Base Value; and

(f) the resulting quotient, expressed in decimals, is multiplied by ten.

While S&P currently employs the above methodology to calculate the Index, no assurance can be given that S&P will not modify or change this methodology in a manner that may affect the Supplemental Redemption Amount, if any, payable to beneficial owners of MITTS Securities upon maturity or otherwise.

S&P adjusts the foregoing formula to negate the effects of changes in the Market Value of component stocks that are determined by S&P to be arbitrary or not due to true market fluctuations. Changes may result from such causes as

- o the issuance of stock dividends,
- o the granting to shareholders of rights to purchase additional shares of stock,
- o the purchase of shares by employees pursuant to employee benefit plans,
- o consolidations and acquisitions,
- o the granting to shareholders of rights to purchase other securities of ML&Co.,
- o the substitution by S&P of particular component stocks in the Index, and
- o other reasons.

In these cases, S&P first recalculates the aggregate Market Value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares thereof or both, and then determines the New Base Value in accordance with the following formula:

$$\text{Old Base Value} \times \frac{\text{New Market Value}}{\text{Old Market Value}} = \text{New Base Value}$$

The result is that the Base Value is adjusted in proportion to any change in the aggregate Market Value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the Index.

#### HISTORICAL DATA ON THE INDEX

The following table sets forth the value of the Index at the end of each month, in the period from January 1990 through February 1999. These historical data on the Index are not necessarily indicative of the future performance of the Index or what the value of the MITTS Securities may be. Any historical upward or downward trend in the value 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 MITTS Securities.

<TABLE>

<CAPTION>

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
January.....	329.08	343.93	408.78	438.78	481.61	470.42	636.02	786.16	980.28	1,279.64
February.....	331.89	367.07	412.70	443.38	467.14	487.39	640.43	790.82	1,049.34	1,238.33
March.....	339.94	375.22	403.69	451.67	445.77	500.71	645.50	757.12	1,101.75	
April.....	330.80	375.34	414.95	440.19	450.91	514.71	654.17	801.34	1,111.75	
May.....	361.23	389.83	415.35	450.19	456.51	533.40	669.12	848.28	1,090.82	
June.....	358.02	371.16	408.14	450.53	444.27	544.75	670.63	885.14	1,133.84	
July.....	356.15	387.81	424.22	448.13	458.26	562.06	639.95	954.29	1,120.67	
August.....	322.56	395.43	414.03	463.56	475.50	561.88	651.99	899.47	957.28	
September.....	306.05	387.86	417.80	458.93	462.71	584.41	687.31	947.28	1,017.01	
October.....	304.00	392.45	418.68	467.83	472.35	581.50	705.27	914.62	1,098.67	
November.....	322.22	375.22	431.35	461.79	453.69	605.37	757.02	955.40	1,163.63	
December.....	330.22	417.09	435.71	466.45	459.27	615.93	740.74	970.43	1,229.23	

</TABLE>

#### LICENSE AGREEMENT

S&P and Merrill Lynch Capital Services, Inc. have entered into a non-exclusive license agreement providing for the license to Merrill Lynch Capital Services, Inc., in exchange for a fee, of the right to use indices owned and published by S&P in connection with particular securities, including the Securities, and ML&Co. is an authorized sublicensee thereof.

The license agreement between S&P and Merrill Lynch Capital Services, Inc. provides that the following language must be stated in this prospectus:

"The MITTS Securities are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the Holders of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities particularly or the ability of the Index to track general stock market performance. S&P's only relationship to Merrill Lynch Capital Services, Inc. and ML&Co. (other than transactions entered into in the ordinary course of business) is the licensing of certain servicemarks and trade names of S&P and of the Index which is determined, composed and calculated by S&P without regard to ML&Co. or the MITTS Securities. S&P has no obligation to take the needs of ML&Co. or the Holders of the MITTS Securities into consideration in determining, composing or calculating the Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the MITTS Securities, prices at which the MITTS Securities are to initially be sold, or quantities of the MITTS Securities to be issued or in the determination or calculation of the equation by which the MITTS Securities are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities."

#### CONSUMER PRICE INDEX

The Consumer Price Index or CPI, is a measure of the average change in consumer prices over time for a fixed market basket of goods and services, including food, clothing, shelter, fuels, transportation, charges for doctors and dentists services, and drugs. In calculating the CPI, price changes for the

various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The contents of the market basket of goods and services and the weights assigned to the various items are updated periodically by the BLS to take into account changes in consumer expenditure patterns.

All disclosure contained in this prospectus regarding the CPI, including, without limitation, its composition, method of calculation and changes in its components, is derived from publicly available information prepared by the United States Government. Neither ML&Co. nor the underwriter takes any responsibility for the accuracy or completeness of this information.

The CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100. For example, if the CPI for the 1982-1984 reference period is 100, an increase of 16.5 percent from that period would result in a CPI value equal to 116.5. The CPI for a particular month is released and published during the following month. From time to time, the CPI is rebased to a more recent base reference period. The base reference period for these Notes is the 1982-1984 average which is equal to 100.

Historical data on the CPI is available from the U.S. Department of Labor's Bureau of Labor Statistics, Washington, D.C. 20212 or accessing the Bureau of Labor Statistics' web site located at <http://www.bls.gov>.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### LIMITATIONS UPON LIENS

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is

not considered voting stock whether or not the event has happened.

LIMITATION ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS  
BY, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

MERGER AND CONSOLIDATION

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

MODIFICATION AND WAIVER

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that

series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### EVENTS OF DEFAULT

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations (the "Final Regulations") concerning the United States Federal

income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of a projected amount equal to \$19.0973 per unit. This represents an estimated yield on the MITTS Securities equal to 6.58% per annum (compounded semiannually).

The projected payment schedule (including both the projected Redemption Amount and the estimated yield on the MITTS Securities) has been determined solely for United States Federal income tax purposes (i.e., for purposes of applying the Final Regulations to the MITTS Securities), and is neither a prediction nor a guarantee of what either the actual Adjusted Principal Amount or the actual Supplemental Redemption Amount will be, or that either the actual Adjusted Principal Amount will exceed \$10 or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over a term of ten years for the MITTS Securities based upon a projected payment schedule for the MITTS Securities (including both the projected Supplemental Redemption Amount and the estimated yield equal to 6.58% per annum (compounded semiannually)) as determined by ML&Co. for purposes of application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

ACCRUAL PERIOD	INTEREST DEEMED TO ACCRUE DURING ACCRUAL PERIOD (PER UNIT)	TOTAL INTEREST DEEMED TO HAVE ACCRUED ON SECURITIES AS OF END OF ACCRUAL PERIOD (PER UNIT)
<S>	<C>	<C>
September 24, 1997 through March 23, 1998.....	\$ 0.3244	\$ 0.3244
March 24, 1998 through September 23, 1998.....	\$ 0.3415	\$ 0.6659
September 24, 1998 through March 23, 1999.....	\$ 0.3490	\$ 1.0149
March 24, 1999 through September 23, 1999.....	\$ 0.3624	\$ 1.3773
September 24, 1999 through March 23, 2000.....	\$ 0.3743	\$ 1.7516
March 24, 2000 through September 23, 2000.....	\$ 0.3867	\$ 2.1383
September 24, 2000 through March 23, 2001.....	\$ 0.3993	\$ 2.5376
March 24, 2001 through September 23, 2001.....	\$ 0.4125	\$ 2.9501
September 24, 2001 through March 23, 2002.....	\$ 0.4261	\$ 3.3762
March 24, 2002 through September 23, 2002.....	\$ 0.4401	\$ 3.8163
September 24, 2002 through March 23, 2003.....	\$ 0.4545	\$ 4.2708
March 24, 2003 through September 23, 2003.....	\$ 0.4695	\$ 4.7403
September 24, 2003 through March 23, 2004.....	\$ 0.4850	\$ 5.2253
March 24, 2004 through September 23, 2004.....	\$ 0.5009	\$ 5.7262
September 24, 2004 through March 23, 2005.....	\$ 0.5174	\$ 6.2436
March 24, 2005 through September 23, 2005.....	\$ 0.5344	\$ 6.7780
September 24, 2005 through March 23, 2006.....	\$ 0.5520	\$ 7.3300
March 24, 2006 through September 23, 2006.....	\$ 0.5701	\$ 7.9001
September 24, 2006 through March 23, 2007.....	\$ 0.5890	\$ 8.4891
March 24, 2007 through September 24, 2007.....	\$ 0.6082	\$ 9.0973

</TABLE>

- - - - -

Projected Redemption Amount = \$19.0973 per unit.

All prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for the information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts

and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development



costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

MERRILL LYNCH & CO., INC.

MAJOR 8 EUROPEAN INDEX MARKET INDEX TARGET-TERM SECURITIES DUE AUGUST 30, 2002

"MITTS(R) SECURITIES"  
\$10 PRINCIPAL AMOUNT PER UNIT

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

- |  |  |
|--|--|
| <p>The MITTS Securities:</p> <ul style="list-style-type: none"><li>o 100% principal protection at maturity</li><li>o No payments before maturity</li><li>o Linked to the value of the Major 8 European Index o Senior unsecured debt securities of Merrill Lynch &amp; Co., Inc.</li><li>o The MITTS Securities are listed on the American Stock Exchange under the trading symbol "MEM"</li></ul> | <p>Payment at Maturity:</p> <ul style="list-style-type: none"><li>o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the product of the percentage increase, if any, in the value of the Major 8 European Index and 115% as described in this prospectus</li><li>o You will receive no less than the principal amount of your MITTS Securities</li></ul> |
|--|--|

INVESTING IN THE MITTS SECURITIES INVOLVES RISKS.  
SEE "RISK FACTORS" BEGINNING ON PAGE 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

MERRILL LYNCH & CO.

The date of this prospectus is , 199.

"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

RISK FACTORS.....3  
MERRILL LYNCH & CO., INC.....7  
RATIO OF EARNINGS TO FIXED CHARGES.....8  
DESCRIPTION OF THE MITTS SECURITIES.....9  
THE INDEX.....16  
OTHER TERMS.....19  
PROJECTED PAYMENT SCHEDULE.....22  
WHERE YOU CAN FIND MORE INFORMATION.....24  
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....24  
PLAN OF DISTRIBUTION.....25  
EXPERTS.....25

RISK FACTORS

Your investment in MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

YOU MAY NOT EARN A RETURN ON YOUR INVESTMENT.

You should be aware that we will pay you no more than \$10 per unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity is less than 100. This will be true even if at some time during the life of the MITTS Securities, the value of the index, as adjusted, was higher than 100 but later falls below 100 .

YOUR YIELD MAY BE LOWER THAN THE YIELD ON A STANDARD DEBT SECURITY OF COMPARABLE MATURITY.

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc with the same maturity date. Your investment may not reflect the full opportunity cost to you when you consider the effect of factors that affect the time value of money.

YOUR RETURN WILL NOT REFLECT THE RETURN OF OWNING THE STOCKS INCLUDED IN THE INDEX.

Your return will not reflect the return you would realize if you actually owned the stocks underlying the index and received the dividends paid on those stocks. This is because, except as described below in the immediately succeeding paragraph, the value of the index is calculated by reference to the prices of the common stocks included in the index without taking into consideration the value of dividends paid on those stocks.

Your return will not reflect the payment of dividends.

The index is calculated with reference to the sub-indices which reflect the prices of the common stocks comprising the sub-indices without taking into consideration the value of dividends paid on those stocks, except in the case of the Deutscher Aktienindex sub-index which reflects dividends paid on its underlying common stocks. Therefore, the return you earn on the MITTS Securities, if any, will not be the same as the return that you would

earn if you actually owned each of the common stocks underlying each sub-index and received the dividends paid on those stocks.

YOUR RETURN WILL BE AFFECTED BY CHANGES IN CURRENCY EXCHANGE RATES.

Although the stocks included in the sub-indices are traded in currencies other than U.S. dollars and the MITTS Securities are denominated in U.S. dollars, we will not adjust any amounts payable on the MITTS Securities for currency exchange rates in effect at the maturity of the MITTS Securities. Any amount in addition to the principal amount of each unit payable to you at maturity is based solely upon the percentage increase in the index. Changes in exchange rates, however, may reflect changes in the relevant European economies that may affect the value of the sub-indices, and the MITTS Securities.

CHANGES IN EUROPEAN SECURITIES MARKETS WILL AFFECT YOUR RETURN.

Companies listed on European exchanges issued the underlying stocks that constitute the sub-indices. You should be aware that investments in securities indexed to the value of the European equity securities involve certain risks. The European securities markets may be more volatile than U.S. or other securities markets and market developments may affect these markets in different ways than U.S. or other securities markets. Direct or indirect government intervention to stabilize a particular European securities market and cross-shareholdings in European companies on these markets may affect prices and volume of trading on those markets. Also, there is generally less publicly available information about European companies than about those U.S. companies that are subject to the reporting requirements of the SEC and European companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Political, economic, financial and social factors in Europe may affect securities prices in Europe. These factors, including the possibility that recent or future changes in a European country's government, economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to European companies or investments in European equity securities and the possibility of fluctuations in the rate of exchange between currencies, could negatively affect the European securities markets. Moreover, the relevant European economies may differ favorably or unfavorably from the U.S. economy in areas of growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

THERE MAY BE AN UNCERTAIN TRADING MARKET FOR THE MITTS SECURITIES IN THE FUTURE.

Although the MITTS Securities are listed on the NYSE under the symbol "MEM," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

If a limited trading market for the MITTS Securities exists, and you do not wish to hold your investment until maturity, fewer buyers may want to purchase your MITTS Securities. This may affect the price you receive if you sell before maturity.

THERE ARE MANY FACTORS AFFECTING THE TRADING VALUE OF THE MITTS SECURITIES.

We believe that by the value of the index and a number of other factors will affect the trading value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following bullets describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o The value of the index. We expect that the market value of the MITTS Securities will depend substantially on the amount by which the value of the index exceeds 100. If you choose to sell your MITTS Securities when the value of the index exceeds 100 you may receive substantially less than the amount that would be payable at maturity based on that index value because of the expectation that the index will continue to fluctuate until the ending index value is determined. If you choose to sell your MITTS Securities when the value of the index is below 100, you may receive less than the \$10 principal amount per unit of MITTS Securities. In general, rising dividend rates, or dividends per share in the European countries related to the common stocks underlying the sub-indices, each an "applicable European country", may increase the value of the index while falling dividend rates in the applicable European countries may decrease the value of the index. Political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.

- o Interest rates. Because we will pay, at a minimum, the principal amount per unit of the MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will increase. In general, if interest rates in the applicable European countries increase, we expect that the trading value of the MITTS Securities will increase. If interest rates in the applicable European countries decrease, we expect the trading value of the MITTS Securities will decrease. However, interest rates in the applicable European countries may also affect the relevant economies and, in turn, the value of the index. Rising interest rates in the applicable European countries may lower the value of the index and the MITTS Securities. Falling interest rates in the applicable European countries may increase the value of the index and the value of the MITTS Securities.
- o Volatility of the index. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time remaining to maturity. We anticipate that prior to the maturity of the MITTS Securities, the MITTS Securities may trade at a value above that which would be expected based on 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 MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend yields. If dividend yields on the stocks comprising the index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stocks comprising the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

We want you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any change in the trading value of the MITTS Securities attributable to another factor, such as an increase in the index value.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities except that we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

#### AMOUNTS PAYABLE ON THE MITTS SECURITIES MAY BE LIMITED BY STATE LAW

New York State laws govern the indenture under which the MITTS Securities are issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest chargeable to and payable by a borrower. We will promise, for the benefit of the MITTS Securities holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

#### PURCHASES AND SALES BY US AND OUR AFFILIATES MAY AFFECT YOUR RETURN.

We and our affiliates may from time to time buy or sell the stocks underlying the index for our own accounts for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the index in a manner

that would be adverse to your investment in the MITTS Securities.

#### POTENTIAL CONFLICTS OF INTEREST.

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the Index; Market Disruption Events" and "--Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

#### OTHER CONSIDERATIONS.

It is suggested that you should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax adviser.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically

to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On July 28, 1997, ML&Co. issued an aggregate principal amount of \$72,000,000 or 7,200,000 units of the MITTS Securities.

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described below.

The MITTS Securities will mature on August 30, 2002.

While at maturity a beneficial owner of a MITTS Security will receive the principal amount of the MITTS Security plus the Supplemental Redemption Amount described below, if any, we will make no other payment of interest, periodic or otherwise. See "- Payment at Maturity" below.

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner prior to maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

#### PAYMENT AT MATURITY

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Supplemental Redemption Amount is not greater than zero, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>  
<S>  
Principal Amount of each Security (\$10 per unit) X Ending Index Value--Starting Index Value x Participation Rate

-----  
Starting Index Value

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Participation Rate" equals 110%.

The "Starting Index Value" equals 100.

The "Ending Index Value" will be determined by the calculation agent and will equal the average, or the 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, or the arithmetic mean, of the closing values of the Index on the Calculation Days, and if there is only one Calculation Day, then the Ending Index Value will equal the closing value of the Index on that 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 occurrences of a Market Disruption Event on that 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.

An "Index Business Day" is a day on which The New York Stock Exchange and the AMEX are open for trading and the Index or any Successor Index, as defined below, 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 ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Index Values:

- o the percentage change from the Starting Index Value to the Ending Index Value;
- o the total amount payable per unit of MITTS Securities;
- o the total rate of return on the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of the stocks underlying the Index, which includes an assumed aggregate dividend yield of 2.33% per annum, as more fully described below.

<TABLE>  
<CAPTION>

ANNUALIZED HYPOTHETICAL ENDING THE	PERCENTAGE CHANGE OVER THE STARTING INDEX VALUE	TOTAL AMOUNT PAYABLE AT MATURITY		TOTAL RATE	PRETAX ANNUALIZED RATE	PRETAX
		PER \$10 PRINCIPAL AMOUNT OF MITTS	SECURITIES	OF RETURN ON THE MITTS	OF RETURN ON THE MITTS	RATE OF RETURN OF STOCKS UNDERLYING
	INDEX VALUE	INDEX VALUE	SECURITIES	SECURITIES	SECURITIES (1)	INDEX (1) (2)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
	40	-60%	\$10.00	0.00%	0.00%	-15.28%
	50	-50%	\$10.00	0.00%	0.00%	-11.10%
	60	-40%	\$10.00	0.00%	0.00%	-7.64%
	70	-30%	\$10.00	0.00%	0.00%	-4.68%
	80	-20%	\$10.00	0.00%	0.00%	-2.09%

90	-10%	\$10.00	0.00%	0.00%	0.21%
100(3)	0%	\$10.00	0.00%	0.00%	2.29%
110	10%	\$11.10	11.00%	2.06%	4.18%
120	20%	\$12.20	22.00%	3.95%	5.92%
130	30%	\$13.30	33.00%	5.69%	7.53%
140	40%	\$14.40	44.00%	7.31%	9.03%
150	50%	\$15.50	55.00%	8.81%	10.43%
160	60%	\$16.60	66.00%	10.23%	11.75%
170	70%	\$17.70	77.00%	11.56%	12.99%
180	80%	\$18.80	88.00%	12.82%	14.17%
190	90%	\$19.90	99.00%	14.01%	15.28%
200	100%	\$21.00	110.00%	15.14%	16.35%
210	110%	\$22.10	121.00%	16.23%	17.36%
220	120%	\$23.20	132.00%	17.26%	18.34%
230	130%	\$24.30	143.00%	18.26%	19.27%

</TABLE>

- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
- (2) This rate of return assumes:
- an investment of a fixed amount in the stocks underlying the Sub-Indices with the allocation of that amount reflecting the current relative weights of the stocks in the Sub-Indices
  - a percentage change in the aggregate price of the stocks that equals the percentage change in the Index from the Starting Index Value to the relevant hypothetical Ending Index Value
  - a constant dividend yield of 2.33% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter, assuming that value increases or decreases linearly from the Starting Value to the hypothetical Ending Value;
  - no transaction fees or expenses;
  - the term of the MITTS Securities is from August 1, 1997 to August 30, 2002; and
  - a final Index Value equal to the hypothetical Ending Index Value. A final Index Value equal to the Ending Index Value. The aggregate dividend yield of the stocks underlying the Sub-Indices as of July 28, 1997 was approximately 2.33%
- (3) The Starting Index Value of the Index.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the total and pretax annualized rate of return resulting therefrom will depend entirely on the actual Ending Index Value determined by the calculation agent as provided herein.

#### ADJUSTMENTS TO THE INDEX; MARKET DISRUPTION EVENTS

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had the changes or modifications not been made, then, from and after that 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 Value is to be calculated, make any 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 the changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified for example, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified for example, as if the split had not occurred.

"Market Disruption Event" means the occurrence or existence on any Overseas Index Business Day with respect to a Sub-Index during the one-half hour period that ends at the regular official weekday time at which trading on the Index Exchange related to that Sub-Index occurs of any suspension of, or limitation imposed on, trading, by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise, on

- o the Index Exchange in securities that comprise 20% or more of the value of that Sub-Index or
- o any exchanges on which futures or options on that Sub-Index are traded in options or futures if, in the determination of the calculation agent, the suspension or limitation is material. For the purpose of the foregoing definition:



- o a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular hours of the relevant exchange and
  
- o a limitation on trading imposed during the course of a day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange will constitute a Market Disruption Event.

"Overseas Index Business Day" means, with respect to any sub-index, any day that is, or, but for the occurrence of a Market Disruption Event, would have been, a trading day on the relevant Index Exchange or on any exchanges on which futures or options on that Sub-Index are traded, other than a day on which trading on any relevant exchange is scheduled to close prior to its regular weekday closing time.

"Index Exchange" means, with respect to any Sub-Index, the principal exchange on which the shares comprising that Sub-Index are traded.

#### DISCONTINUANCE OF THE INDEX

If the AMEX discontinues publication of the Index and the AMEX or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index, referred to in this prospectus as a "Successor Index", then, upon the calculation agent's notification of that determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by AMEX or another entity for the Index and calculate the Ending Value as described above under "-Payment at Maturity". Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If the AMEX 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 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 before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, that 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 calculation agent calculates a value as a substitute for the Index, "Calculation Day" shall mean any day on which the calculation agent is able to calculate a substitute value.

If the AMEX 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 that time, then on each Business Day until the earlier to occur of

- o the determination of the Ending Index Value and
  
- o 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 the 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 MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the principal amount per unit and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "- Payment at Maturity" in this prospectus. A bankruptcy proceeding commenced in respect of ML&Co. may limit the claim of the beneficial owner of a MITTS Security, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 6.01% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

## GLOBAL SECURITIES

### DESCRIPTION OF THE GLOBAL SECURITIES

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC, (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, the depository cannot transfer any global security except as a whole to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a registered owner of a global security, DTC or its nominee, as appropriate, will be considered the sole owner or holder of the MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take action or would otherwise act upon the instructions of beneficial owners. Arrangements among participants, indirect participants and beneficial owners will govern conveyance of notices and other communications by DTC to participants, by participants to indirect participants and by participants and indirect participants to beneficial owners, subject to any statutory or regulatory requirements as may be in effect from time to time.

### DTC PROCEDURES

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants.

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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Arrangements among participants, indirect participants and beneficial owners will govern conveyance of notices and other communications by DTC to participants, by participants to indirect participants and by participants and indirect participants to beneficial owners, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

DTC will make principal, premium, if any, and/or interest, if any, payments on the MITTS Securities in funds immediately available to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", will govern payments by participants to beneficial owners, and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### EXCHANGE FOR CERTIFICATED SECURITIES

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

DTC will exchange the global securities for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The depository shall instruct the Trustee as to the names in which it is to register the definitive MITTS Securities. DTC expects that these instructions to be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### SAME-DAY SETTLEMENT AND PAYMENT

ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

## THE INDEX

The value of the Index on any Index Business Day is calculated and disseminated by the AMEX. The AMEX generally calculates and disseminates the value of the Index based on the most recently reported values of the Sub-Indices, at approximately 15-second intervals during the AMEX's business hours and the end of each Index Business Day via the Consolidated Tape Association's Network B. The value of the Index is reported on the AMEX and Bloomberg under the symbol "EMX" and on Reuters under the symbol ".EMX".

### DETERMINATION OF INDEX MULTIPLIER FOR EACH SUB-INDEX

The initial weighting of each Sub-Index was determined at the close of business on the date the MITTS Securities were priced for initial sale to the public, or the "Pricing Date", based on its relative market capitalization. The market capitalization of a stock equals the product of the total number of shares of stock outstanding and the price of a share of stock. The total market capitalization of the stocks comprising each Sub-Index was determined using the most recently available information concerning the number of shares outstanding for each stock contained in a Sub-Index and the most recently available price for each share. Current exchange rates were used to translate market capitalization information into U.S. dollars. The market capitalizations expressed in U.S. dollars of each Sub-Index were totaled, or the "Total Market Capitalization". The weighting of each Sub-Index was then determined and equals the percentage of the market capitalization for each Sub-Index relative to the Total Market Capitalization. The Index Multiplier for each Sub-Index was then calculated and equals

- o the weighting for that Sub-Index multiplied by 100, divided by
- o the most recently available value of that Sub-Index. The Index Multipliers were calculated in this way so that the Index would equal 100.00 on the Pricing Date.

The Index Multiplier for each Sub-Index will remain fixed, except that the AMEX may adjust the Index Multiplier in the event of a significant change in how a Sub-Index is calculated. The Index will not be rebalanced periodically to reflect changes in the relative market capitalizations of the Sub-Indices.

### COMPUTATION OF THE INDEX

The Index is calculated by totaling the products of the most recently available value of each Sub-Index and the Index Multiplier applicable to that Sub-Index. Since the Sub-Indices are based on stocks traded on stock exchanges in Europe, once these stock exchanges close and the values of the Sub-Indices become fixed until these stock exchanges reopen, the value of the Index will be fixed.

### SUB-INDICES

The following is a list of the Sub-Indices and certain information concerning each Sub-Index. All disclosure contained in this prospectus regarding the Sub-Indices is derived from publicly available information.

#### FINANCIAL TIMES SE 100 INDEX--"FTSE 100"

DESCRIPTION OF FTSE 100: The FTSE 100 is intended to provide an indication of the pattern of common stock price movement of the 100 common stocks with the largest market capitalization on the London Stock Exchange.

PUBLISHER: The Financial Times and London Stock Exchange

REQUIRED DISCLOSURE: The FTSE 100 is calculated by FTSE International Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries. Merrill Lynch & Co., Inc. has obtained full license from FTSE International Limited to use its trademark and copyright in the creation of this MITTS Security. FTSE International Limited does not sponsor, endorse or promote this MITTS Security.

#### DEUTSCHER AKTIENINDEX--"DAX(R)"

DESCRIPTION OF DAX: The DAX is total rate of return index measuring the performance of 30 common stocks on the Frankfurt Stock Exchange selected based on their market capitalization and trading volume. A total rate of return index reflects both the price performance of the relevant common stocks as well as the dividends paid on common stocks.

PUBLISHER: Deutsche Borse AG

"DAX" is a registered trademark of Deutsche Borse AG.

COMPAGNIE DES AGENTS DE CHANGE 40 INDEX--"CAC 40"

DESCRIPTION OF CAC 40: The CAC 40 is intended to provide an indication of the pattern of common stock price movement of the 40 common stocks with the largest market capitalization on the Paris Bourse.

PUBLISHER: SBF--Paris Bourse

REQUIRED DISCLOSURE: "CAC-40" is a registered trademark of the Societe des Bourses Francaises-Paris Bourse, which designates the index that the SBF-Paris Bourse calculates and publishes. Authorization to use the index and the "CAC-40" trademark in connection with the Securities has been granted by license.

The SBF-Paris Bourse, owner of the trademark and of the CAC-40, does not sponsor, endorse or participate in the marketing of the Securities. The SBF-Paris Bourse makes no warranty or representation to any person, express or implied, as to the figure at which the CAC-40 stands at any particular time, nor as to the results or performance of the Securities. Neither shall the SBF-Paris Bourse be under any obligation to advise any person of any error in the published level of the CAC-40.

SWISS MARKET INDEX--"SMI (R)"

DESCRIPTION OF SMI: The SMI is intended to provide an indication of the pattern of common stock price movement of common stocks with the largest market capitalization and greatest liquidity on the Geneva, Zurich and Basle Stock Exchanges.

PUBLISHER: Swiss Exchange

REQUIRED DISCLOSURE: The Securities are not in any way sponsored, endorsed, sold or promoted by the Swiss Exchange and the Swiss Exchange makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the SMI index and/or the figure at which the SMI index stands at any particular time on any particular day or otherwise. The SMI index is compiled and calculated solely by the Swiss Exchange. However, the Swiss Exchange shall not be liable, whether in negligence or otherwise, to any person for any error in the SMI index and the Swiss Exchange shall not be under any obligation to advise any person of any error therein.

"SMI" is a registered trademark of the Swiss Exchange.

AMSTERDAM EUROPEAN OPTIONS EXCHANGE INDEX--"AEX"

DESCRIPTION OF AEX: The AEX is intended to provide an indication of the pattern of common stock price movement of the 25 common stocks with the largest market capitalization on the Amsterdam Stock Exchange.

PUBLISHER: AEX--Optiebeurs nv

REQUIRED DISCLOSURE: The AEX-Optiebeurs nv has all proprietary rights with relation to the AEX index. The AEX-Optiebeurs nv in no way sponsors, endorses or is otherwise involved in the issue and offering of the Securities. The AEX-Optiebeurs nv disclaims any liability to any party for any inaccuracy in the data on which the AEX Index is based, for any mistakes, errors, or omissions in the calculation or dissemination of the AEX Index or for the manner in which the AEX Index is used in connection with the issue and offering of the Securities.

MILANO ITALIA BORSA 30 INDEX--"MIB 30"

DESCRIPTION OF MIB 30: The MIB 30 is intended to provide an indication of the pattern of common stock price movement of common stocks with the largest market capitalization and greatest liquidity on the Italian Stock Exchange.

PUBLISHER: Consiglio di Borsa

STOCKHOLM OPTIONS MARKET INDEX--"OMX index"

DESCRIPTION OF OMX INDEX: The OMX index is intended to provide an indication of the pattern of common stock price movement of the 30 common stocks with the largest volume of trading on the Stockholm Stock Exchange.

PUBLISHER: OM Gruppen AB

REQUIRED DISCLOSURE: The Securities are not in any way sponsored, endorsed, sold or promoted by OM Gruppen AB ("OM") and OM makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the OMX index and/or the figure at which the said OMX index stands at any particular time on any particular day or otherwise. The OMX index is compiled and calculated solely by an indexer on behalf of OM. However, OM shall not be liable, whether in negligence or otherwise, to any person for any error in the OMX index and OM shall not be under any obligation to advise any person of any error therein.

All rights to the trademark OMX, OMX INDEX are vested in OM Gruppen AB ("OM") and are used under a license agreement with OM.

IBEX 35 Index

DESCRIPTION OF IBEX 35: The IBEX 35 is intended to provide an indication of the pattern of common stock price movement of the 35 common stocks with the greatest liquidity continuously traded and quoted on the Joint Stock Exchange System made up of the Barcelona, Bilbao, Madrid and Valencia stock exchanges.

PUBLISHER: Sociedad de Bolsas, S.A.

REQUIRED DISCLOSURE: Sociedad de Bolsas, S.A. does not warrant in any case nor for any reason whatsoever: (a) The continuity of the composition of the IBEX 35 Index exactly as it is today; (b) the continuity of the method for calculating the IBEX 35 Index exactly as it is calculated today; (c) the continuity of the calculation, formula and publication of the IBEX 35 Index; (d) the precision, integrity or freedom from errors or mistakes in the composition and calculation of the IBEX 35 Index; (e) the adequacy of the IBEX 35 Index for the purposes expected in the issue of the Securities nor for dealing in the same.

The publisher of each Sub-Index will add or delete stocks due to events such as the bankruptcy or merger of the issuer of a stock. The publisher of a Sub-Index may reevaluate the composition of the stocks underlying the Sub-Index at specified intervals to assure that they still meet the selection criteria or any ongoing eligibility criteria.

The publisher of a Sub-Index is under no obligation to continue the calculation and dissemination of that Sub-Index and the publisher may change the method by which that Sub-Index is calculated. The publishers of the Sub-Indices are under no obligation to take the needs of ML&Co. or the holders of the MITTS into consideration in determining, composing or calculating the Sub-Indices.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and

construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### LIMITATIONS UPON LIENS

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### LIMITATION ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"CONTROLLED SUBSIDIARY" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### MERGER AND CONSOLIDATION

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
- o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
- o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### MODIFICATION AND WAIVER

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "---Events of Default".

#### EVENTS OF DEFAULT

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or



- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount a projected Supplemental Redemption Amount equal to \$3.7137 per unit. This represents an estimated yield on the MITTS Securities equal to 6.32% per annum, compounded semiannually.

The projected payment schedule, including both the projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities, has been determined solely for United States Federal income tax purposes, i.e., for purposes of applying the Final Regulations to the Securities, and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over an assumed term of five years and one month for the MITTS Securities based upon the projected payment schedule for the MITTS Securities, including both the projected Supplemental Redemption Amount and the estimated yield equal to 6.32% per annum, compounded semiannually, as determined by ML&Co. for purposes of application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

ACCRUAL PERIOD	INTEREST DEEMED TO ACCRUE DURING ACCRUAL PERIOD (PER UNIT)	TOTAL INTEREST DEEMED TO HAVE ACCRUED ON SECURITIES AS OF END OF ACCRUAL PERIOD (PER UNIT)
<S>	<C>	<C>
August 1, 1997 through August 30, 1997.....	\$0.0495	\$0.0495
August 31, 1997 through February 28, 1998.....	\$0.3173	\$0.3668
March 1, 1998 through August 30, 1998.....	\$0.3274	\$0.6942
August 31, 1998 through February 28, 1999.....	\$0.3376	\$1.0318
March 1, 1999 through August 30, 1999.....	\$0.3484	\$1.3802
August 31, 1999 through February 29, 2000.....	\$0.3593	\$1.7395
March 1, 2000 through August 30, 2000.....	\$0.3707	\$2.1102
August 31, 2000 through February 28, 2001.....	\$0.3823	\$2.4925
March 1, 2001 through August 30, 2001.....	\$0.3945	\$2.8870
August 31, 2001 through February 28, 2002.....	\$0.4069	\$3.2939
March 1, 2002 through August 30, 2002.....	\$0.4198	\$3.7137

</TABLE>

PROJECTED SUPPLEMENTAL REDEMPTION AMOUNT = \$3.7137 PER UNIT.

All prospective investors in the MITTS Securities should consult their

own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for such information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080- 6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S  
- - - - -

Merrill Lynch & Co., Inc.  
Market Index Target-Term Securities(R)  
based upon the Dow Jones Industrial AverageSM  
due January 14, 2003  
"MITTS(R) Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>  
<CAPTION>

The MITTS Securities:

<S>

- o 100% principal protection at maturity
- o No payments before the maturity date
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o Linked to the value of the index measuring the Dow Jones Industrial Average SM
- o The MITTS Securities are listed on the New York Stock Exchange under the symbol "DJM" Securities

</TABLE>

Payment at Maturity:

<C>

- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the percentage increase, if any, in the value of the index, above a benchmark value of 8,594, as described in this prospectus
- o You will receive no less than the principal amount of your MITTS Securities

Investing in the MITTS Securities involves risks.

See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 199 .

-----  
"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

"Dow Jones", "Dow Jones Industrial Average SM", and "DJIASM" are service marks of Dow Jones & Company, Inc. ("Dow Jones") and have been licensed for use for certain purposes by Merrill Lynch, Pierce, Fenner & Smith Incorporated.

#### TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
DESCRIPTION OF THE MITTS SECURITIES.....	9
THE INDEX.....	16
OTHER TERMS.....	17
PROJECTED PAYMENT SCHEDULE.....	20
WHERE YOU CAN FIND MORE INFORMATION.....	21
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	22
PLAN OF DISTRIBUTION.....	23
EXPERTS.....	23

#### RISK FACTORS

Your investment in the MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

YOU MAY NOT EARN A RETURN ON YOUR INVESTMENT.

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity date is less than 8,594. This will be true even if at some time during the life of the MITTS Securities, the value of the index, as adjusted, was higher than 8,594 but

later falls below 8,594.

YOUR YIELD MAY BE LOWER THAN THE YIELD ON A STANDARD DEBT SECURITY OF COMPARABLE MATURITY.

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account inflation and other factors that affect the time value of money.

YOUR RETURN WILL NOT REFLECT THE RETURN OF OWNING THE STOCKS INCLUDED IN THE INDEX.

Your return will not reflect the return you would realize if you actually owned the stocks underlying the index and received the dividends paid on those stocks. This is because the value of the index is calculated by reference to the prices of the common stocks included in the index without taking into consideration the value of dividends paid on those stocks.

YOUR RETURN WILL NOT REFLECT THE PAYMENT OF DIVIDENDS.

The index is calculated with reference to the prices of the common stocks comprising the index without taking into consideration the value of dividends paid on those stocks. Therefore, the return you earn on your MITTS Securities, if any, will not be the same as the return that you would earn if you actually owned each of the common stocks underlying the index and received the dividends paid on those stocks.

THERE MAY BE AN UNCERTAIN TRADING MARKET FOR THE MITTS SECURITIES IN THE FUTURE.

Although the MITTS Securities are listed on the NYSE under the symbol "DJM," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

If the trading market for the MITTS Securities is limited and you do not wish to hold your investment until maturity, there may be a limited number of buyers for your MITTS Securities. This may affect the price you receive if you sell before maturity.

THERE ARE MANY FACTORS AFFECTING THE TRADING VALUE OF THE MITTS SECURITIES.

We believe that the value of the index and a number of other factors will affect the trading value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o The value of the index We expect that the market value of the MITTS Securities will depend substantially on the amount by which the index does or does not exceed 8,594. If you choose to sell your MITTS Securities when the value of the index exceeds 8,594, you may receive substantially less than the amount that would be payable at maturity based on that index value because of the expectation that the index will continue to fluctuate until shortly before the maturity date when the average value of the index is determined. If you choose to sell your MITTS Securities when the value of the index is below 8,594, you may receive less than the \$10 principal amount per unit of MITTS Securities. In general, rising U.S. dividend rates, or dividends per share, may increase the value of the index while falling U.S. dividend rates may decrease the value of the index. Political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.
- o Interest rates. Because we will pay, at a minimum, the principal amount per unit of MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will 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 lower the value of the MITTS Securities. Falling interest rates may increase the value of the index and, thus, may increase the value of the MITTS Securities.

- o Volatility of the index. Volatility is the term used to describe the size and frequency of market fluctuations. Generally, if the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time remaining to maturity. We anticipate that prior to the maturity of the MITTS Securities, the MITTS Securities may trade at a value above that which would be expected based on 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 January 14, 2003, the stated maturity of the MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend yields. If dividend yields on the stocks comprising the index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stock comprising the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the index value.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities except that we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

AMOUNTS PAYABLE ON THE MITTS SECURITIES MAY BE LIMITED BY STATE LAW.

New York State laws govern the indenture under which the MITTS Securities are issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the holders of the MITTS Securities, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

PURCHASES AND SALES BY US AND OUR AFFILIATES MAY AFFECT YOUR RETURN.

We and our affiliates may from time to time buy or sell the stocks underlying the Index for our own accounts for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the index in a manner that would be adverse to your investment.

POTENTIAL CONFLICTS OF INTEREST.

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS

Securities--Adjustments to the Index; Market Disruption Events" and "--Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

#### OTHER CONSIDERATIONS.

You should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult with your tax adviser.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

Year Ended Last Friday in December				
1994	1995	1996	1997	1998

-----					
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On December 23, 1997, ML&Co. issued an aggregate principal amount of \$90,000,000 or 9,000,000 units of the MITTS Securities.

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on January 14, 2003.

While at maturity a beneficial owner of a MITTS Security will receive the principal amount of the MITTS Security plus the Supplemental Redemption Amount described below, if any, ML&Co. will make no other payment of interest, periodic or otherwise. See "- Payment at Maturity" below.

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

#### Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Supplemental Redemption Amount is not greater than zero, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>	
<S>	<C> <C>
Principal Amount of each MITTS Security (\$10 per unit)	X Ending Index Value - Benchmark Index Value
	-----
	Benchmark Index Value

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Benchmark Index Value" equals 8,594, which was determined on the pricing date by multiplying 7,957.41, the value of the index on the pricing date by 108%.

The "Ending Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of the Dow Jones Industrial Average Index (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 Value will equal the average or arithmetic mean of the closing values of the Index on these Calculation Days, and if there is only one Calculation Day, then the Ending Value will equal the closing value of the Index on that Calculation Day. If no Calculation Days occur during the Calculation Period, then the Ending 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 that day.

The "Calculation Period" means the period from and including the seventh scheduled Index Business Day before the maturity date to and including the second scheduled Index Business Day before the maturity date.

"Calculation Day" means any Index Business Day during the Calculation Period on which a Market Disruption Event has not occurred.

An "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the Index or any Successor Index, as defined on page 10 below, 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 ML&Co. and beneficial owners of the MITTS Securities.

Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Index Values:

- o the percentage change from the starting index value to the Ending Index Value;
- o the total amount payable per unit of MITTS Securities;
- o the total rate of return on the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of the stocks underlying the Index, which includes an assumed aggregate dividend yield of 1.72% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Hypothetical Ending Index Value	Percentage Change Over the Starting Index Value	Total Amount Payable at Maturity per \$10 Principal Amount of MITTS Securities	Total Rate of Return on the MITTS Securities	Pretax Annualized Rate of Return on the MITTS Securities (1)	Pretax Annualized Rate of Return of Stocks Underlying the Index (1) (2)
<S>	<C>	<C>	<C>	<C>	<C>
3,182.96	-60.00%	\$10.00	0.00%	0.00%	- 14.21%
3,978.71	-50.00%	\$10.00	0.00%	0.00%	- 10.67%
4,774.45	-40.00%	\$10.00	0.00%	0.00%	- 7.63%
5,570.19	-30.00%	\$10.00	0.00%	0.00%	- 4.95%
6,365.93	-20.00%	\$10.00	0.00%	0.00%	-2.55%
7,161.67	-10.00%	\$10.00	0.00%	0.00%	-0.37%
7,957.41 (3)	0.00%	\$10.00	0.00%	0.00%	1.64%
8,753.15	10.00%	\$10.19	1.85%	0.36%	3.49%
9,548.89	20.00%	\$11.11	11.11%	2.09%	5.22%
10,344.63	30.00%	\$12.04	20.37%	3.70%	6.84%
11,140.37	40.00%	\$12.96	29.63%	5.19%	8.36%
11,936.12	50.00%	\$13.89	38.89%	6.59%	9.80%
12,731.86	60.00%	\$14.81	48.15%	7.92%	11.17%
13,527.60	70.00%	\$15.74	57.41%	9.16%	12.48%
14,323.34	80.00%	\$16.67	66.67%	10.35%	13.72%
15,119.08	90.00%	\$17.59	75.93%	11.47%	14.91%
15,914.82	100.00%	\$18.52	85.19%	12.55%	16.05%
16,710.56	110.00%	\$19.44	94.44%	13.57%	17.15%
17,506.30	120.00%	\$20.37	103.70%	14.56%	18.21%

</TABLE>

- - - - -

(1) The annualized rates of return specified in the preceding table are

calculated on a semiannual bond equivalent basis.

- (2) This rate of return assumes:
- (a) an investment of a fixed amount in the stocks underlying the Index with the allocation of an amount reflecting the current relative weights of the stocks in the Index;
  - (b) a percentage change in the aggregate price of the stocks that equals the percentage change in the Index from the starting index value to the relevant hypothetical Ending Index Value;
  - (c) a constant dividend yield of 1.72% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming this value increases or decreases linearly from the starting index value to the hypothetical Ending Index Value;
  - (d) no transaction fees or expenses;
  - (e) the term of the MITTS Securities is from December 23, 1997 to January 14, 2003; and
  - (f) a final Index value equal to the hypothetical Ending Index Value. The aggregate dividend yield of the stocks underlying the Index as of December 17, 1997 was approximately 1.72%.
- (3) The starting index value.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the respective total and pretax annualized rate of return will depend entirely on the actual Ending Index Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Index; Market Disruption Events

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had the changes or modifications not been made, then, from and after that 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 any 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 any changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified for example, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events; as determined by the calculation agent:

(a) the suspension or material limitation on trading for more than two hours of trading, or during the one-half hour period preceding the close of trading on the applicable exchange, in each case, in 20% or more of the stocks which then comprise the Index; or

(b) 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

(1) futures contracts related to the Index, or options on these futures contracts, which are traded on any major U.S. exchange or

(2) option contracts related to the Index which are traded on any major U.S. exchange.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

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 Dow Jones discontinues publication of the Index and Dow Jones or another entity publishes a successor or substitute index that the calculation

agent determines, in its sole discretion, to be comparable to the Index, this index being referred to in this prospectus as a "Successor Index", then, upon the calculation agent's notification of its determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by Dow Jones or any other entity for the Index. Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If Dow Jones 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 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 before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 calculation agent calculates a value as a substitute for the Index, "Index Calculation Day" shall mean any day on which the calculation agent is able to calculate a value.

If Dow Jones discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of:

- o the determination of the Ending Index Value and
- o a determination by 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 that day were a Calculation Day.

the calculation agent will cause notice of each value to be published not less often than once each month in The Wall Street Journal (the "WSJ"), or another newspaper of general circulation, and arrange for information with respect to these values to be made available by telephone. Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

If an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount of the MITTS Securities, will be equal to the principal amount and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "Description of the MITTS Securities--Payment at Maturity". If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the MITTS 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 MITTS Securities.

In case of default in payment at the maturity date of the MITTS Securities, whether at their stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of their beneficial owners, at the rate of 6.18% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on any date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC, (DTC, together with any successor to DTC, being a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any a nominee to a successor of the depository or a nominee of

that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

Unless otherwise stated, all information in this prospectus on the Index is derived from Dow Jones or other publicly available sources. This information reflects the policies of Dow Jones as stated in these sources and these policies are subject to change by Dow Jones. Dow Jones is under no obligation to continue to publish the Index and may discontinue publication of the Index at any time.

The Index is a price-weighted index, meaning that the weight of a component stock in the Index is based on its price per share rather than the total market capitalization of the issuer of a component stock, comprised of 30 common stocks chosen by the editors of the WSJ as representative of the broad market of U.S. industry. The corporations represented in the Index tend to be leaders within their respective industries and their stocks are typically widely held by individuals and institutional investors. Changes in the composition of the Index are made entirely by the editors of the WSJ

without consultation with the corporations represented in the Index, any stock exchange, any official agency or ML&Co.. Changes to the common stocks included in the Index tend to be made infrequently. Historically, most substitutions have been the result of mergers, but from time to time, changes may be made to achieve what the editors of the WSJ deem to be a more accurate representation of the broad market of U.S. industry. In choosing a new corporation for the Index, the editors of the WSJ look for leading industrial companies with a successful history of growth and wide interest among investors. The WSJ may change the component stocks of the Index at any time for any reason. Dow Jones, publisher of the WSJ, is not affiliated with ML&Co. and has not participated in any way in the creation of the MITTS Securities.

The Index initially consisted of 12 common stocks and was first published in the WSJ in 1896. The Index was increased to include 20 common stocks in 1916 and to 30 common stocks in 1928. The number of common stocks in the Index has remained at 30 since 1928, and, in an effort to maintain continuity, the constituent corporations represented in the Index have been changed on a relatively infrequent basis.

The value of the Index is the sum of the primary exchange prices of each of the 30 common stocks included in the Index, divided by a divisor that is designed to provide a meaningful continuity in the value of the Index. Because the Index is price-weighted, stock splits or changes in the component stocks could result in distortions in the Index value. In order to prevent these distortions related to extrinsic factors, the divisor is changed in accordance with a mathematical formula that reflects adjusted proportions within the Index. The current divisor of the Index is published daily in the WSJ and other publications. In addition, other statistics based on the Index may be found in a variety of publicly available sources.

ML&Co. or its affiliates may presently or from time to time engage in business with one or more of the issuers of the component stocks of the Index, including extending loans to, or making equity investments in these issuers or providing advisory services to these issuers, including merger and acquisition advisory services. In the course of this business, ML&Co. or its affiliates may acquire non-public information with respect to these issuers. ML&Co. does not make any representation to any purchaser of MITTS Securities with respect to any matters whatsoever relating to these issuers. Any prospective purchaser of MITTS Securities should undertake an independent investigation of the issuers of the component stocks of the Index as in its judgment is appropriate to make an informed decision with respect to an investment in the MITTS Securities. The composition of the Index does not reflect any investment or sell recommendations of ML&Co. or its affiliates.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

## Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

## Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any voting stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its voting stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of voting stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

## Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

## Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;

- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities



issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations, the "Final Regulations", concerning the proper United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a projected Supplemental Redemption Amount equal to \$3.6070 per unit, the "Projected Supplemental Redemption Amount". This represents an estimated yield on the MITTS Securities equal to 6.18% per annum, compounded semiannually.

The projected payment schedule, including both the Projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities, has been determined solely for United States Federal income tax purposes, for purposes of applying the Final Regulations to the MITTS Securities, and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over a term of five years and twenty-two days for the MITTS Securities based upon the projected payment schedule for the MITTS Securities, including both the Projected Supplemental Redemption Amount and the estimated yield equal to 6.18% per annum, compounded semiannually, as determined by ML&Co. for purposes of applying the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period	Interest Deemed to Accrue During Accrual Period (per Unit)	Total Interest Deemed to Have Accrued On the MITTS Securities as of End of Accrual Period (per Unit)
-----	-----	-----
<S>	<C>	<C>
January 15, 1998 through July 14, 1998.....	\$0.3101	\$0.3470
July 15, 1998 through January 14, 1999.....	\$0.3197	\$0.6667
January 15, 1999 through July 14, 1999.....	\$0.3296	\$0.9963
July 15, 1999 through January 14, 2000.....	\$0.3398	\$1.3361
January 15, 2000 through July 14, 2000.....	\$0.3503	\$1.6864
July 15, 2000 through January 14, 2001.....	\$0.3611	\$2.0475
January 15, 2001 through July 14, 2001.....	\$0.3723	\$2.4198
July 15, 2001 through January 14, 2002.....	\$0.3837	\$2.8035
January 15, 2002 through July 14, 2002.....	\$0.3957	\$3.1992
July 15, 2002 through January 14, 2003.....	\$0.4078	\$3.6070

</TABLE>

-----  
Projected Supplemental Redemption Amount = \$3.6070 per Unit.

All prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for such information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad

Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been

audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

- - - - -

Merrill Lynch & Co., Inc.

Nikkei 225 Market Index Target-Term Securities(R) due June 14, 2002

"MITTS(R) Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>  
<CAPTION>

The MITTS Securities:

<S>

- o 100% principal protection at maturity
- o No payments before maturity
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o Linked to the value of the Nikkei Stock Average
- o The MITTS Securities are listed on the New York Stock Exchange under the symbol "MLN"

Payment at Maturity:

<C>

- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the product of the percentage change in the value of the index and 140%
- o You will receive no less than the principal amount of your MITTS Securities

</TABLE>

Investing in the MITTS Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----

Merrill Lynch & Co.

-----

The date of this prospectus is \_\_\_\_\_, 199 .

"MITTS" and "Market Index Target-Term Securities" are registered service marks of Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
DESCRIPTION OF THE MITTS SECURITIES.....	9
THE INDEX.....	17
OTHER TERMS.....	19
PROJECTED PAYMENT SCHEDULE.....	22
WHERE YOU CAN FIND MORE INFORMATION.....	23
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	23
PLAN OF DISTRIBUTION.....	24
EXPERTS.....	24

RISK FACTORS

Your investment in MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

YOU MAY NOT EARN A RETURN ON YOUR INVESTMENT.

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity date is less than 20,351.34, the value of the index on the date the MITTS Securities were priced. This will be true even if at some time during the life of the MITTS Securities, the value of the index, as adjusted, was higher than 20,351.34 but later falls below 20,351.34.

YOUR YIELD MAY BE LOWER THAN THE YIELD ON A STANDARD DEBT SECURITY OF COMPARABLE MATURITY.

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you consider inflation or other factors that affect the time value of money.

YOUR RETURN WILL NOT REFLECT THE RETURN OF OWNING THE STOCKS INCLUDED IN THE INDEX.

Your return will not reflect the return you would realize if you actually owned the stocks underlying the index and received the dividends paid on those stocks. This is because the value of the index is calculated by reference to the prices of the common stocks included in the index without taking into consideration the value of dividends paid on those stocks.

YOUR RETURN WILL BE AFFECTED BY CURRENCY EXCHANGE RATES.

Although the stocks included in the index are traded in Japanese Yen and the MITTS Securities are denominated in U.S. Dollars, we will not adjust any amounts payable on the MITTS Securities for the currency exchange rate in effect at maturity. Any amount in addition to the principal amount of each unit payable to you at maturity is based solely upon the percentage increase in the index. Changes in the exchange rate, however, may reflect changes in the Japanese economy that may affect the value of the index and the MITTS Securities.

YOUR RETURN MAY BE AFFECTED BY FACTORS AFFECTING THE VALUE OF JAPANESE STOCKS.

Because the underlying stocks included in the index have been issued by Japanese companies, risks relating to an investment in Japanese equity securities may affect the return on your MITTS Securities. The Japanese securities markets may be more volatile than U.S. or other securities markets and market developments can effect the Japanese markets in different ways than U.S. or other securities markets. Direct or indirect government intervention to stabilize the Japanese securities markets and cross-shareholdings in Japanese companies on those markets may affect prices and volume of trading on those markets. Also, there is generally less publicly available information about Japanese companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and Japanese companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Securities prices in Japan are subject to political, economic, financial and social factors that apply in Japan. In addition, recent or future changes in the Japanese government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other Japanese laws or restrictions applicable to Japanese companies or investments in Japanese equity securities and fluctuations in the rate of exchange between currencies may negatively affect the Japanese securities markets. Moreover, the Japanese economy may differ favorably or unfavorably from the U.S. economy in economic factors such as growth in gross national product, rates of inflation, capital reinvestment, resources and self-sufficiency.

THERE MAY BE AN UNCERTAIN TRADING MARKET FOR THE MITTS SECURITIES IN THE FUTURE.

Although the MITTS Securities are listed on the NYSE under the symbol "MLN," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

If a limited trading market for the MITTS Securities exists, and you do not wish to hold your investment until maturity, fewer buyers may want to purchase your MITTS Securities. This may affect the price you receive if you sell before maturity.

THERE ARE MANY FACTORS AFFECTING THE TRADING VALUE OF THE MITTS SECURITIES.

We believe that the value of the index and by a number of other factors will affect trading value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o The value of the index. We expect that the market value of the MITTS Securities will depend substantially on the amount by which the index exceeds 20,351.34. If you choose to sell your MITTS Securities when the value of the Index exceeds 20,351.34, you may receive substantially less than the amount that would be payable at maturity based on that index value because of the expectation that the index will continue to fluctuate until shortly before the maturity date when the average value of the index over five trading days is determined. If you choose to sell your MITTS Securities when the value of the index is below 20,351.34, you may receive less than the \$10 principal amount per Unit of MITTS Securities. In general, rising Japanese dividend rates, or dividends per share, may increase the value of the index while falling Japanese dividend rates may decrease the value of the Index. Political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.
- o Interest rates. Because we will pay, at a minimum, the principal amount per unit of the MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will increase. In general, if interest rates in Japan increase, we expect that the trading value of the MITTS Securities will increase. If interest rates in Japan decrease, we expect the trading value of the MITTS Securities will decrease. However, interest rates in Japan may also affect the Japanese economy and, in turn, the value of the index. Rising interest rates in Japan may lower the value of the Index and the MITTS Securities. Falling interest rates in Japan may increase the value of the Index and the value of the MITTS Securities.

- o Volatility of the index. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the Index increases, we expect that the trading value of the Securities will increase. If the volatility of the Index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time remaining to maturity. We anticipate that prior to the maturity of the MITTS Securities, the MITTS Securities may trade at a value above that which would be expected based on 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 MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend yields. If dividend yields on the stocks comprising the index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stocks comprising the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

We want you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any change in the trading value of the MITTS Securities attributable to another factor, such as an increase in the index value.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities except that we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

AMOUNTS PAYABLE ON THE MITTS SECURITIES MAY BE LIMITED BY STATE LAW.

New York State laws govern the indenture under which the MITTS Securities are issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which 2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that chargeable to and payable by a borrower. We will promise, for the benefit of the MITTS Securities holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

PURCHASES AND SALES BY US AND OUR AFFILIATES MAY AFFECT YOUR RETURN.

We, MLPF&S, and our affiliates may from time to time buy or sell the stocks underlying the index for our own accounts for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the index in a manner that would be adverse to your investment in the MITTS Securities.

POTENTIAL CONFLICTS OF INTEREST

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the Index; Market Disruption Events" and "--Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

#### OTHER CONSIDERATIONS.

It is suggested that you should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax adviser.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1
	===	===	===	===	===

</TABLE>

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On June 3, 1997, ML&Co., Inc. issued an aggregate principal amount of \$255,000,000 or 25,500,000 units of the MITTS Securities.

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on June 14, 2002.

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

ML&Co., or any beneficial owner, may not redeem the MITTS Securities before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

#### Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Supplemental Redemption Amount is not greater than zero, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<S>	<C>	<C>
Principal Amount of each MITTS Security (\$10 per Unit) X	Ending Index Value-Starting Index Value X	Participation Rate
-----	-----	-----
	Starting Index Value	

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Index Value" equals 20,351.34, the closing value of the Index on the Pricing Date.



The "Ending Index Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of the Nikkei 225 Index (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 Value will equal the average or arithmetic mean of the closing values of the Index on these Calculation Days, and if there is only one Calculation Day, then the Ending Value will equal the closing value of the Index on that Calculation Day. If no Calculation Days occur during the Calculation Period, then the Ending 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 that day.

The "Participation Rate" equals 140%.

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.

An "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the Index or any Successor Index, as defined on page 12 below, 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 ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Index Values:

- o the percentage change from the Starting Index Value to the Ending Index Value;
- o the total amount payable per unit of MITTS Securities;
- o the total rate of return on the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of the stocks underlying the Index, which includes an assumed aggregate dividend yield of .75% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Hypothetical Ending Index Value	Percentage Change Over the Starting Index Value	Total Amount Payable at Maturity Per \$10 Principal Amount of MITTS Securities	Total Rate of Return on the MITTS Securities	Pretax Annualized Rate of Return on the MITTS Securities(1)	Pretax Annualized Rate of Return of Stocks Underlying the Index(1) (2)
<S>	<C>	<C>	<C>	<C>	<C>
8,140.54	-60%	\$10.00	0.00%	0.00%	-17.13%
10,175.67	-50%	\$10.00	0.00%	0.00%	-12.86%
12,210.80	-40%	\$10.00	0.00%	0.00%	-9.33%
14,245.94	-30%	\$10.00	0.00%	0.00%	-6.32%
16,281.07	-20%	\$10.00	0.00%	0.00%	-3.69%
18,316.21	-10%	\$10.00	0.00%	0.00%	-1.35%
20,351.34(3)	0%	\$10.00	0.00%	0.00%	0.75%
22,386.47	10%	\$11.40	14.00%	2.62%	2.66%
24,421.61	20%	\$12.80	28.00%	4.97%	4.42%
26,456.74	30%	\$14.20	42.00%	7.09%	6.04%
28,491.88	40%	\$15.60	56.00%	9.04%	7.55%
30,527.01	50%	\$17.00	70.00%	10.83%	8.96%
32,562.14	60%	\$18.40	84.00%	12.50%	10.29%

34,597.28	70%	\$19.80	98.00%	14.05%	11.54%
36,632.41	80%	\$21.20	112.00%	15.51%	12.72%
38,667.55	90%	\$22.60	126.00%	16.88%	13.84%
40,702.68	100%	\$24.00	140.00%	18.18%	14.91%
42,737.81	110%	\$25.40	154.00%	19.42%	15.92%
44,772.95	120%	\$26.80	168.00%	20.59%	16.90%
46,808.08	130%	\$28.20	182.00%	21.71%	17.83%

</TABLE>

- -----

- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
- (2) This rate of return assumes:
  - (a) an investment of a fixed amount in the stocks underlying the Index with the allocation of an amount reflecting the current relative weights of the stocks in the Index; a constant dividend yield of .75% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming this value increases or decreases linearly from the Starting Value to the hypothetical Ending Index Value;
  - (b) a percentage change in the aggregate price of these stocks that equals the percentage change in the Index from 20,351.34 to the relevant hypothetical Ending Index Value;
  - (c) no transaction fees or expenses;
  - (d) the term of the MITTS Securities is from June 3, 1997 to June 14, 2002;
  - (e) a final Index value equal to the Ending Index Value. The aggregate dividend yield of the stocks underlying the Index as of May 28, 1997 was approximately .75%.
- (3) The Starting Index Value.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the resulting total and pretax annualized rate of return will depend entirely on the actual Ending Index Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Index; Market Disruption Events

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- (a) a suspension, material limitation or absence of trading on the Tokyo Stock Exchange (the "TSE") of 20% or more of the underlying stocks included in the Index or a Successor Index during the one-half hour period preceding the close of trading on the applicable exchange; or
- (b) the suspension or material limitation on the Singapore International Monetary Exchange, Ltd. (the "SIMEX"), the Osaka Securities Exchange (the "OSE") or any other major futures or securities market from trading in futures or options contracts related to the Index or a Successor Index during the one-half hour period preceding the close of trading on the applicable exchange.

For the purposes of determining whether a Market Disruption Event has occurred:

- o a limitation on the hours 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,
- o a decision to permanently discontinue trading in the relevant futures or options contract will not constitute a Market Disruption Event,
- o a suspension in trading in a futures or options contracts on the Index by a major securities market by reason of
  - o a price change violating limits set by that securities market,
  - o an imbalance of orders relating to futures or options contracts or
  - o a disparity in bid and ask quotes relating to futures or

options contracts will constitute a suspension or material limitation of trading in futures or options contracts related to the Index, and,

- o an absence of trading on the TSE will not include any time when the TSE is closed for trading under ordinary circumstances. In some 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 MITTS Securities.

#### Discontinuance of the Index

If the publisher of the Nikkei 225 Index, Nihon Keizai Shimbun, Inc. ("NKS"), discontinues publication of the Index and NKS or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (any successor or substitute index is referred to as a "Successor Index"), then, upon the calculation agent's notification of its determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by NKS or other entity for the Index and calculate the Ending Value as described above under "-Payment at Maturity". Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice of that selection to be given to holders of the MITTS Securities.

If NKS 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 a 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 the discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 calculation agent calculates a value as a substitute for the Index, "Calculation Day" shall mean any day on which the calculation agent is able to calculate that value.

If NKS 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 that time, then on each Business Day until the earlier to occur of

- o the determination of the Ending Value and
- o 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 that day were a Calculation Day. The calculation agent will cause notice of these values 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 these values to be made available by telephone.

Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

If an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the principal amount per unit and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "- Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners of the MITTS Securities, at the rate of 6.96% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS

Securities to the date payment of any amount has been made or duly provided for.

## Global Securities

### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC, together with any successor, being a "depository", as depository, registered in the name of Cede & Co., DTC's partnership nominee, unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, the global security is not transferrable except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a registered owner of a global security, DTC or its nominee, as appropriate, will be considered the sole owner or holder of the MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take action or would otherwise act upon the instructions of beneficial owners. Arrangements among participants, indirect participants and beneficial owners, will govern conveyance of notices and other communications by DTC to participants, by participants to indirect participants and by participants and indirect participants to beneficial owners, subject to any statutory or regulatory requirements in effect from time to time.

### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership

interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Arrangements among participants, indirect participants and beneficial owners, will govern conveyance of notices and other communications by DTC to participants, by participants to indirect participants and by participants and indirect participants to beneficial owners, subject to any statutory or regulatory requirements in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", will govern payments by participants to beneficial owners, and these payments will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

DTC will exchange the global securities for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. The depository expects that these instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered to holders.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

ML&Co will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

## THE INDEX

All disclosure contained in this prospectus regarding the Index, including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information prepared by Nihon Keizai Shimbun, Inc. ("NKS").

Unless otherwise stated, all information in this prospectus relating to the Nikkei 225 Index has been derived from the Stock Market Indices Data Book published by NKS and other publicly-available sources. This information reflects the policies of NKS as stated in these sources. These policies are subject to change at the discretion of NKS.

The Nikkei 225 Index is a stock index calculated, published and disseminated by NKS that measures the composite price performance of selected Japanese stocks. The Nikkei 225 Index is currently based on 225 Underlying Stocks trading on the TSE and represents a broad cross-section of Japanese industry. All 225 Underlying Stocks are stocks listed in the First Section of the TSE. Stocks listed in the First Section are among the most actively traded stocks on the TSE. Futures and options contracts on the Nikkei 225 Index are traded on the Singapore International Monetary Exchange Ltd., the Osaka Securities Exchange and the Chicago Mercantile Exchange.

The Nikkei 225 Index is a modified, price-weighted index (i.e., an Underlying Stock's weight in the index is based on its price per share rather than the total market capitalization of the issuer) which is calculated by:

- o multiplying the per share price of each Underlying Stock by the corresponding weighting factor for the Underlying Stock (a "Weight Factor"),
- o calculating the sum of all these products; and
- o dividing this sum by a divisor.

The value of the Nikkei 225 Index is reported on the AMEX under the symbol "N225", on Bloomberg under the symbol "NKY" and on Reuters under the symbol ".N225".

The divisor, initially set in 1949 at 225, was 10.052 as of December 21, 1998, and is subject to periodic adjustments as set forth below. Each Weight Factor is computed by dividing (Y)50 by the par value of the relevant Underlying Stock, so that the share price of each Underlying Stock when multiplied by its Weight Factor corresponds to a share price based on a uniform par value of (Y)50. Each Weight Factor represents the number of shares of the related Underlying Stock which are included in one trading unit of the Nikkei 225 Index. The stock prices used in the calculation of the Nikkei 225 Index are those reported by a primary market for the Underlying Stocks, currently the TSE. The level of the Nikkei 225 Index is calculated once per minute during TSE trading hours.

In order to maintain continuity in the level of the Nikkei 225 Index in the event of certain changes due to non-market factors affecting the Underlying Stocks, including the addition or deletion of stocks, substitution of stocks, stock dividends, stock splits or distributions of assets to stockholders, the divisor used in calculating the Nikkei 225 Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the Nikkei 225 Index. Thereafter, the divisor remains at the new value until a further adjustment is necessary as the result of another change. As a result of each change affecting any Underlying Stock, the divisor is adjusted so that the sum of all share prices immediately after the change multiplied by the applicable Weight Factor and divided by the new divisor, the level of the Nikkei 225 Index immediately after the change, will equal the level of the Nikkei 225 Index immediately prior to the change.

NKS may delete or add Underlying Stocks. However, to maintain continuity in the Nikkei 225 Index, the policy of NKS is generally not to alter the composition of the Underlying Stocks except when an Underlying Stock is deleted in accordance with the following criteria. NKS will delete from the Underlying Stocks any stock becoming ineligible for listing in the First Section of the TSE due to any of the following reasons: bankruptcy of the issuer; merger of the issuer into, or acquisition of the issuer by, another company; delisting of the stock or transfer of the stock to the "Seiri-Post" because of excess debt of the issuer or because of any other reason; or transfer of the stock to the Second Section of the TSE. Upon deletion of a stock from the Underlying Stocks, NKS will select, in accordance with certain criteria established by it, a replacement for the deleted Underlying Stock. In an exceptional case, NKS may add to the Underlying Stocks a newly listed stock in the First Section of the TSE that is recognized by NKS to be representative of a market. In that case, NKS will delete an existing Underlying Stock with low trading volume that is not representative of a market.

NKS is under no obligation to continue the calculation and

dissemination of the Nikkei 225 Index. The MITTS Securities are not sponsored, endorsed, sold or promoted by NKS. No inference should be drawn from the information contained in this Prospectus Supplement that NKS makes any representation or warranty, implied or express, to Merrill Lynch & Co., the holders of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities in particular or the ability of the Nikkei 225 Index to track general stock market performance. NKS has no obligation to take the needs of ML&Co. or the holders of the MITTS Securities into consideration in determining, composing or calculating the Nikkei 225 Index. NKS is not responsible for, and has not participated in the determination of the timing of, prices for, or quantities of, the MITTS Securities to be issued or in the determination or calculation of the equation by which the MITTS Securities are to be settled in cash. NKS has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities.

The use of and reference to the Nikkei 225 Index in connection with the MITTS Securities have been consented to by NKS, the publisher of the Nikkei 225 Index.

None of ML&Co., the calculation agent and the underwriter accepts any responsibility for the calculation, maintenance or publication of the Nikkei 225 Index or any Successor Index. NKS disclaims all responsibility for any errors or omissions in the calculation and dissemination of the Nikkei 225 Index or the manner in which the Index is applied in determining any Starting or Ending Index Values or any Supplemental Redemption Amount upon maturity of the MITTS Securities.

#### The Tokyo Stock Exchange

The Tokyo Stock Exchange is one of the world's largest securities exchanges in terms of market capitalization. The TSE market is a two-way, continuous pure auction market. Trading hours are currently from 9:00 A.M. to 11:00 A.M. and from 12:30 P.M. to 3:00 P.M., Tokyo time, Monday through Friday.

Due to the time zone difference, on any normal trading day the TSE will close prior to the opening of business in New York City on the same calendar day. Therefore, the closing level of the Nikkei 225 Index on a trading day will generally be available in the United States by the opening of business on the same calendar day.

The TSE has adopted certain measures, including daily price floors and ceilings on individual stocks, intended to prevent any extreme short-term price fluctuations resulting from order imbalances. In general, any stock listed on the TSE cannot be traded at a price lower than the applicable price floor or higher than the applicable price ceiling. These price floors and ceilings are expressed in absolute Japanese yen, rather than percentage, limits based on the closing price of the stock on the previous trading day. In addition, when there is a major order imbalance in a listed stock, the TSE posts a "special bid quote" or a "special asked quote" for that stock at a specified higher or lower price level than the stock's last sale price in order to solicit counter-orders and balance supply and demand for the stock. Investors should also be aware that the TSE may suspend the trading of individual stocks in certain limited and extraordinary circumstances, including, for example, unusual trading activity in that stock. As a result, changes in the Nikkei 225 Index may be limited by price limitations or special quotes, or by suspension of trading, on individual stocks which comprise the Nikkei 225 Index. These limitations may, in turn, adversely affect the value of the MITTS Securities.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from

those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with



the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture

without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying final Treasury regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a Supplemental Redemption Amount equal to \$4.1078 per Unit. This represents an estimated yield on the MITTS Securities equal to 6.96% per annum, compounded semiannually.

The projected payment schedule, including both the projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities, has been determined solely for United States Federal income tax purposes, for purposes of applying the Final Regulations to the MITTS Securities, and is not a prediction of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each Unit of the MITTS Securities during each accrual period over the term of the Securities based upon the projected payment schedule for the MITTS Securities, including both the projected Supplemental Redemption Amount and the estimated yield equal to 6.96% per annum, compounded semiannually, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period	Interest Deemed to Accrue During Accrual Period (per Unit)	Total Interest Deemed to Have Accrued on MITTS Securities as of End of Accrual Period (per Unit)
<S>	<C>	<C>
June 3, 1997 through June 14, 1997.....	\$0.0206	\$0.0206
June 15, 1997 through December 14, 1997.....	\$0.3506	\$0.3712
December 15, 1997 through June 14, 1998.....	\$0.3590	\$0.7302
June 15, 1998 through December 14, 1998.....	\$0.3734	\$1.1036
December 15, 1998 through June 14, 1999.....	\$0.3864	\$1.4900
June 15, 1999 through December 14, 1999.....	\$0.3999	\$1.8899
December 15, 1999 through June 14, 2000.....	\$0.4138	\$2.3037
June 15, 2000 through December 14, 2000.....	\$0.4281	\$2.7318
June 15, 2001 through December 14, 2001.....	\$0.4585	\$3.6334
December 15, 2001 through June 14, 2002.....	\$0.4744	\$4.1078

-----  
Projected Supplemental Redemption Amount = \$4.1078 per Unit.

</TABLE>

Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for such information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Office of the Corporate Secretary, 100 Church Street, New York, New York 10080.

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct

EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

-----

Merrill Lynch & Co., Inc.

Merrill Lynch EuroFund Market Index Target-Term Securities(R) due February 28, 2006 "MITTS(R) Securities" \$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>  
<CAPTION>

The MITTS Securities:  
<S>

o 100% principal protection at maturity of the MITTS  
o No payments before the maturity date an amount  
o Senior unsecured debt securities of Merrill Lynch & Co., Inc. amount of each  
o Linked to the value of the Merrill Lynch EuroFund, a registered mutual fund on the  
o The MITTS Securities are listed on the American Stock Exchange under the total return symbol "EFM"  
Merrill Lynch  
factor of  
year, as  
delivering to you a  
Merrill Lynch  
based upon the  
shortly before  
Securities

Payment at Maturity:  
<C>

o On the maturity date, for each unit Securities you own, we will pay you equal to the sum of the principal unit and an additional amount based percentage increase, if any, in the value of the Class B shares of the EuroFund, reduced by an adjustment 2.6% of the EuroFund's value each described in this prospectus  
o ML&Co. will pay you by number of Class D shares of the EuroFund with an equal value, market price for Class D Shares the stated maturity of the MITTS

principal

- o You will receive no less than the amount of your MITTS Securities

</TABLE>

Investing in the MITTS Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these MITTS Securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 199 .

- -----  
"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
DESCRIPTION OF THE MITTS SECURITIES.....	9
THE EUROFUND INDEX.....	16
OTHER TERMS.....	17
PROJECTED PAYMENT SCHEDULE.....	21
WHERE YOU CAN FIND MORE INFORMATION.....	22
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	22
PLAN OF DISTRIBUTION.....	23
EXPERTS.....	23

RISK FACTORS

Your investment in the MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

You may not earn a return on your investment

You should be aware that at maturity you will receive no more than a number of Class D shares of the EuroFund in an amount equal in value, determined based on the market price of the Class D shares shortly before the maturity date, to the principal amount, if these shares are available, if the average value of the index over five trading days shortly before the maturity date is less than 15.53. This will be true even if, at some time during the life of the MITTS Securities, the value of the EuroFund index, as adjusted, was higher than 15.53, the value of the EuroFund Index on the date the MITTS Securities were priced for initial sale to the public, but later falls below

15.53.

Your yield on the MITTS Securities will not equal the yield on Class B Shares or the securities held by the EuroFund

The yield you earn on the MITTS Securities, if any, will not be the same as the yield that you would earn if you directly owned Class B Shares of the EuroFund. In calculating the value of the EuroFund index, the AMEX will reduce the value of the EuroFund index by 2.6% each year. This annual reduction will be applied on a pro rata basis each calendar day. Because of these cumulative daily reductions, the value of the EuroFund index over time will increasingly diverge from the actual value of the Class B Shares and their distributions had you directly owned the Class B Shares. These reductions would not apply if you directly owned the Class B Shares of the EuroFund.

In addition, the yield you earn on the MITTS Securities, if any, will not be the same yield that you would earn if you directly owned the securities held by the EuroFund. Because the EuroFund's return, as measured by the index, is determined after deductions for annual fees and expenses and transaction fees, the EuroFund's return, and consequently the return on the MITTS Securities, will be less than the return you would realize if you directly owned the securities held by the EuroFund.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other similar investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you consider inflation or other factors that affect the time value of money.

There may be an uncertain trading market for the MITTS Securities in the future

Although the MITTS Securities are listed on the NYSE under the symbol "EFM," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors including the appreciation, if any, of the value of the index.

If a limited trading market for the MITTS Securities exists, and you do not wish to hold your investment until maturity, fewer buyers may want to purchase your MITTS Securities. This may affect the price you receive if you sell before maturity.

There are many factors affecting the trading value of the MITTS Securities

We believe that the value of the EuroFund index and by a number of other factors will affect the trading value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o The value of the EuroFund index. We expect that the market value of the MITTS Securities will depend substantially on the amount by which the value of the EuroFund index exceeds or does not exceed 15.53. If you choose to sell your MITTS Securities when the value of the EuroFund index exceeds 15.53 on any given date, you may receive substantially less than the value that would be payable at maturity based on that value of the EuroFund index because of the expectation that the value of the EuroFund index will continue to fluctuate until shortly before the maturity date when the average value of the index is determined. If you choose to sell your MITTS Securities when the value of the EuroFund index is below, or not sufficiently above, 15.53, you may receive less than the principal amount per unit of MITTS Securities and lose a substantial portion of your investment. Political, economic and other developments that affect the securities owned by the EuroFund may also affect the value of the EuroFund Index and the value of the MITTS Securities.
- o Interest rates. Because we will pay at a minimum, the principal amount per unit of the MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if interest rates increase, we expect that the trading value of the MITTS Securities will decrease, and, conversely, if interest rates decrease, we expect the trading value of the MITTS Securities will increase.

- o Volatility of the EuroFund index. Volatility is the term used to describe the size and frequency of market fluctuations. Generally, if the volatility of the EuroFund index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the EuroFund index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time remaining to maturity. The MITTS Securities may trade at a value above that which would be expected based on the level of interest rates and the EuroFund index. This difference would reflect a "time premium" due to expectations concerning the value of the EuroFund index during the period before February 28, 2006, the stated maturity of the MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the EuroFund index.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities, except that we expect that the effect on the trading value of the MITTS Securities of a given increase or decrease in the EuroFund index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

#### No shareholder's rights

You will not be entitled to any rights with respect to any shares of the EuroFund, including, without limitation, voting rights and rights to receive any dividends or distributions on the shares, until we deliver Class D Shares at the maturity of the MITTS Securities. For example, if the EuroFund sets a record date for a matter to be voted on by holders of Class D Shares prior to our delivery of Class D Shares to you, you will not be entitled to vote on that matter. You should be aware that if Class D Shares of the EuroFund are not available for sale to new investors immediately prior to the stated maturity date, we will pay you the amounts due to you for your MITTS Securities in cash instead of delivering Class D Shares on the stated maturity date.

Amounts payable on the MITTS Securities may be limited by state law

New York State laws govern the indenture under which the MITTS Securities are issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of holders of the MITTS Securities, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

#### Purchases and sales by us and our affiliates may affect your return

We and our affiliates may from time to time buy or sell shares of the EuroFund or shares of the companies in which the EuroFund invests, for our own accounts, for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the EuroFund index in a manner that would be adverse to your investment in the MITTS Securities.

#### Potential conflicts of interest

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the Index; Market Disruption Events" and "--Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

#### Other Considerations

You should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult with your tax adviser.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.



RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
	----	----	----	----	----
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

- -----  
(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

DESCRIPTION OF THE MITTS SECURITIES

On September 3, 1998, ML&Co. issued an aggregate principal amount of \$77,000,000 or 7,700,000 of the MITTS Securities.

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture, which is more fully described in this prospectus.

The MITTS Securities will mature on February 28, 2006.

While at maturity a beneficial owner of a MITTS Security will receive, if available, the number of Class D Shares of the EuroFund equal in value, determined based on the Maturity NAV, to the sum of the principal amount of each MITTS Security plus the Supplemental Redemption Amount, if any, there will be no other payment of interest, periodic or otherwise. See "--Delivery at Maturity".

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

Delivery at Maturity

At maturity, a beneficial owner of a MITTS Security will be entitled to receive the number of Class D Shares of the EuroFund equal in value, determined based on the Maturity NAV, to the principal amount of each MITTS Security plus the Supplemental Redemption Amount, if any, all as provided below. The number of Class D Shares delivered by ML&Co. will be rounded to the nearest one-thousandth of a share. If the Ending Index Value does not exceed the Starting Index Value, a beneficial owner of a MITTS Security will be entitled to receive only the number of Class D Shares of the EuroFund equal in value to the principal amount of each MITTS Security, determined based on the Maturity NAV.

"Maturity NAV" shall mean the net asset value for the Class D Shares of the EuroFund as calculated by the EuroFund on the first Calculation Day during the Calculation Period; provided, however, if no Calculation Days occur

during the Calculation Period because of Market Disruption Events, then Maturity NAV shall mean the net asset value for the Class D Shares of the EuroFund as calculated by the EuroFund on the last scheduled Index Business Day in the Calculation Period regardless of the occurrence of a Market Disruption Event on that day.

Notwithstanding the foregoing, if the EuroFund is not issuing Class D Shares to new investors in the EuroFund on the date Maturity NAV is to be determined, ML&Co. may, in lieu of delivering Class D Shares of the EuroFund, pay cash in an amount equal to the sum of the principal amount of the MITTS Securities and the Supplemental Redemption Amount, if any.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>  
<CAPTION>

<S>	<C>
Principal amount of each MITTS Security (\$10 per unit) X	Ending Index Value - Starting Index Value
	-----
	Starting Index Value

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Index Value" equals 15.53, which was the value of the EuroFund Index on the date the MITTS Securities were initially priced for sale to the public (the "Pricing Date"). The value of the EuroFund Index on the Pricing Date was set to match the net asset value of Class B Shares of the EuroFund on the Pricing Date.

The "Ending Index Value" will be determined by the calculation agent and will be equal to the closing value of the EuroFund Index determined on the first Calculation Day during the Calculation Period. 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 EuroFund Index determined on the last scheduled Index Business Day in the Calculation Period regardless of the occurrence of a Market Disruption Event on that 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.

An "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the AMEX calculates and publishes the EuroFund Index.

"Market Disruption Event" means the EuroFund

- o is unable or otherwise fails to issue a net asset value for any series of shares of the EuroFund after the close of business on the NYSE but before 11:00 p.m., New York City time on the same day or
- o suspends redemption of shares of the EuroFund.

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 ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Values:

- o the Ending Index Value used to calculate the Supplemental Redemption Amount;
- o the percentage change from the Starting Index Value to the Ending Index Value;

- o the total value of Class D Shares deliverable at maturity for each \$10 principal amount of MITTS Securities;
- o the total rate of return to beneficial owners of the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of class B Shares.

<TABLE>  
<CAPTION>

Hypothetical Ending Index Value	Percentage Change of Ending Index Value Over the Starting Index Value	Total Value of Class D Shares Deliverable at Maturity per \$10 Principal Amount of MITTS Securities	Total Rate of Return on the MITTS Securities	Pretax Annualized Rate of Return on the MITTS Securities (1)	Pretax Annualized Rate of Return of Class B Shares (1) (2)
3.11	-80.00%	\$10.00	0.00%	0.00%	-18.02%
6.21	-60.00%	\$10.00	0.00%	0.00%	-9.40%
9.32	-40.00%	\$10.00	0.00%	0.00%	-4.17%
12.42	-20.00%	\$10.00	0.00%	0.00%	-0.38%
15.53 (3)	0.00%	\$10.00	0.00%	0.00%	2.62%
18.64	20.00%	\$12.00	20.00%	2.45%	5.10%
21.74	40.00%	\$14.00	40.00%	4.54%	7.22%
24.85	60.00%	\$16.00	60.00%	6.37%	9.07%
27.95	80.00%	\$18.00	80.00%	8.00%	10.72%
31.06	100.00%	\$20.00	100.00%	9.47%	12.21%
34.17	120.00%	\$22.00	120.00%	10.80%	13.56%
37.27	140.00%	\$24.00	140.00%	12.03%	14.81%
40.38	160.00%	\$26.00	160.00%	13.17%	15.96%
43.48	180.00%	\$28.00	180.00%	14.22%	17.03%
46.59	200.00%	\$30.00	200.00%	15.21%	18.03%

</TABLE>

- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
- (2) This rate of return assumes:
- (a) an initial investment of a fixed amount in the Series B Shares of the EuroFund;
  - (b) a reinvestment of all cash dividends and distributions in the Series B Shares of the EuroFund;
  - (c) no transaction fees or expenses;
  - (d) an investment term from September 3, 1998 to February 28, 2006; and
  - (e) a final EuroFund Index value equal to the Ending Index Value.
- (3) This is the Starting Index Value.

The above figures are for purposes of illustration only. The actual investment term, Supplemental Redemption Amount received by investors, and the resulting total and pretax annualized rate of return will depend entirely on the Starting Index Value and the actual Ending Index Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the EuroFund Index

If at any time the AMEX changes the method of calculating the EuroFund Index, or the index's value changes, in any material respect, or if the EuroFund Index is in any other way modified so that the EuroFund Index does not, in the opinion of the calculation agent, fairly represent the value of the EuroFund Index had the changes or modifications not been made, then, from and after that 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 any 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 an index comparable to the EuroFund Index as if any changes or modifications had not been made, and calculate the closing value with reference to the EuroFund Index, as adjusted. Accordingly, if the method of calculating the EuroFund Index is modified so that the value of the EuroFund Index is a fraction or a multiple of what it would have been if it had not been modified, for example, due to a split in the EuroFund Index, then the calculation agent shall adjust the EuroFund Index in order to arrive at a value of the EuroFund Index as if it had not been

modified, for example, as if the split had not occurred.

#### Discontinuance of the EuroFund Index

If the AMEX discontinues publication of the EuroFund Index and the AMEX or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the EuroFund Index (a "Successor Index") then, upon the calculation agent's notification of its determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by the AMEX or any other entity for the EuroFund Index and calculate the Ending Index Value as described above under "Delivery at Maturity". Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If the AMEX discontinues publication of the EuroFund 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 EuroFund Index for any 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 EuroFund Index before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the EuroFund Index as described below, the Successor Index or value shall be substituted for the EuroFund Index for all purposes, including for purposes of determining whether a Market Disruption Event exists.

If the AMEX discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of:

- o the determination of the Adjusted Ending Value and
- o 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 these values to be made available by telephone.

Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount of a MITTS Security, will be equal to the principal amount and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "Delivery at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the MITTS 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 MITTS Securities.

In case of default in payment at the maturity date of the MITTS Securities, whether at their stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners, at the rate of 5.97% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities.

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or

DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The

participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities ,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy .

#### Same-Day Settlement and Payment

ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE EUROFUND INDEX

##### Calculation of the EuroFund Index

The AMEX has set the starting value of the EuroFund Index to equal the net asset value of one Class B Share of the EuroFund on the Pricing Date. Thereafter, the AMEX will calculate the value of the EuroFund Index on any day by multiplying the current Index Share Multiplier by the most recent net asset value per Class B Share announced by the EuroFund. For purposes of this calculation, any declared but unpaid Cash Distribution ,as defined below, will be added back and included in the "net asset value" of the EuroFund from and

including the ex-dividend date related to any Cash Distribution to but excluding the date that any Cash Distribution is paid to holders of the Class B Shares.

The value of the EuroFund Index is reported on the AMEX and Bloomberg under the symbol "EFI" and on Reuters under the symbol ".EFI."

#### Calculation of the Index Share Multiplier

The Index Share Multiplier shall initially be set to one, representing one Class B Share of the EuroFund. If the EuroFund distributes any cash dividends or distributions of any character to holders of the Class B Shares (a "Cash Distribution"), then the Index Share Multiplier shall be increased by a percentage of Class B Shares equal to the Cash Distribution divided by the net asset value for Class B Shares calculated by the EuroFund on the date that any Cash Distribution is paid to holders of Class B Shares. If a Market Disruption Event has occurred on the day any Cash Distribution is paid, the adjustment to the Index Share Multiplier shall be postponed until the next succeeding Index Business Day on which a Market Disruption Event has not occurred. The Index Share Multiplier shall also be adjusted by the AMEX to reflect certain stock splits, reverse stock splits or share dividends that may occur with respect to the Class B Shares.

Each calendar day, the AMEX shall reduce the value of the EuroFund Index by a percentage equal to 2.6% divided by 365 and reset the Index Share Multiplier so that the product of the net asset value and the revised Index Share Multiplier equals the value of the EuroFund Index so reduced. If a Market Disruption Event occurs on any day on which the EuroFund Index value is to be determined, then the foregoing adjustment to the Index Share Multiplier shall occur on the next succeeding Index Business Day on which a Market Disruption Event has not occurred.

#### The EuroFund

The EuroFund has stated that its investment objectives are to seek capital appreciation primarily through investment in equities of corporations domiciled in European countries. Current income from dividends and interest will not be an important consideration in selecting portfolio securities. The EuroFund has stated that it anticipates that under normal market conditions at least 80% of its net assets will consist of European corporate securities, primarily common stocks and securities convertible into common stock.

The EuroFund is a diversified, open-end management investment company under the Investment Company Act.

The EuroFund has publicly disclosed its intention to distribute all of its net investment income, if any. The EuroFund has indicated that dividends from the net investment income are paid at least annually and all net realized capital gains, if any, are distributed to the shareholders of the EuroFund annually.

The EuroFund is subject to the registration requirements of the Securities Act and the Investment Company Act. Accordingly, the EuroFund files prospectuses, statements of additional information, reports, proxy and other information statements and other information with the SEC. ML&Co. makes no representation or warranty as to the accuracy or completeness of that information.

The foregoing summary of the policies of the EuroFund reflect certain investment restrictions which are subject to change by shareholders of the EuroFund at any time.

The EuroFund is managed by Merrill Lynch Asset Management, L.P., an affiliate of ML&Co. The EuroFund itself is governed by an independent board of directors.

The EuroFund has no obligations with respect to the MITTS Securities. This prospectus relates only to the MITTS Securities offered hereby and does not relate to the Class B or Class D shares of the EuroFund. The information contained in this prospectus regarding the EuroFund has been derived from the publicly available documents described above. ML&Co. has not participated in the preparation of these documents or made any due diligence inquiries with respect to the EuroFund in connection with the offering of the MITTS Securities. ML&Co. makes no representation that these publicly available documents or any other publicly available information regarding the EuroFund are accurate or complete. Furthermore, there can be no assurance that all events occurring prior to the date of this prospectus, including events that would affect the accuracy or completeness of the publicly available documents

described in the preceding paragraph, that would affect the EuroFund index, and therefore the trading price of the MITTS securities, have been publicly disclosed. Subsequent disclosure of any events or the disclosure of or failure to disclose material future events concerning the EuroFund could affect the supplemental redemption amount to be received at the stated maturity date and therefore the trading value of the MITTS Securities.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture .

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary . In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation



ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a projected Supplemental Redemption Amount equal to \$5.5344 per unit, the "Projected Supplemental Redemption Amount". This represents an estimated yield on the MITTS Securities equal to 5.97% per annum (compounded semiannually).

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over a term of seven years and six months for the MITTS Securities based upon the projected payment schedule for the MITTS Securities, including both the Projected Supplemental Redemption Amount and the estimated yield equal to 5.97% per annum, compounded semiannually, as determined by ML&Co. for purposes of applying the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period -----	Interest Deemed to Accrue During Accrual Period (per unit) -----	Total Interest Deemed to Have Accrued on MITTS Securities as of End of Accrual Period (per unit) -----
-------------------------	--	---

<S>

<C>

<C>

September 3, 1998 through February 28, 1999.....	\$0.2910	\$0.2910
March 1, 1999 through August 28, 1999.....	\$0.3072	\$0.5982
August 29, 1999 through February 28, 2000.....	\$0.3164	\$0.9146
February 29, 2000 through August 28, 2000.....	\$0.3258	\$1.2404
August 29, 2000 through February 28, 2001.....	\$0.3355	\$1.5759
March 1, 2001 through August 28, 2001.....	\$0.3455	\$1.9214
August 29, 2001 through February 28, 2002.....	\$0.3559	\$2.2773
March 1, 2002 through August 28, 2002.....	\$0.3665	\$2.6438
August 29, 2002 through February 28, 2003.....	\$0.3774	\$3.0212
March 1, 2003 through August 28, 2003.....	\$0.3887	\$3.4099
August 29, 2003 through February 28, 2004.....	\$0.4003	\$3.8102
February 29, 2004 through August 28, 2004.....	\$0.4122	\$4.2224
August 29, 2004 through February 28, 2005.....	\$0.4245	\$4.6469
March 1, 2005 through August 28, 2005.....	\$0.4372	\$5.0841
August 29, 2005 through February 28, 2006.....	\$0.4503	\$5.5344

</TABLE>

Projected Supplemental Redemption Amount = \$5.5344 per unit.

Prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for this information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

- -----

Merrill Lynch & Co., Inc.

"MITTS(R) Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>  
<CAPTION>

The MITTS Securities:

<S>

- o 100% principal protection at maturity
  - o No payments before the maturity date
- MITTS
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc. to the sum
  - o Linked to the value of the S&P 500 Index additional
  - o The MITTS Securities are listed on the New York Stock Exchange under the symbol "MIJ" any, in the this

amount of your

<C>

Payment at Maturity:

- o On the maturity date, for each unit of the Securities you own, we pay you an amount equal of the principal amount of each unit and an amount based on the percentage increase, if value of the index, adjusted as described in prospectus
- o You will receive no less than the principal MITTS Securities

</TABLE>

Investing in the MITTS Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 1999.

-----  
"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

"Standard & Poor's(R)", "Standard & Poor's 500", "S&P 500(R)", "S&P(R)" and "500", are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Merrill Lynch Capital Services, Inc. and ML&Co. is an authorized sublicensee.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	6
RATIO OF EARNINGS TO FIXED CHARGES.....	7
DESCRIPTION OF THE MITTS SECURITIES.....	8
THE INDEX.....	11
OTHER TERMS.....	11

PROJECTED PAYMENT SCHEDULE.....	11
WHERE YOU CAN FIND MORE INFORMATION.....	11
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	11
PLAN OF DISTRIBUTION.....	11
EXPERTS.....	11

## RISK FACTORS

Your investment in the MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

You may not earn a return on your investment

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity date is less than 1,066.09, the value of the index on the date the MITTS Securities were priced. This will be true even if at some time during the life of the MITTS Securities, the value of the index, as adjusted, was higher than 1,066.09 but later falls below 1,066.09.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Your return will not reflect the return of owning the stocks underlying the Index

Your return will not reflect the return you would realize if you actually owned the stocks underlying the index and received the dividends paid on those stocks because of the reduction caused by the adjustment factor described in this prospectus and because the index is calculated by reference to the prices of the common stocks included in the index without taking into consideration the value of dividends paid on those stocks.

There may be an uncertain trading market for the MITTS Securities in the future

Although the MITTS Securities are listed on the NYSE under the symbol "MIJ", you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

### Factors affecting trading value of the MITTS Securities

We believe that the value of the index and a number of other factors will affect the trading value of the MITTS Securities. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o Index Value. We expect that the market value of the MITTS Securities will depend substantially on the amount by which the index, as reduced by the adjustment factor, exceeds 1,066.09. If you choose to sell your MITTS Securities when the value of the index, as reduced by the adjustment factor, exceeds 1,066.09, you may receive substantially less than the amount that would be payable at maturity based on this value because of the expectation that the index will continue to fluctuate until shortly before the maturity date when the average value of the index is determined. If you choose to sell your MITTS Securities when the value of the index is below 1,066.09, you may receive less than the \$10 principal amount per unit of MITTS Securities. In general, rising U.S. dividend rates, or dividends per

share, may increase the value of the index while falling U.S. dividend rates may decrease the value of the index. Political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.

- o Interest Rates. Because we will pay, at a minimum, the principal amount per unit of MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will 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, the MITTS Securities. Falling interest rates may increase the value of the index and, thus, may increase the value of the MITTS Securities.
- o Volatility of the Index. Volatility is the term used to describe the size and frequency of market fluctuations. Generally, if the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time Remaining to Maturity. The MITTS Securities may trade at a value above that which would be expected based on 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 the stated maturity of the MITTS Securities. However, as the time remaining to the stated maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend Yields. If dividend yields on the stocks included in the index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stock comprising the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in Our Credit Ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the index value.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities. However, we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

Amounts payable on the MITTS Securities may be limited by state law

New York State law governs the senior indenture under which the MITTS Securities were issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the holders of the MITTS Securities, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return

We and our affiliates may from time to time buy or sell the stocks underlying the index for our own accounts for business reasons or in

connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the index in a manner that would be adverse to your investment in the MITTS Securities.

#### Potential conflicts of interest

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the Index; Market Disruption Events" and "--Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our a subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

#### Other Considerations

It is suggested that you should reach an investment decision regarding the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax advisor.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the



MITTS Securities described in this prospectus.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

DESCRIPTION OF THE MITTS SECURITIES

On September 29, 1998, ML&Co. issued \$82,000,000 aggregate principal amount of S&P 500 MITTS Securities due September 28, 2005. The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on September 28, 2005.

While at maturity ML&Co. will pay a beneficial owner of a MITTS Security the principal amount of each MITTS Security plus the Supplemental Redemption Amount described below, if any, ML&Co. will make no other payment of interest, periodic or otherwise. See "- Payment at Maturity" below.

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

Payment at Maturity

At the maturity date, ML&Co. will pay a beneficial owner of a MITTS Security the principal amount of each unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Adjusted Ending Value does not exceed the Starting Value, ML&Co. will pay a beneficial owner of a MITTS Security only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>  
<CAPTION>

<S>

<C>

Principal Amount of each MITTS Security (\$10 per Unit) x (Adjusted Ending Value - Starting Value)

(-----)  
( Starting Value )

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Value" equals 1,066.09.

The "Adjusted Ending Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of the S&P 500 Index (the "Index") as adjusted by the Adjustment Factor (the "Adjusted Index Value") determined on each of the first five Calculation Days during the Calculation Period. If there are fewer than five Calculation Days, then the Adjusted Ending Value will equal the average or arithmetic mean of the closing values of the Adjusted Index Value on these Calculation Days. If there is only one Calculation Day, then the Adjusted Ending Value will equal the closing value of the Adjusted Index Value on that Calculation Day. If no Calculation Days occur during the Calculation Period, then the Adjusted Ending Value will equal the closing value of the Adjusted Index Value determined on the last scheduled Index Business Day in the Calculation Period, regardless of the occurrence of a Market Disruption Event on that day.

The "Adjustment Factor" equals 1.9% per annum and will be prorated based on a 365-day year and applied each calendar day during the term of the MITTS Securities to reduce the Index. As a result of the application of the Adjustment Factor, the adjusted value of the Index used to calculate your Supplemental Redemption Amount at the stated maturity of the MITTS Securities will be approximately 12.48% less than the actual Index value on any day during the Calculation Period.

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 Adjusted Ending Value, an "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the Index or any Successor Index, as defined on page 10 below, 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 ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical values of the Index during the Calculation Period,

- o the Adjusted Ending Value used to calculate the Supplemental Redemption Amount;
- o the percentage change from the Starting Value to the Adjusted Ending Value;
- o the total amount payable per unit of MITTS Securities;
- o the total rate of return on the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of the stocks underlying the Index, which includes an assumed aggregate dividend yield of 1.49% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Hypothetical Index Annualized	Adjusted Ending	Total Amount Payable at	Total Rate	Pretax Annualized	Pretax
-------------------------------------	-----------------	----------------------------	------------	----------------------	--------

Value During the Return of Calculation Underlying Period Index (1) (2) <S>	Adjusted Ending Value <C>	Value Percentage Change Over the Starting Value <C>	Maturity per unit of MITTS Securities <C>	of Return on the MITTS Securities <C>	Rate of Return on the MITTS Securities (1) <C>	Rate of Stocks the <C>
533.05	466.49	-56.24%	\$10.00	0.00%	0.00%	-
8.16%	639.65	-47.49%	\$10.00	0.00%	0.00%	-
5.68%	746.26	-38.74%	\$10.00	0.00%	0.00%	-
3.55%	852.87	-29.99%	\$10.00	0.00%	0.00%	-
1.68%	959.48	-21.24%	\$10.00	0.00%	0.00%	-
0.02%	1,066.09 (3)	-12.49%	\$10.00	0.00%	0.00%	-
1.49%	1,172.70	-3.73%	\$10.00	0.00%	0.00%	-
2.86%	1,279.31	5.02%	\$10.50	5.02%	0.70%	-
4.13%	1,385.92	13.77%	\$11.38	13.77%	1.85%	-
5.30%	1,492.53	22.52%	\$12.25	22.52%	2.91%	-
6.39%	1,599.14	31.27%	\$13.13	31.27%	3.91%	-
7.41%	1,705.74	40.02%	\$14.00	40.02%	4.85%	-
8.38%	1,812.35	48.77%	\$14.88	48.77%	5.74%	-
9.29%	1,918.96	57.53%	\$15.75	57.53%	6.58%	-
10.15%	2,025.57	66.28%	\$16.63	66.28%	7.38%	-
10.97%	2,132.18	75.03%	\$17.50	75.03%	8.14%	-
11.75%	2,238.79	83.78%	\$18.38	83.78%	8.86%	-
12.50%	2,345.40	92.53%	\$19.25	92.53%	9.55%	-
13.21%	2,452.01	101.28%	\$20.13	101.28%	10.22%	-
13.90%	2,558.62	110.03%	\$21.00	110.03%	10.86%	-
14.56%	2,665.23	118.79%	\$21.88	118.79%	11.47%	-
15.19%						

</TABLE>

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

(2) This rate of return assumes:

- (a) a constant dividend yield of 1.49% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming this value increases or decreases linearly from the Starting Value to the hypothetical Index value during the Calculation Period;
- (b) no transaction fees or expenses;
- (c) an investment term from September 23, 1998 to September 28, 2005; and
- (d) a final Index value equal to the hypothetical Index value during the Calculation Period.

(3) The Starting Value equals 1,066.09.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the total and pretax annualized rate of return will depend entirely on the actual Adjusted Ending Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Index; Market Disruption Events

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had any changes or modifications not been

made, then, from and after that 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 Adjusted Ending Value is to be calculated, make any 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 any changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events; as determined by the calculation agent:

(a) the suspension or material limitation on trading, for more than two hours of trading, or during the one-half hour period preceding the close of trading on the applicable exchange, in each case, in 20% or more of the stocks which then comprise the Index; or

(b) 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

(1) futures contracts related to the Index, or options on futures contracts, which are traded on any major U.S. exchange or

(2) option contracts related to the Index which are traded on any major U.S. exchange.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

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 S&P discontinues publication of the Index and S&P or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (any successor or substitute index is referred to as a "Successor Index"), then, upon the calculation agent's notification of the determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by S&P or any other entity for the Index. Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If S&P 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 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 before the discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 calculation agent calculates a value as a substitute for the Index, "Index Calculation Day" shall mean any day on which the calculation agent is able to calculate the value.

If S&P discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of:

o the determination of the Adjusted Ending Value and

o 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 the values to be made available by telephone.

Despite these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the principal amount per unit and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "- Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 5.78% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a Holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of Holders or that an owner of a beneficial interest in a global security desires to give or take any action which a Holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global

securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is

continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depositary shall instruct the trustee. It is expected that instructions may be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depositary. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy .

#### Same-Day Settlement and Payment

ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

All disclosures contained in this prospectus regarding the Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by S&P as of March 22, 1999. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of the information.

The Index is published by S&P, and is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of the Index, discussed below in further detail, is based on the relative value of the aggregate Market Value of the common stocks of 500 companies as of a particular time compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of March 22, 1999 the 500 companies included in the Index represented approximately 78% of the aggregate Market Value of common stocks traded on the NYSE; however, these 500 companies are not the 500 largest companies listed on the NYSE and not all of these 500 companies are listed on the exchange. As of March 22, 1999, the aggregate Market Value of the 500 companies included in the Index represented approximately 79% of the aggregate Market Value of United States domestic, public companies. S&P chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the NYSE, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include:

- o the viability of the particular company,
- o the extent to which that company represents the industry group to which it is assigned,
- o the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry, and
- o the Market Value and trading activity of the common stock of that company.

Four main groups of companies comprise the Index, with the number of companies currently included in each group indicated in parentheses: Industrials (380), Utilities (39), Transportation (10) and Financial (71). S&P 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 does not reflect the payment of dividends on the stocks underlying it. Because of this and the application of the Adjustment Factor, the return based on the MITTS Securities will not be the same return you would receive if you were to purchase the underlying stocks and hold them for a period equal to the maturity of the MITTS Securities.

#### Computation of the Index

S&P currently computes the Index as of a particular time as follows:

(a) the product of the market price per share and the number of then outstanding shares of each component stock is determined at a particular time (the "Market Value" of the stock);

(b) the Market Value of all component stock as of that time are aggregated;

(c) the mean average of the Market Values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;

(d) the mean average Market Values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "Base Value");

(e) the current aggregate Market Value of all component stocks is divided by the Base Value; and

(f) the resulting quotient, expressed in decimals, is multiplied by ten.

While S&P currently employs the above methodology to calculate the Index, no assurance can be given that S&P will not modify or change this methodology in a manner that may affect the Supplemental Redemption Amount, if any, payable to beneficial owners of MITTS Securities upon maturity or otherwise.

S&P adjusts the foregoing formula to negate the effects of changes in the Market Value of component stocks that are determined by S&P to be arbitrary or not due to true market fluctuations. Changes may result from causes such as:

- o the issuance of stock dividends,
- o the granting to shareholders of rights to purchase additional shares of stock,
- o the purchase of shares by employees pursuant to employee benefit plans,
- o consolidations and acquisitions,
- o the granting to shareholders of rights to purchase other securities of ML&Co.,
- o the substitution by S&P of particular component stocks in the Index, and other reasons.

In these cases, S&P first recalculates the aggregate Market Value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares thereof or both, and then determines the New Base Value in accordance with the following formula:

$$\text{Old Base Value X } \frac{\text{New Market Value}}{\text{Old Market Value}} = \text{New Base Value}$$

The result is that the Base Value is adjusted in proportion to any change in the aggregate Market Value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the Index.

#### Historical Data on the Index

The following table sets forth the value of the Index at the end of each month, in the period from January 1990 through February 1999. These historical data on the Index are not necessarily indicative of the future performance of the Index or what the value of the MITTS Securities may be. Any historical upward or downward trend in the value 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 MITTS Securities.



<TABLE>  
<CAPTION>

<S>	1990 <C>	1991 <C>	1992 <C>	1993 <C>	1994 <C>	1995 <C>	1996 <C>	1997 <C>	1998 <C>	1999 <C>
January.....	329.08	343.93	408.78	438.78	481.61	470.42	636.02	786.16	980.28	1,279.64
February.....	331.89	367.07	412.70	443.38	467.14	487.39	640.43	790.82	1,049.34	1,238.33
March.....	339.94	375.22	403.69	451.67	445.77	500.71	645.50	757.12	1,101.75	
April.....	330.80	375.34	414.95	440.19	450.91	514.71	654.17	801.34	1,111.75	
May.....	361.23	389.83	415.35	450.19	456.51	533.40	669.12	848.28	1,090.82	
June.....	358.02	371.16	408.14	450.53	444.27	544.75	670.63	885.14	1,133.84	
July.....	356.15	387.81	424.22	448.13	458.26	562.06	639.95	954.29	1,120.67	
August.....	322.56	395.43	414.03	463.56	475.50	561.88	651.99	899.47	957.28	
September.....	306.05	387.86	417.80	458.93	462.71	584.41	687.31	947.28	1,017.01	
October.....	304.00	392.45	418.68	467.83	472.35	581.50	705.27	914.62	1,098.67	
November.....	322.22	375.22	431.35	461.79	453.69	605.37	757.02	955.40	1,163.63	
December.....	330.22	417.09	435.71	466.45	459.27	615.93	740.74	970.43	1,229.23	

</TABLE>

#### License Agreement

Standard & Poor's ("S&P") does not guarantee the accuracy and/or the completeness of the Index or any data included in the Index. S&P makes no warranty, express or implied, as to results to be obtained by ML&CO., MLPF&S, holders of the MITTS Securities, or any other person or entity from the use of the S&P Index or any data included in the Index in connection with the rights licensed under the license agreement described in this prospectus or for any other use. S&P makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the S&P Index or any data included in the Index. Without limiting any of the information above, in no event shall S&P have any liability for any special, punitive, indirect or consequential damage, including lost profits, even if notified of the possibility of these damages.

S&P and Merrill Lynch Capital Services, Inc. have entered into a non-exclusive license agreement providing for the license to Merrill Lynch Capital Services, Inc., in exchange for a fee, of the right to use indices owned and published by S&P in connection with particular securities, including the MITTS Securities, and ML&Co. is an authorized sublicensee thereof.

The license agreement between S&P and Merrill Lynch Capital Services, Inc. provides that the following language must be stated in this prospectus:

"The MITTS Securities are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the holders of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities particularly or the ability of the Index to track general stock market performance. S&P's only relationship to Merrill Lynch Capital Services, Inc. and ML&Co. (other than transactions entered into in the ordinary course of business) is the licensing of certain servicemarks and trade names of S&P and of the Index which is determined, composed and calculated by S&P without regard to ML&Co. or the MITTS Securities. S&P has no obligation to take the needs of ML&Co. or the holders of the MITTS Securities into consideration in determining, composing or calculating the Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the MITTS Securities, prices at which the MITTS Securities are to initially be sold, or quantities of the MITTS Securities to be issued or in the determination or calculation of the equation by which the MITTS Securities are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities."

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from

those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption , or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series :

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money , the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding

senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a projected Supplemental Redemption Amount equal to \$4.8955 per unit (the "Projected Supplemental Redemption Amount"). This represents an estimated yield on the MITTS Securities equal to 5.78% per annum (compounded semiannually).

The projected payment schedule, including both the Projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities, has been determined solely for United States Federal income tax purposes, for purposes of applying the Final Regulations to the MITTS Securities, and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over the term of the MITTS Securities based upon the projected payment schedule for the MITTS Securities (including both the Projected Supplemental Redemption Amount and the estimated yield equal to 5.78% per annum (compounded semiannually)) as determined by ML&Co. for purposes of applying the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period	Interest Deemed to Accrue During Accrual Period (per unit)	Total Interest Deemed to Have Accrued On the MITTS Securities as of End of Accrual Period (per unit)
September 29, 1998 through March 28, 1999.....	\$0.2850	\$0.2850
March 29, 1999 through September 28, 1999.....	\$0.2972	\$0.5822
September 29, 1999 through March 28, 2000.....	\$0.3058	\$0.8880
March 29, 2000 through September 28, 2000.....	\$0.3147	\$1.2027
September 29, 2000 through March 28, 2001.....	\$0.3238	\$1.5265
March 29, 2001 through September 28, 2001.....	\$0.3331	\$1.8596
September 29, 2001 through March 28, 2002.....	\$0.3427	\$2.2023
March 29, 2002 through September 28, 2002.....	\$0.3527	\$2.5550
September 29, 2002 through March 28, 2003.....	\$0.3628	\$2.9178
March 29, 2003 through September 28, 2003.....	\$0.3733	\$3.2911
September 29, 2003 through March 28, 2004.....	\$0.3842	\$3.6753
March 29, 2004 through September 28, 2004.....	\$0.3952	\$4.0705
September 29, 2004 through March 28, 2005.....	\$0.4066	\$4.4771
March 29, 2005 through September 28, 2005.....	\$0.4184	\$4.8955

</TABLE>

- -----  
Projected Supplemental Redemption Amount = \$4.8955 per unit.

Prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for the information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100

PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

Merrill Lynch & Co., Inc.

S&P 500(R) Market Index Target-Term Securities SM

due July 1, 2005

"MITTS(R) Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities

<TABLE>  
<CAPTION>

<S>

<C>

The MITTS Securities:  
o 100% principal protection at maturity  
Securities you  
o No payments before the maturity date

Payment at Maturity:  
o On the maturity date, for each unit of the MITTS  
own, we will pay you an amount equal to the sum of

the principal	
o Senior unsecured debt securities of Merrill Lynch & Co., Inc.	amount of each unit and an additional amount based on the percentage increase, if any, in the value of the index, adjusted
o Linked to the value of the S&P 500 Index	as described in this prospectus.
o The MITTS Securities are listed on the American Stock Exchange under the symbol "MLF".	o You will receive no less than the principal amount of Securities

</TABLE>

Investing in the MITTS Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 1999.

-----

"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc. "Standard & Poor's(R)", "Standard & Poor's 500", "S&P 500(R)", "S&P(R)" and "500", are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Merrill Lynch Capital Services, Inc. and ML&Co. is an authorized sublicensee.

Table of Contents

<TABLE>  
<CAPTION>

	Page
<S>	<C>
RISK FACTORS.....	3
You may not earn a return on your investment.....	3
Your yield may be lower than the yield on a standard debt security of comparable maturity.....	3
Your return will not reflect the return of owning the stocks underlying the index.....	3
There may be an uncertain trading market for the MITTS Securities in the future.....	3
Factors affecting trading value of the MITTS Securities.....	3
Amounts payable on the MITTS Securities may be limited by state law.....	4
Purchases and sales by us and our affiliates may affect your return.....	5
Potential conflicts of interest.....	5
Other Considerations.....	5
MERRILL LYNCH & CO., INC.....	6
RATIO OF EARNINGS TO FIXED CHARGES.....	7
DESCRIPTION OF THE MITTS SECURITIES.....	8
Payment at Maturity.....	8
Adjustments to the Index; Market Disruption Events.....	11
Discontinuance of the Index.....	11
Events of Default and Acceleration.....	12
Global Securities.....	12
Same-Day Settlement and Payment.....	15
THE INDEX.....	15

Computation of the Index.....	15
Historical Data on the Index.....	17
License Agreement.....	17
OTHER TERMS.....	18
Limitations Upon Liens.....	18
Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S.....	19
Merger and Consolidation.....	19
Modification and Waiver.....	19
Events of Default.....	20
PROJECTED PAYMENT SCHEUDLE.....	22
WHERE YOU CAN FIND MORE INFORMATION.....	23
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	23
PLAN OF DISTRIBUTION.....	24
EXPERTS.....	24

</TABLE>

#### RISK FACTORS

Your investment in the MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

You may not earn a return on your investment

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity date is less than 1,119.49, the value of the index on the date the MITTS Securities were priced. This will be true even if at some time during the life of the MITTS Securities, the value of the index, as adjusted, was higher than 1,119.49 but later falls below 1,119.49.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Your return will not reflect the return of owning the stocks underlying the index

Your return will not reflect the return you would realize if you actually owned the stocks underlying the index and received the dividends paid on those stocks because of the reduction caused by the adjustment factor described in this prospectus and because the index is calculated by reference to the prices of the common stocks included in the index without taking into consideration the value of dividends paid on those stocks.

There may be an uncertain trading market for the MITTS Securities in the future

Although the MITTS Securities are listed on the AMEX under the symbol "MLF", you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

Factors affecting trading value of the MITTS Securities

We believe that the value of the index and a number of other factors will affect the trading value of the MITTS Securities . Some of these factors are



interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o Index Value. We expect that the market value of the MITTS Securities will depend substantially on the amount by which the index, as reduced by the adjustment factor, exceeds 1,119.49. If you choose to sell your MITTS Securities when the value of the index, as reduced by the adjustment factor, exceeds 1,119.49, you may receive substantially less than the amount that would be payable at maturity based on this value because of the expectation that the index will continue to fluctuate until shortly before the maturity date when the average value of the index is determined. If you choose to sell your MITTS Securities when the value of the index is below 1,119.49, you may receive less than the \$10 principal amount per unit of MITTS Securities. In general, rising U.S. dividend rates, or dividends per share, may increase the value of the index while falling U.S. dividend rates may decrease the value of the index. Political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.
- o Interest Rates. Because we will pay, at a minimum, the principal amount per unit of MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will 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, the MITTS Securities. Falling interest rates may increase the value of the index and, thus, may increase the value of the MITTS Securities.
- o Volatility of the Index. Volatility is the term used to describe the size and frequency of market fluctuations. Generally, if the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time Remaining to Maturity. The MITTS Securities may trade at a value above that which would be expected based on 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 the stated maturity of the MITTS Securities. However, as the time remaining to the stated maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend Yields. If dividend yields on the stocks included in the index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stock comprising the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in Our Credit Ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the index value.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities. However, we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

Amounts payable on the MITTS Securities may be limited by state law

New York State law governs the senior indenture under which the MITTS Securities were issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply

to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the holders of the MITTS Securities, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return

We and our affiliates may from time to time buy or sell the stocks underlying the index for our own accounts for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the index in a manner that would be adverse to your investment in the MITTS Securities.

Potential conflicts of interest

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the Index; Market Disruption Events" and "--Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our a subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

Other Considerations

It is suggested that you should reach an investment decision regarding the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax advisor.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and

- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998

Ratio of earnings to fixed charges(a)	1.2	1.2	1.2	1.2	1.1
---------------------------------------	-----	-----	-----	-----	-----

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On June 26, 1998, ML&Co. issued \$285,000,000 aggregate principal amount of S&P 500 MITTS Securities due July 1, 2005. The MITTS Securities were issued as a series of Senior Debt Securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on July 1, 2005.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner prior to maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "-- Events of Default and Acceleration" and "Other Terms -- Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Adjusted Ending Value does not exceed the Starting Value, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>  
<CAPTION>

<S>

<C>

"Principal Amount" of the MITTS Security (\$10 per unit) X  $\frac{\text{Adjusted Ending Value} - \text{Starting Value}}{\text{Starting Value}}$

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Value" equals 1,119.49.

The "Adjusted Ending Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of the S&P 500 Index (the "Index") as adjusted by the Adjustment Factor (the "Adjusted Index Value") determined on each of the first five Calculation Days during the Calculation Period. If there are fewer than five but more than one Calculation Days, then the Adjusted Ending Value will equal the average or arithmetic mean of the closing values of the Adjusted Index Value on these Calculation Days. If there is only one Calculation Day, then the Adjusted Ending Value will equal the closing value of the Adjusted Index Value on that Calculation Day. If no Calculation Days occur during the Calculation Period, then the Adjusted Ending Value will equal the closing value of the Adjusted Index Value determined on the last scheduled Index Business Day in the Calculation Period, regardless of the occurrence of a Market Disruption Event on that day.

The "Adjustment Factor" equals 1.3% per annum and will be prorated based on a 365-day year and applied each calendar day during the term of the MITTS Securities to reduce the Index. As a result of the application of the Adjustment Factor, the adjusted value of the Index used to calculate your Supplemental Redemption Amount at the stated maturity of the MITTS Securities will be approximately 8.78% less than the actual Index value on any day during the Calculation Period.

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 Adjusted Ending Value, an "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the Index or any Successor Index, as defined on page 11 below, 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 ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical values of the Index during the Calculation Period,

- o the Adjusted Ending Value used to calculate the Supplemental Redemption Amount;
- o the percentage change from the Starting Value to the Adjusted Ending Value;
- o the total amount payable per unit of MITTS Securities;

- o the total rate of return on the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of the stocks underlying the Index, which includes an assumed aggregate dividend yield of 1.40% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Hypothetical Index Value During the Calculation Period	Adjusted Ending Value	Percentage Change of Adjusted Ending Value Over the Starting Value	Total Amount Payable at Maturity Per \$10 Principal Amount of MITTS Securities	Total Rate of Return on the MITTS Securities	Pretax Annualized Rate of Return on the MITTS Securities(1)	Pretax Annualized Rate of Return on Stocks Underlying the Index(1) (2)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
559.75	510.62	-54.39%	\$ 10.00	0.00%	0.00%	-8.25%
671.69	612.75	-45.27%	\$ 10.00	0.00%	0.00%	-5.77%
783.64	714.87	-36.14%	\$ 10.00	0.00%	0.00%	-3.64%
895.59	817.00	-27.02%	\$ 10.00	0.00%	0.00%	-1.77%
1,007.54	919.12	-17.90%	\$ 10.00	0.00%	0.00%	-0.11%
1,119.49	1,021.25	-8.78%	\$ 10.00	0.00%	0.00%	1.40%
1,231.44	1,123.37	0.35%	\$ 10.03	0.35%	0.05%	2.77%
1,343.39	1,225.50	9.47%	\$10.95	9.47%	1.29%	4.04%
1,455.34	1,327.62	18.59%	\$11.86	18.59%	2.44%	5.21%
1,567.29	1,429.75	27.71%	\$12.77	27.71%	3.52%	6.30%
1,679.24	1,531.87	36.84%	\$13.68	36.84%	4.52%	7.32%
1,791.18	1,634.00	45.96%	\$14.60	45.96%	5.46%	8.28%
1,903.13	1,736.12	55.08%	\$15.51	55.08%	6.35%	9.19%
2,015.08	1,838.25	64.20%	\$16.42	64.20%	7.19%	10.05%
2,127.03	1,940.37	73.33%	\$17.33	73.33%	7.99%	10.87%
2,238.98	2,042.50	82.45%	\$18.24	82.45%	8.75%	11.65%
2,350.93	2,144.62	91.57%	\$19.16	91.57%	9.48%	12.40%
2,462.88	2,246.75	100.69%	\$20.07	100.69%	10.17%	13.11%
2,574.83	2,348.87	109.82%	\$20.98	109.82%	10.84%	13.80%
2,686.78	2,451.00	118.94%	\$21.89	118.94%	11.48%	14.46%
2,798.73	2,553.12	128.06%	\$22.81	128.06%	12.10%	15.09%

</TABLE>

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

(2) This rate of return assumes:

- (a) a constant dividend yield of 1.40% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming this value increases or decreases linearly from the Starting Value to the hypothetical Index value during the Calculation Period;
- (b) no transaction fees or expenses;
- (c) an investment term from June 26, 1998 to July 1, 2005; and
- (d) a final Index value equal to the hypothetical Index value during the Calculation Period.

(3) The Starting Value equals 1,119.49.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the total and pretax annualized rate of return will depend entirely on the actual Adjusted Ending Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Index; Market Disruption Events

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the 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 that 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 Adjusted Ending Value is to be calculated, make any 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 any changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events; as determined by the calculation agent:

(a) the suspension or material limitation on trading, for more than two hours of trading, or during the one-half hour period preceding the close of trading on the applicable exchange, in each case, in 20% or more of the stocks which then comprise the Index; or

(b) 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

- (1) futures contracts related to the Index, or options on futures contracts, which are traded on any major U.S. exchange or =
- (2) option contracts related to the Index which are traded on any major U.S. exchange.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

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 S&P discontinues publication of the Index and S&P or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (any successor or substitute index is referred to as a "Successor Index"), then, upon the calculation agent's notification of the determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by S&P or any other entity for the Index. Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If S&P 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 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 before the discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 calculation agent calculates a value as a substitute for the Index, "Index Calculation Day" shall mean any day on which the calculation agent is able to calculate the value.

If S&P discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of:

- o the determination of the Adjusted Ending Value and
- o 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 that day were a Calculation Day. The calculation agent will

cause notice of each 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 the values to be made available by telephone.

Despite these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the principal amount per unit and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "- Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 5.90% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a Holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of Holders or that an owner of a beneficial interest in a global security desires to give or take any action which a Holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,



- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities ,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy .

#### Same-Day Settlement and Payment

ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

All disclosures contained in this prospectus regarding the Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by S&P as of March 22, 1999. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

The Index is published by S&P, and is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of the Index, discussed below in further detail, is based on the relative value of the aggregate Market Value of the common stocks of 500 companies as of a particular time compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of March 22, 1999 the 500 companies included in the Index represented approximately 78% of the aggregate Market Value of common stocks traded on the NYSE; however, these 500 companies are not the 500 largest companies listed on the NYSE and not all of these 500 companies are listed on the exchange. As of March 22, 1999, the aggregate Market Value of the 500 companies included in the Index represented approximately 79% of the aggregate Market Value of United States domestic, public companies. S&P chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the NYSE, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include:

- o the viability of the particular company,
- o the extent to which that company represents the industry group to which it is assigned,
- o the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry, and
- o the Market Value and trading activity of the common stock of that company.

Four main groups of companies comprise the Index, with the number of companies currently included in each group indicated in parentheses: Industrials (380), Utilities (39), Transportation (10) and Financial (71). S&P 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 does not reflect the payment of dividends on the stocks underlying it . Because of this and the application of the Adjustment Factor, the return based on the MITTS Securities will not be the same return you would

receive if you were to purchase the underlying stocks and hold them for a period equal to the maturity of the MITTS Securities.

#### Computation of the Index

S&P currently computes the Index as of a particular time as follows:

(a) the product of the market price per share and the number of then outstanding shares of each component stock is determined at a particular time (the "Market Value" of the stock);

(b) the Market Value of all component stock as of that time are aggregated;

(c) the mean average of the Market Values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;

(d) the mean average Market Values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "Base Value");

(e) the current aggregate Market Value of all component stocks is divided by the Base Value; and

(f) the resulting quotient, expressed in decimals, is multiplied by ten.

While S&P currently employs the above methodology to calculate the Index, no assurance can be given that S&P will not modify or change this methodology in a manner that may affect the Supplemental Redemption Amount, if any, payable to beneficial owners of MITTS Securities upon maturity or otherwise.

S&P adjusts the foregoing formula to negate the effects of changes in the Market Value of component stocks that are determined by S&P to be arbitrary or not due to true market fluctuations. Changes may result from causes such as

- o the issuance of stock dividends,
- o the granting to shareholders of rights to purchase additional shares of stock,
- o the purchase of shares by employees pursuant to employee benefit plans,
- o consolidations and acquisitions,
- o the granting to shareholders of rights to purchase other securities of ML&Co.,
- o the substitution by S&P of particular component stocks in the Index, and
- o other reasons.

In these cases, S&P first recalculates the aggregate Market Value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares thereof or both, and then determines the New Base Value in accordance with the following formula:

$$\text{Old Base Value X } \frac{\text{New Market Value}}{\text{Old Market Value}} = \text{New Base Value}$$

The result is that the Base Value is adjusted in proportion to any change in the aggregate Market Value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the Index.

Historical Data on the Index

The following table sets forth the value of the Index at the end of each month, in the period from January 1990 through February 1999. These historical data on the Index are not necessarily indicative of the future performance of the Index or what the value of the MITTS Securities may be. Any historical upward or downward trend in the value 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 MITTS Securities.

<TABLE>  
<CAPTION>

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	----	----	----	----	----	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
January.....	329.08	343.93	408.78	438.78	481.61	470.42	636.02	786.16	980.28	1,279.64
February.....	331.89	367.07	412.70	443.38	467.14	487.39	640.43	790.82	1,049.34	1,238.33
March.....	339.94	375.22	403.69	451.67	445.77	500.71	645.50	757.12	1,101.75	
April.....	330.80	375.34	414.95	440.19	450.91	514.71	654.17	801.34	1,111.75	
May.....	361.23	389.83	415.35	450.19	456.51	533.40	669.12	848.28	1,090.82	
June.....	358.02	371.16	408.14	450.53	444.27	544.75	670.63	885.14	1,133.84	
July.....	356.15	387.81	424.22	448.13	458.26	562.06	639.95	954.29	1,120.67	
August.....	322.56	395.43	414.03	463.56	475.50	561.88	651.99	899.47	957.28	
September.....	306.05	387.86	417.80	458.93	462.71	584.41	687.31	947.28	1,017.01	
October.....	304.00	392.45	418.68	467.83	472.35	581.50	705.27	914.62	1,098.67	
November.....	322.22	375.22	431.35	461.79	453.69	605.37	757.02	955.40	1,163.63	
December.....	330.22	417.09	435.71	466.45	459.27	615.93	740.74	970.43	1,229.23	

</TABLE>

License Agreement

Standard & Poor's ("S&P") does not guarantee the accuracy and/or the completeness of the Index or any data included in the Index. S&P makes no warranty, express or implied, as to results to be obtained by ML&CO., MLPF&S, holders of the MITTS Securities, or any other person or entity from the use of the S&P index or any data included in the Index in connection with the rights licensed under the license agreement described herein or for any other use. S&P makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the S&P Index or any data included in the Index. Without limiting any of the above information, in no event shall S&P have any liability for any special, punitive, indirect or consequential damage, including lost profits, even if notified of the possibility of these damages.

S&P and Merrill Lynch Capital Services, Inc. have entered into a non-exclusive license agreement providing for the license to Merrill Lynch Capital Services, Inc., in exchange for a fee, of the right to use indices owned and published by S&P in connection with some securities, including the MITTS Securities, and ML&Co. is an authorized sublicensee thereof.

The license agreement between S&P and Merrill Lynch Capital Services, Inc. provides that the following language must be stated in this prospectus:

"The MITTS Securities are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the holders of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities particularly or the ability of the Index to track general stock market performance. S&P's only relationship to Merrill Lynch Capital Services, Inc. and ML&Co. (other than transactions entered into in the ordinary course of business) is the licensing of certain servicemarks and trade names of S&P and of the Index which is determined, composed and calculated by S&P without regard to ML&Co. or the MITTS Securities. S&P has no obligation to take the needs of ML&Co. or the holders of the MITTS Securities into consideration in determining, composing or calculating the Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the MITTS Securities, prices at which the MITTS Securities are to initially be sold, or quantities of the MITTS Securities to be issued or in the determination or calculation of the equation by which the MITTS Securities are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities."

All disclosures contained in this prospectus supplement regarding the Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by S&P. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

## OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture .

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary . In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation

organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:

- o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
- o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series :

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or

reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the Treasury Department Final Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a projected Supplemental Redemption Amount equal to \$5.0390 per unit. This represents an estimated yield on the MITTS Securities equal to 5.90% per annum (compounded semiannually).

The projected payment schedule (including both the projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities) has been determined solely for United States Federal income tax purposes (i.e., for purposes of applying the Final Regulations to the MITTS Securities), and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over a term of seven years and one day for the MITTS Securities based upon the projected payment schedule for the MITTS Securities (including both the projected Supplemental Redemption Amount and the estimated yield equal to 5.90% per annum (compounded semiannually)) as determined by ML&Co. for purposes of application of the Final Regulations to the MITTS Securities:

Accrual Period -----	Interest Deemed to Accrue During Accrual Period  (per unit) -----	Total Interest Deemed to Have Accrued on the MITTS Securities as of End of Accrual Period  (per unit) -----
<S>	<C>	<C>
June 26, 1998 through January 1, 1999.....	\$0.3057	\$0.3057
January 2, 1999 through July 1, 1999.....	\$0.3040	\$0.6097
July 2, 1999 through January 1, 2000.....	\$0.3130	\$0.9227
January 2, 2000 through July 1, 2000.....	\$0.3222	\$1.2449
July 2, 2000 through January 1, 2001.....	\$0.3317	\$1.5766
January 2, 2001 through July 1, 2001.....	\$0.3415	\$1.9181
July 2, 2001 through January 1, 2002.....	\$0.3516	\$2.2697
January 2, 2002 through July 1, 2002.....	\$0.3620	\$2.6317
July 2, 2002 through January 1, 2003.....	\$0.3726	\$3.0043
January 2, 2003 through July 1, 2003.....	\$0.3836	\$3.3879
July 2, 2003 through January 1, 2004.....	\$0.3950	\$3.7829
January 2, 2004 through July 1, 2004.....	\$0.4066	\$4.1895
July 2, 2004 through January 1, 2005.....	\$0.4186	\$4.6081
January 2, 2005 through July 1, 2005.....	\$0.4309	\$5.0390

</TABLE>

-----  
Projected Supplemental Redemption Amount = \$5.0390 per unit.

All prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999



Merrill Lynch & Co., Inc.  
 Russell 2000(R) Index\* Market Index Target-Term Securities due  
 September 30, 2004  
 "MITTS(R)1 Securities"  
 \$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>  
 <CAPTION>

<S>

<C>

The MITTS Securities:

- o 100% principal protection at maturity you own, we
- o No payments before the maturity date amount of each
- o Senior unsecured debt securities of Merrill Lynch & Co. Inc. value of 494.36,
- o Linked to the value of the Russell 2000 Index
- o The MITTS Securities are listed on the MITTS American Stock Exchange under the symbol "RUM"

Payment at Maturity:

- o On the maturity date, for each unit of the MITTS Securities will pay you an amount equal to the sum of the principal unit and an additional amount based on the percentage in the value of the Russell 2000 Index above a benchmark as described in this prospectus
- o You will receive no less than the principal amount of your Securities

</TABLE>

Investing in the MITTS Securities involves risks.  
 See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
 Merrill Lynch & Co.  
 -----

The date of this prospectus is , 199 .

\* The use of, and reference to, the term "Russell 2000 Index" in this prospectus has been consented to by Frank Russell Company.

1 "MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
DESCRIPTION OF THE MITTS SECURITIES.....	9
THE INDEX.....	16
OTHER TERMS.....	17
PROJECTED PAYMENT SCHEDULE.....	20
WHERE YOU CAN FIND MORE INFORMATION.....	22
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	22

PLAN OF DISTRIBUTION.....	23
EXPERTS.....	23

## RISK FACTORS

Your investment in MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

You may not earn a return on your investment.

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity date the index value does not exceed 449.42 by more than 10%. This will be true even if at some time during the life of the MITTS Securities, the value of the Russell 2000 Index, as adjusted, was higher than that amount, 494.36, but later falls below 494.36.

Your yield may be lower than the yield on a standard debt security of comparable maturity.

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account inflation and other factors that affect the time value of money.

Your return will not reflect the return of owning the stocks included in the index.

Your return will not reflect the return you would realize if you actually owned the stocks underlying the index and received the dividends paid on those stocks. This is because the value of the index is calculated by reference to the prices of the common stocks included in the index without taking into consideration the value of dividends paid on those stocks.

Your return will not reflect the payment of dividends.

The index is calculated with reference to the prices of the common stocks comprising the index without taking into consideration the value of dividends paid on those stocks. Therefore, the return you earn on your MITTS Securities, if any, will not be the same as the return that you would earn if you actually owned each of the common stocks underlying the index and received the dividends paid on those stocks.

Investments in small capitalization stocks involve risks.

The underlying stocks that constitute the index have been issued by corporations domiciled in the U.S. and its territories and traded on the NYSE, on the AMEX or in the over-the-counter market. If a successor index is substituted for the index as described below, any successor index would also be based upon stocks issued by corporations domiciled in the U.S. and its territories and traded on the NYSE, on the AMEX or in the over-the-counter market. You should be aware that investments in securities indexed to the value of small capitalization companies involve risks. In general, the stocks comprising the index have smaller market capitalizations, less trading liquidity and greater price volatility than stocks in other larger capitalization indexes which are designed to measure the broad movement of the U.S. stock markets. You should understand that these factors could adversely affect the value of the index and your MITTS Securities.

There may be an uncertain trading market for the MITTS Securities in the future.

Although the MITTS Securities are listed on the NYSE under the symbol "RUM," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

If the trading market for the MITTS Securities is limited and you do not wish to hold your investment until maturity, there may be a limited number of buyers for your MITTS Securities. This may affect the price you receive if you

sell before maturity.

There are many factors affecting trading value of the MITTS Securities.

We believe that the value of the index and by a number of other factors will affect the trading value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following paragraphs describe the expected impact on the market value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o The value of the index. We expect that the market value of the MITTS Securities will depend substantially on the value of the index relative to the benchmark index value. If you choose to sell your MITTS Securities when the value of the index exceeds the benchmark index value, you may receive substantially less than the amount that would be payable at maturity based on that index value because of the expectation that the index will continue to fluctuate until shortly before the maturity date when the average value of the index is determined. If you choose to sell your MITTS Securities when the value of the index is below the benchmark index value, you may receive less than the \$10 principal amount per unit of MITTS Securities. In general, rising U.S. dividend rates, i.e., dividends per share, may increase the value of the index, while falling U.S. dividend rates may decrease the value of the index. Political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.
- o Interest rates. Because we will pay, at a minimum, the principal amount per unit of the MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease, and conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will 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, the MITTS Securities. Falling interest rates may increase the value of the index and, thus, may increase the value of the MITTS Securities.
- o Volatility of the index. Volatility is the term used to describe the size and frequency of market fluctuations. Generally if the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time remaining to maturity. The MITTS Securities may trade at a value above that which would be expected based on 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 MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend yields. If dividend yields on the stocks comprising the index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stock comprising the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

We want you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the value of the index.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities except that we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

Amounts payable on the MITTS Securities may be limited by state law.

New York State laws govern the indenture, under which the MITTS Securities are issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the MITTS holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return.

We and our affiliates may from time to time buy or sell the stocks underlying the index for their own accounts for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the index in a manner that would be adverse to your investment in the MITTS Securities.

Potential conflicts of interest.

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the index; Market Disruption Events" and "--Discontinuance of the index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our a subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

Other Considerations.

You should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the Securities and should consult with your tax adviser.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;

- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a)	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On September 29, 1997, ML&Co. issued an aggregate principle amount of \$167,500,000 or 16,750,000 units of the MITTS Securities.

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on September 30, 2004.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this Prospectus.

The MITTS Securities were issued in denominations of whole units.

Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Supplemental Redemption Amount is not greater than zero, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

$$\text{Principal amount of each MITTS Security} \quad \text{Ending Value - Starting Value}$$

$$(\$10 \text{ per Unit}) \quad \times \quad \frac{\text{-----}}{\text{Starting Value}}$$

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Value" equals 494.36 which was determined on the Pricing Date by multiplying 449.82, the value of the index on the pricing date by 110%.

The "Ending Value" will be determined by the calculation agent and will equal the average, or 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 Value will equal the average or arithmetic mean of the closing values of the Index on these Calculation Days, and if there is only one Calculation Day, then the Ending Value will equal the closing value of the Index on that 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 occurrences of a Market Disruption Event on that 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.

An "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the Index or any Successor Index, as defined on page 10 below, 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 ML&Co. and beneficial owners of the MITTS Securities.

Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Values:

- o the percentage change from the Starting Value to the Ending Value;
- o the total amount payable per Unit of MITTS Securities;
- o the total rate of return on the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of the stocks underlying the Index, which includes an assumed aggregate dividend yield of 1.15% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Total Amount		Pretax	
Payable at Maturity	Total Rate of	Annualized	Pretax Annualized
		Rate	

Hypothetical Ending Value	Percentage Change Over the Starting Value	per \$10 Principal Amount of MITTS Securities	Return on the MITTS Securities	of Return on the MITTS Securities (1)	Rate of Return of Stocks Underlying the Index (1) (2)
<S>	<C>	<C>	<C>	<C>	<C>
179.77	-60.00%	\$10.00	0.00%	0.00%	-11.69%
224.71	-50.00%	\$10.00	0.00%	0.00%	-8.61%
269.65	-40.00%	\$10.00	0.00%	0.00%	-6.08%
314.59	-30.00%	\$10.00	0.00%	0.00%	-3.92%
359.54	-20.00%	\$10.00	0.00%	0.00%	-2.03%
404.48	-10.00%	\$10.00	0.00%	0.00%	-0.36%
449.42(3)	0.00%	\$10.00	0.00%	0.00%	1.15%
494.36	10.00%	\$10.00	0.00%	0.00%	2.52%
539.30	20.00%	\$10.91	9.09%	1.25%	3.77%
584.25	30.00%	\$11.82	18.18%	2.40%	4.93%
629.19	40.00%	\$12.73	27.27%	3.48%	6.01%
674.13	50.00%	\$13.64	36.36%	4.48%	7.02%
719.07	60.00%	\$14.55	45.45%	5.43%	7.96%
764.01	70.00%	\$15.45	54.55%	6.32%	8.85%
808.96	80.00%	\$16.36	63.64%	7.16%	9.69%
853.90	90.00%	\$17.27	72.73%	7.96%	10.49%
898.84	100.00%	\$18.18	81.82%	8.73%	11.25%
943.78	110.00%	\$19.09	90.91%	9.45%	11.98%
988.72	120.00%	\$20.00	100.00%	10.15%	12.67%
1,033.67	130.00%	\$20.91	109.09%	10.82%	13.33%
1,078.61	140.00%	\$21.82	118.18%	11.46%	13.97%
1,123.55	150.00%	\$22.73	127.27%	12.08%	14.58%

</TABLE>

- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
- (2) This rate of return assumes:
- a constant dividend yield of 1.15% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter, assuming this value increases or decreases linearly from the Starting Value to the hypothetical Ending Value;
  - no transaction fees or expenses;
  - the term of the MITTS Securities is from September 29, 1997 to September 30, 2004;
  - the aggregate dividend yield of the stocks underlying the Index as of September 23, 1997 was approximately 1.15%.
  - a final Index value equal to the hypothetical Ending Value.
- (3) The Starting Value of the Index.

The above figures are for purposes of illustration only. The actual investment term, Supplemental Redemption Amount received by investors, and the respective resulting total and pretax annualized rate of return will depend entirely on the actual Ending Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Index; Market Disruption Events

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had the changes or modifications not been made, then, from and after that 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 Value is to be calculated, make any 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 any changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified, for example, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified, for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- the suspension or material limitation on trading for more than two hours of trading, or during the one-half hour period preceding the

close of trading on the applicable exchange, each case, in 20% or more of the stocks which then comprise the Index; or

(b) 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

(A) futures contracts related to the Index which are traded on the Chicago Mercantile Exchange or

(B) option contracts related to the Index which are traded on the Chicago Board Options Exchange, Inc.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

In some 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 a subsidiary of ML&Co.

#### Discontinuance of the Index

If FRC discontinues publication of the Index and FRC or another entity publishes a successor or substitute Index that the calculation agent determines, in its sole discretion, to be comparable to the Index, referred to as a "Successor Index", then, upon the calculation agent's notification of its determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by FRC or any other entity for the Index and calculate the Ending Value as described above under "-Payment at Maturity". Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If FRC 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 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 before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 calculation agent calculates a value as a substitute for the Index, "Calculation Day" shall mean any day on which the calculation agent is able to calculate the value.

If FRC discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of:

- o the determination of the Ending Value and
- o 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 these values to be made available by telephone.

Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the principal amount per unit and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS



Securities. See "- Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners of the MITTS Securities, at the rate of 6.39% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor to DTC, being a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other

organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been

obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy .

#### Same-Day Settlement and Payment

ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

Unless otherwise stated, all information in this prospectus on the Index is derived from FRC or other publicly available sources. This information reflects the policies of FRC as stated in these sources and these policies are subject to change by FRC. FRC is under no obligation to continue to publish the Index and may discontinue publication of the Index at any time.

The Index is an index calculated, published and disseminated by FRC, and measures the composite price performance of stocks of 2,000 companies domiciled in the U.S. and its territories. All 2,000 stocks are traded on either the NYSE or the AMEX or in the over-the-counter market and form a part of the Russell 3000(R) Index. The Russell 3000 Index is composed of the 3,000 largest U.S. companies as determined by market capitalization and represents approximately 98% of the investable U.S. equity market.

The Index consists of the smallest 2,000 companies included in the Russell 3000 Index and represents approximately 9.51% of the total market capitalization of the Russell 3000 Index. The Index is designed to track the performance of the small capitalization segment of the U.S. equity market.

Only common stocks belonging to corporations domiciled in the U.S. and its territories are eligible for inclusion in the Russell 3000 Index and the Index. Stocks traded on U.S. exchanges but domiciled in other countries are excluded. Preferred stock, convertible preferred stock, participating preferred stock, paired shares, warrants and rights are also excluded. Trust receipts, Royalty Trusts, limited liability companies, OTC Bulletin Board companies, pink sheets, closed-end mutual funds, and limited partnerships that are traded on U.S. exchanges, are also ineligible for inclusion. Real Estate Investment Trusts and Beneficial Trusts are eligible for inclusion, however. Generally, only one class of securities of a company is allowed in the Russell 3000 Index, although exceptions to this general rule have been made where FRC has determined that each class of securities acts independent of the other.

The primary criteria used to determine the initial list of securities eligible for the Russell 3000 Index is total market capitalization, which is defined as the price of the shares times the total number of shares outstanding. Based on closing values on May 31 of each year, FRC reconstitutes the composition of the Russell 3000 Index using the then existing market capitalizations of eligible companies. As of June 30 of each year, the Index is adjusted to reflect the reconstitution of the Russell 3000 Index for that year. Publication of the Index began on January 1, 1987.

As a capitalization-weighted Index, the Russell 2000 Index reflects changes in the capitalization (market value) of the component stocks relative to the capitalization on a base date. The current Index value is calculated by adding the market values of the Index's component stocks, which are derived by multiplying the price of each stock by the number of shares outstanding, to arrive at the total market capitalization of the 2,000 stocks. The total market capitalization is then divided by a divisor, which represents the "adjusted" capitalization of the Index on the base date of December 31, 1986. To calculate the Index, last sale prices will be used for exchange-traded and NASDAQ stocks. If a component stock is not open for trading, the most recently traded price for that security will be used in calculating the Index. In order to provide continuity for the Index's value, the divisor is adjusted periodically to reflect events including changes in the number of common shares outstanding for component stocks, company additions or deletions, corporate restructurings and other capitalization changes.

The value of the Index is reported on the AMEX under the Symbol "RUT", on Bloomberg under the symbol "RUY" and on Reuters under the symbol ".Rut".

All disclosure contained in this prospectus regarding the Index, or its publisher, is derived from publicly available information. All copyrights and other intellectual property rights relating to the Index are owned by FRC. FRC has no relationship with ML&Co., Inc. or the MITTS Securities; it does not sponsor, endorse, authorize, sell or promote the MITTS Securities, and has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities.

## OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "---Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or

reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the Treasury Department Final Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a projected Supplemental Redemption Amount equal to \$5.5304 per unit. This represents an estimated yield on the MITTS Securities equal to 6.39% per annum, compounded semiannually.

The projected payment schedule, including both the projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities, has been determined solely for United States Federal income tax purposes, for purposes of applying the Final Regulations to the MITTS Securities, and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over a term of seven years and one day for the MITTS Securities based upon the projected payment schedule for the MITTS Securities, including both the projected Supplemental Redemption Amount and the estimated yield equal to 6.39% per annum, compounded semiannually, as determined by ML&Co. for purposes of application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period -----	Interest Deemed to Accrue During Accrual Period (per unit) -----	Total Interest Deemed to Have Accrued on the MITTS Securities as of End of Accrual Period (per unit) -----
<S>	<C>	<C>

September 29, 1997 through March 30, 1998.....	\$0.3186	\$0.3186
March 31, 1998 through September 30, 1998.....	\$0.3315	\$0.6501
October 1, 1998 through March 30, 1999.....	\$0.3384	\$0.9885
March 31, 1999 through September 30, 1999.....	\$0.3511	\$1.3396
October 1, 1999 through March 30, 2000.....	\$0.3623	\$1.7019
March 31, 2000 through September 30, 2000.....	\$0.3739	\$2.0758
October 1, 2000 through March 30, 2001.....	\$0.3858	\$2.4616
March 31, 2001 through September 30, 2001.....	\$0.3981	\$2.8597
October 1, 2001 through March 30, 2002.....	\$0.4109	\$3.2706
March 31, 2002 through September 30, 2002.....	\$0.4240	\$3.6946
October 1, 2002 through March 30, 2003.....	\$0.4375	\$4.1321
March 31, 2003 through September 30, 2003.....	\$0.4516	\$4.5837
October 1, 2003 through March 30, 2004.....	\$0.4659	\$5.0496
March 31, 2004 through September 30, 2004.....	\$0.4808	\$5.5304

</TABLE>

- - - - -

Projected Supplemental Redemption Amount = \$5.5304 per unit.

All prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for such information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;

- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

ROSPECTUS

Merrill Lynch & Co., Inc.  
Telebras Indexed Callable

Protected Growth<sup>SM</sup> Securities due May 19, 2005  
"ProGro<sup>SSM</sup> Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the ProGro<sup>S</sup> Securities .



<TABLE>  
<CAPTION>

<S>

The ProGroS Securities:

- o 100% principal protected if held to maturity to
- o Callable prior to the stated maturity date by Merrill Lynch & Co., Inc.
- o No payments before the stated maturity date unless called by Merrill Lynch & Co., Inc.
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o The ProGroS Securities are listed on the American Stock Exchange under the symbol "PGT".

<C>

Payment at Maturity:

- o On the maturity date, for each unit of the ProGroS Securities you own, we will pay you an amount equal to the sum of principal amount of each unit and an additional amount based on the percentage increase, if any, in the price of an American Depositary Receipt which trades on the NYSE representing the common stock of Telecommunicacoes Brasileiras S.A. - Telebras and the value of securities, cash or property received by holders of ADR in corporate reorganizations of Telebras over the term of the ProGroS Securities.
- o You will receive no less than principal amount of your ProGroS Securities.

</TABLE>

Investing in the ProGroS Securities involves risks.  
See "Risk Factors" beginning on page 3

Neither the Securities and Exchange SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is       , 199 .

"Protected Growth" and "ProGroS" are registered service marks of Merrill Lynch & Co., Inc.

#### TABLE OF CONTENTS

MERRILL LYNCH & CO., INC.....	8
RATIO OF EARNINGS TO FIXED CHARGES.....	9
DESCRIPTION OF THE PROGROS SECURITIES.....	9
THE TELEBRAS RECEIPT.....	21
OTHER TERMS.....	22
WHERE YOU CAN FIND MORE INFORMATION.....	25
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	25
PLAN OF DISTRIBUTION.....	26
EXPERTS.....	26

#### RISK FACTORS

Your investment in the ProGroS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the ProGroS Securities is suitable for you.

We may call the ProGroS Securities before the stated maturity date

We may elect to call all of the ProGroS Securities in the manner and times described in this prospectus. We are likely to call the ProGroS Securities during the month of June 2004 when the secondary market price of the ProGroS Securities is approximately equal to the applicable call price during such period. We can, however, call the ProGroS Securities during the specified periods at our option regardless of the secondary market price of

the ProGroS Securities. In the event that we elect to call the ProGroS Securities, you will receive only the relevant call price and no additional amount based on the price of the American Depository Receipt representing Common Stock Telebras or Telebras Receipt.

You may not earn a return on your investment

You should be aware that if the ending value of Telebras Receipt determined as described in this prospectus, does not exceed \$115,4375 at the stated maturity, you will only receive the principal of your ProGroS Securities. This will be true even if the value of the Telebras Receipt, at some time during the life of the ProGroS Securities was higher than the \$115,4375.

You should compare the features of the ProGroS Securities to other available investments before deciding to purchase the ProGroS Securities. Due to the uncertainty as to whether the ProGroS Securities will earn a return or be called before the stated maturity date, the returns which you may receive with respect to the ProGroS Securities may be higher or lower than the returns available on other investments. You should reach an investment decision only after carefully considering the suitability of the ProGroS Securities in light of your particular circumstances.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of ML&Co. with the same stated maturity date. Your investment may not reflect the full opportunity cost to you when you consider the effect of factors that affect the time value of money.

Your return will not reflect the payment of dividends

The calculation of the starting and ending values of the Telebras Receipt does not take into consideration the value of dividends paid on the Telebras Receipt, if any. Therefore, the return you earn on the ProGroS Securities, if any, will not be the same as the return that you would earn if you actually owned the Telebras Receipt and received any dividends paid on the common stock of Telebras.

There may be an uncertain trading market for the ProGroS Securities in the future

Although the ProGroS Securities are listed on the AMEX under the symbol "PGT". You cannot assume that a trading market will continue to exist for the ProGroS Securities. If a trading market in the ProGroS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the ProGroS Securities will depend on the financial performance and other factors such as the appreciation, if any, of the price of Telebras Receipt.

If the trading market for the ProGroS Securities is limited, there may be a limited number of buyers if you decide to sell your ProGroS Securities. This may affect the price you receive. Furthermore, it is unlikely that the secondary market price of the ProGroS Securities will correlate exactly with the market price of the Telebras Receipt.

There are many factors affecting trading value of the ProGroS Securities

Our ability to call the ProGroS Securities before the stated maturity date is likely to limit the secondary market price at which the ProGroS Securities will trade. In particular, we expect that the secondary market price of the ProGroS Securities will not exceed the applicable call price because of our ability to call the ProGroS Securities and pay only the call price. We believe that if we did not have the right to call the ProGroS Securities, the secondary market price of the ProGroS Securities would likely be significantly different.

We believe that the market value of the ProGroS Securities will be affected by the value of the Telebras Receipt and by a number of other factors in addition to our ability to call the ProGroS Securities before the stated maturity date. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe the expected impact on the market value of the ProGroS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o Value of the Telebras Receipt. We expect that the market value of the ProGroS Securities will depend on the amount by which the price of Telebras Receipt exceeds \$115.4375, the value of Telebras Receipt on the

date the ProGroS Securities were initially priced for sale to the public. If you choose to sell your ProGroS Securities when the price of Telebras Receipt exceeds \$115.4375, you may receive substantially less than the amount that would be payable at the stated maturity date based on that price because of the expectation that the price of Telebras Receipt will continue to fluctuate until its final value as described in this prospectus is determined.

If you choose to sell your ProGroS Securities when the price of Telebras Receipt is below \$115.4375, you may receive less than the principal amount of your ProGroS Securities. As a general matter, if dividends are ever paid on Telebras Receipt, a rising dividend rate, i.e., dividends per share, may increase the price of Telebras Receipt while a falling dividend rate may decrease its price. Political, economic and other developments may also affect the price of Telebras Receipt and the value of the ProGroS Securities.

- o Interest Rates. We expect that the trading value of the ProGroS Securities will be affected by changes in interest rates. As a general matter during the earlier years of the ProGroS Securities, if U.S. interest rates increase, we expect that the trading value of the ProGroS Securities will decrease and if U.S. interest rates decrease, we expect the trading value of the ProGroS Securities will increase. However, interest rates in Brazil and the U.S. may also affect the economies of Brazil and the U.S. and, in turn, the prices of the reference securities. Rising interest rates may lower the prices of the reference securities and the ProGroS Securities. Falling interest rates may increase the prices of the reference securities and the value of the ProGroS Securities.
- o Volatility of the Reference Securities. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the reference securities increases, we expect that the trading value of the ProGroS Securities will increase. If the volatility of the reference securities decreases, we expect that the trading value of the ProGroS Securities will decrease.
- o Time Remaining to Stated Maturity Date. The ProGroS Securities may trade at a value above that which would be expected based on the level of interest rates and the price of the Telebras Receipt. This difference will reflect a "time premium" due to expectations concerning the price of the Telebras Receipt during the period prior to the stated maturity date of the ProGroS Securities. However, as the time remaining to the stated maturity date of the ProGroS Securities decreases, we expect that this time premium will decrease, potentially lowering the trading value of the ProGroS Securities.
- o Dividend Yield. If dividends are ever paid on reference security, the dividend yield that would result would likely to affect the value of the ProGroS Securities. If the dividend yield on a reference security were to increase, we expect that the value of the ProGroS Securities would decrease. Conversely, if the dividend yield on a Telebras Receipt were to decrease, we expect that the value of the ProGroS Securities would increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the ProGroS Securities. However, because your return on your ProGroS Securities is dependent upon factors in addition to our ability to pay our obligations under the ProGroS Securities, such as the percentage increase in the value of Telebras Receipt at maturity, an improvement in our credit ratings will not reduce investment risks related to the ProGroS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the ProGroS Securities attributable to another factor, such as an increase in the value of the Telebras Receipt.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the ProGroS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the ProGroS Securities than if it occurs earlier in the term of the ProGroS Securities except that we expect that the effect on the trading value of the ProGroS Securities of a given increase in the value of the Telebras Receipt will be greater if it occurs later in the term of the ProGroS Securities than if it occurs earlier in the term of the ProGroS Securities.

#### American Depositary Receipts

The Telebras Receipt is an ADR representing 1,000 shares of common stock of Telebras. If Telebras is reorganized, the Telebras Receipt will be adjusted

as described below to reflect certain distributions of cash, securities and/or other property. Some of the reference securities distributed in any such reorganization may be ADRs. An ADR is a negotiable receipt which is issued by a depositary, generally a bank, representing shares, such as the common stock of Telebras, of a non-U.S. issuer that have been deposited and are held, on behalf of the holders of the ADRs, at a custodian bank in the non-U.S. issuer's home country. While the market for shares underlying an ADR generally will be in the country in which the non-U.S. issuer is organized and trading in such market generally will be based on that country's currency, ADRs will trade in U.S. dollars.

Although ADRs are distinct securities from the shares of stock underlying such ADRs, the trading characteristics and valuations of ADRs will usually, but not necessarily, mirror the characteristics and valuations of such shares represented by the ADRs. Inasmuch as holders of ADRs may surrender the ADR in order to take delivery of and trade the shares underlying such ADR, a characteristic that allows investors in ADRs to take advantage of price differentials between different markets, a market for the shares of stock underlying an ADR that is not liquid generally will result in an illiquid market for the ADR representing such underlying shares.

The depositary bank that issues an ADR generally charges a fee, based on the price of the ADR, upon issuance and cancellation of the ADR. This fee would be in addition to the brokerage commissions paid upon the acquisition or surrender of the security. In addition, the depositary bank incurs expenses in connection with the conversion of dividends or other cash distributions paid in local currency into U.S. dollars and such expenses are deducted from the amount of the dividend or distribution paid to holders, resulting in a lower payout per share of stock underlying an ADR represented by the ADR than would be the case if such share were held directly. Certain tax considerations, including tax rate differentials, arising from application of the tax laws of one nation to the nationals of another and from certain practices in the ADR market may also exist with respect to an ADR. In varying degrees, any or all of these factors may affect the value of the ADR compared with the value of the shares of stock underlying an ADR in the local market.

#### Foreign Currency Exchange Rate and Foreign Market Considerations

The ProGroS Securities are U.S. dollar-denominated securities issued by ML&Co., a United States corporation. Investments in the ProGroS Securities do not give the beneficial owners any right to receive a reference security or any Telebras Receipt or any other ownership right or interest in a reference security or any Telebras Receipt or the shares of common stock represented by the Telebras Receipt, although the return on the investment in the ProGroS Securities is based on the ending value of the Telebras Receipt. The price of the common stock of Telebras underlying the Telebras Receipt is quoted in Brazilian currency. To the extent there are other reference securities, the prices of such other reference securities may also be quoted in currency other than U.S. dollars. The U.S. dollar price of a reference security that is an ADR will depend on the price of the shares underlying such ADR and the exchange rate between the non-U.S. dollar currency and the U.S. dollar. Even if the price of the shares underlying an ADR is unchanged, changes in the rates of exchange between the U.S. dollar and the non-U.S. dollar currency will affect the U.S. dollar price of such ADR. Furthermore, even if the price in non-U.S. dollar currency of the shares underlying an ADR increases, the U.S. dollar price of the ADR may decrease as a result of changes in the rates of exchange between the U.S. dollar and non-U.S. dollar currency.

Rates of exchange between the U.S. dollar and a non-U.S. dollar currency are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. Fluctuations in foreign exchange rates, future U.S. and non-U.S. political and economic developments and the possible imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the U.S. dollar value of an ADR. Moreover, individual foreign economies, such as Brazil's, may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payments position. There is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect the value of investments in countries, such as Brazil. There may be less publicly available information about a non-U.S. company, such as Telebras, than about a U.S. company, and non-U.S. companies are not typically subject to accounting, auditing and financial reporting standards and requirements comparable to those to which U.S. entities are subject. Non-U.S. investments may be subject to foreign withholding taxes which could affect the value of investment. In addition, investment laws in certain non-U.S. countries such as Brazil may limit or restrict ownership of certain securities by foreign nationals by restricting or eliminating voting or other rights or limiting the amount of securities that may be so owned, and such limitations or restrictions may affect the prices of such securities.

Brazil's financial markets, while growing in volume, have substantially less volume than U.S. markets. The securities of many non-U.S. companies trading in foreign markets are generally less liquid and their prices more volatile in such markets than securities of comparable U.S. companies trading in the domestic financial markets. Foreign markets have different trading practices that may affect the prices of securities. Non-U.S. markets have different clearance and settlement procedures than those in the U.S., and in certain countries, such as Brazil, there have been instances when such procedures have been insufficient to accommodate the volume of securities transactions, making it difficult to conduct such transactions. There is generally less government supervision and regulation of exchanges, brokers and issuers in Brazil than in the U.S. In addition, the terms and conditions of depository facilities may result in less liquidity or lower market values for the ADRs than for the securities underlying the ADRs.

The price of the common stock of Telebras and the price of the securities of any spin-offs from Telebras, will depend on the financial condition and results of operations of Telebras and such spin-offs. The financial condition and results of operations of such entities will be affected by general economic, political, financial and social conditions in Brazil, and in particular, by prospects for future economic growth and its impact on demand for telecommunications services in Brazil. Brazil has in the past experienced economic and political instability and there can be no assurance that current government programs to stabilize the economy will succeed.

You will not have any stockholder's rights with respect to Telebras Receipt

Beneficial owners of the ProGroS Securities are not entitled to any rights with respect to any Telebras Receipt, including, voting rights and rights to receive any dividends or other distributions in respect of the Telebras Receipt.

No affiliation between ML&Co. and Telebras

ML&Co. has no affiliation with Telebras, and Telebras has no obligations with respect to the ProGroS Securities or amounts to be paid to beneficial owners thereof, including any obligation to take the needs of ML&Co. or of beneficial owners of the ProGroS Securities into consideration for any reason. Telebras did not receive any of the proceeds of the initial offering of the ProGroS Securities made hereby and is not responsible for, and has not participated in, the determination or calculation of the amount receivable by beneficial owners of the ProGroS Securities on the stated maturity date or upon an earlier call. In addition, Telebras is not involved with the administration or trading of the ProGroS Securities.

There may be state law limits on the payment of amounts payable on the ProGroS Securities

New York State law governs the 1983 indenture under which the ProGroS Securities are issued. New York has certain usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the ProGroS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the ProGroS Securities holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return

We and our affiliates may from time to time buy or sell the reference securities, including shares of Telebras stock, for their own accounts for business reasons or in connection with hedging our obligations under the ProGroS Securities. These transactions could affect the price of the reference securities.

Potential conflicts

The calculation agent is our subsidiary, the issuer of the ProGroS Securities. Under certain circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the ProGroS Securities could give rise to conflicts of interests. You should be aware that because the calculation agent is controlled by us, potential conflicts of interest could arise.

## Other Considerations

You should also consider the tax consequences of investing in the ProGroS Securities and should consult your tax advisor.

### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the ProGroS Securities described in this prospectus.

### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn Inc. in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
	----	----	----	----	----
Ratio of earnings to fixed charges (a)	1.2	1.2	1.2	1.2	1.1
- - - - -					

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

DESCRIPTION OF THE PROGROS SECURITIES

The ProGroS Securities were issued as a series of senior debt securities under the 1983 indenture which is more fully described in this prospectus.

The ProGroS Securities will mature on May 19, 2005 unless called earlier at the option of ML&Co.

Unless called, while at maturity a beneficial owner will receive the principal amount of such ProGroS Security plus the supplemental redemption amount described below, if any, there will be no other payment of interest, periodic or otherwise. See "--Payment at Maturity" below.

The ProGroS Securities may be called by ML&Co. as described below, but are not subject to redemption at the option of any beneficial owner prior to the stated maturity date. Upon the occurrence of an Event of Default with respect to the ProGroS Securities, beneficial owners of the ProGroS Securities may accelerate the maturity of the ProGroS Securities, as described under "--vents of Default and Acceleration" and "Other Terms--General--Events of Default" in this prospectus.

The ProGroS Securities were issued in denominations of whole units.

Payment at Maturity

At the stated maturity date, a beneficial owner of a ProGroS Security will be entitled to receive the principal amount of each unit plus a supplemental redemption amount, if any, as provided below. If the supplemental redemption amount is not greater than zero, a beneficial owner of a ProGroS Security will be entitled to receive only the principal amount of its ProGroS Securities.

The "supplemental redemption amount" for a ProGroS Security will be determined by the calculation agent and will equal:

<TABLE>  
<CAPTION>

<p>&lt;S&gt;</p> <p>principal amount of such ProGroS Security (\$10 per unit) x</p>	<p>&lt;C&gt;</p> $\frac{\text{ending value} - \text{starting value}}{\text{starting value}}$
---	--

</TABLE>

provided, however, that in no event will the supplemental redemption amount be less than zero.

The "starting value" equals \$115.4375.

The "ending value" will be determined by the calculation agent and will equal the Reorganization Event Value with respect to a reorganization event, if any, plus the value of the Telebras Receipt determined as follows:

- (a) for any portion of the Telebras Receipt consisting of cash, the U.S. dollar equivalent of such cash plus interest on such amount accruing from the date of the payment of such cash to holders of the relevant Telebras Receipt for which such cash was paid until the stated maturity date at a fixed interest rate determined on the date of such payment equal to the interest rate that would be paid on a fixed rate senior non-callable debt security of ML&Co. with a term equal to the remaining term for the ProGroS Securities as determined by the calculation agent;
- (b) for any portion of the Telebras Receipt consisting of property other than cash or reference securities, the U.S. dollar equivalent of the market value of such property on the date that such property was delivered to holders of the relevant Telebras Receipt for which such property was distributed plus interest on the U.S. dollar amount accruing from the date of the delivery until the stated maturity date at a fixed interest rate determined as described in (a) above; and
- (c) for any portion of the Telebras Receipt consisting of reference securities, the average or arithmetic mean of the closing prices of each such reference security determined on each of the first five calculation days during the calculation period. If there are fewer than five calculation days in the calculation period with respect to

any reference security, then the ending value shall be calculated using the average or arithmetic mean of the closing prices of such reference security on such calculation days, and if there is only one calculation day, then the ending value shall be calculated using the closing price of such reference security on such calculation day. If no calculation days occur during the calculation period with respect to such reference security, then the ending value shall be calculated using the closing price of such reference security determined on the last scheduled calculation day in the calculation period, regardless of the occurrence of a market disruption event on such day.

"U.S. dollar equivalent" means, with respect to cash not denominated in U.S. dollars, such cash amount multiplied by the spot rate, defined below, for the currency in which such cash is denominated at approximately the date of payment or date of valuation of such cash.

The "calculation period" means the period from and including the seventh scheduled calculation day prior to the stated maturity date to and including the second scheduled calculation day prior to the stated maturity date.

"calculation day" means any trading day during the calculation period on which a market disruption event has not occurred.

"trading day" means a day on which the AMEX, the New York Stock Exchange or the "NYSE" and the NASDAQ National Market System or "NASDAQ NMS" are open for trading.

"market disruption event" means, with respect to a reference security, the occurrence or existence on any business day during the one-half hour period that ends when the closing price is determined, of any suspension of, or limitation imposed on, trading in such reference security on the NYSE (or other market or exchange, if applicable).

"closing price" with respect to a reference security means, for a calculation day the following:

(a) If the reference security is listed on a national securities exchange in the United States, is a NASDAQ NMS security or is included in the OTC Bulletin Board Service or OTC Bulletin Board operated by the National Association of Securities Dealers, Inc., closing price means:

- (1) the last reported sale price, regular way, on such day on the principal United States securities exchange registered under the Exchange Act, on which such reference security is listed or admitted to trading, or
- (2) if not listed or admitted to trading on any such securities exchange or if such last reported sale price is not obtainable, the last reported sale price on the over-the-counter market as reported on the NASDAQ NMS or OTC Bulletin Board on such day, or
- (3) if the last reported sale price is not available in accordance with (1) and (2) above, the mean of the last reported bid and offer price on the over-the-counter market as reported on the NASDAQ NMS or OTC Bulletin Board on such day as determined by the calculation agent. The term "NASDAQ NMS security" includes a security included in any successor to such system and the term "OTC Bulletin Board" shall include any successor service thereto.

(b) If such reference security is not listed on a national securities exchange in the United States or is not a NASDAQ NMS security or included in the OTC Bulletin Board operated by the NASD, closing price means the last reported sale price on such day on the securities exchange on which such reference security is listed or admitted to trading with the greatest volume of trading for the calendar month preceding such day as determined by the calculation agent, provided that if such last reported sale price is for a transaction which occurred more than four hours prior to the close of such exchange, then the closing price shall mean the average of the last available bid and offer price on such exchange. If such = reference security is not listed or admitted to trading on any such securities exchange or if such last  
===== reported sale price or bid and offer are not obtainable, the closing price shall mean the last reported =  
===== sale price for a transaction which occurred more than four hours prior to when trading in such over-the-counter market typically ends, then the closing price shall mean the average of the last =  
===== = available bid and offer prices in such market of the three dealers which have the highest volume of transactions in such reference security in the immediately preceding calendar month as determined by the = ===== calculation agent based on information that is reasonably available to it. If such prices are quoted in a ===== currency other than in U.S. dollars, such prices will be translated into U.S. dollars for purposes of calculating the average market price using the spot rate on the same calendar day as the date of any = ===== = ===== such price.



The "spot rate" on any date will be determined by the calculation agent and will equal the spot rate of such currency per U.S. \$1.00 on such date at approximately 3:00 p.m., New York City time, as reported by a recognized reporting service for such spot rate, provided that if the calculation agent shall determine that such reported rate is not indicative of actual rates of exchange that may be obtained in the currency exchange rate market, then the spot rate shall equal the spot rate of such currency per U.S. \$1.00 on such date at approximately 3:00 p.m., New York City time at which the calculation agent is able to convert such currency into U.S. dollars.

"business day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in The City of New York are authorized or obligated by law to close and that is a trading day on the NYSE and the AMEX.

All determinations made by the calculation agent are at the sole discretion of the calculation agent and, absent a determination by the calculation agent of a manifest error, are conclusive for all purposes and binding on ML&Co. and beneficial owners of the ProGroS Securities.

Early Call of the ProGroS Securities at the Option of ML&Co.

During the month of June 2004, the call period, ML&Co., in its sole discretion, may elect to call the ProGroS Securities offered hereby, in whole but not in part, before the stated maturity date by giving notice to the Trustee of ML&Co.'s election on any business day within the month of June 2004, at the call price or \$20 per unit.

If we elect to call your ProGroS Securities before the stated maturity date, you will receive only the call price and you will not receive a supplemental redemption amount based on the value of the Telebras Receipt. If we do not call the ProGroS Securities prior to the stated maturity date, the principal amount plus the supplemental redemption amount, if any, that you receive at the stated maturity may be greater than or less than the call price. ML&Co. may elect to call the ProGroS Securities on any business day during the call period by giving notice to the Trustee and specifying the date on which the call price shall be paid. Such Payment Date shall be no later than the 20th Business Day after such call election. The Trustee will provide notice of such call election to the registered holders of the ProGroS Securities, specifying the Payment Date, no less than 15, nor more than 30, calendar days prior to such Payment Date. While the ProGroS Securities are held at the Depository, the registered holder will be the Depository, and the Depository will receive the notice of the call. As more fully described below under "Description of the ProGroS Securities--Depository", the Depository will forward such notice to its participants which will pass such notice on to the beneficial owners.

Hypothetical Returns

The following table illustrates, for a range of hypothetical ending values,

- o the percentage change over the starting value;
- o the total amount payable at the stated maturity date for each \$10 principal amount of ProGroS Securities;
- o the total rate of return to beneficial owners of the ProGroS Securities;
- o the pretax annualized rate of return to beneficial owners of ProGroS Securities and
- o the pretax annualized rate of return of the Telebras Receipt.

This table assumes that the ProGroS Securities are not called prior to the stated maturity date.

<TABLE>  
<CAPTION>

of	Percentage Change	Total Amount Payable at the	Pretax Annualized	Pretax Rate of Return
Hypothetical Ending Value	Over the Starting Value	Stated Maturity Date per Unit	Rate of Return (1)	the Telebras Receipt (1) (2)
-----	-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>	<C>
\$46.18 ,10.94%	-60.00%	\$10.00	0.00%	0.00%	
\$57.72 ,7.96%	-50.00%	\$10.00	0.00%	0.00%	
\$69.26 ,5.48%	-40.00%	\$10.00	0.00%	0.00%	
\$80.81 ,3.35%	-30.00%	\$10.00	0.00%	0.00%	
\$92.35 ,1.48%	-20.00%	\$10.00	0.00%	0.00%	
\$103.89 0.18%	-10.00%	\$10.00	0.00%	0.00%	
\$115.44 1.69%	0.00%	\$10.00	0.00%	0.00%	
\$126.98 3.06%	10.00%	\$11.00	10.00%	1.37%	
\$138.53 4.33%	20.00%	\$12.00	20.00%	2.62%	
\$150.07 5.50%	30.00%	\$13.00	30.00%	3.78%	
\$161.61 6.60%	40.00%	\$14.00	40.00%	4.86%	
\$173.16 7.62%	50.00%	\$15.00	50.00%	5.87%	
\$184.70 8.58%	60.00%	\$16.00	60.00%	6.82%	
\$196.24 9.50%	70.00%	\$17.00	70.00%	7.72%	
\$207.79 10.36%	80.00%	\$18.00	80.00%	8.57%	
\$219.33 11.18%	90.00%	\$19.00	90.00%	9.38%	
\$230.88 11.96%	100.00%	\$20.00	100.00%	10.14%	

</TABLE>

- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
- (2) This rate of return assumes
- (a) a constant dividend yield of 1.69% per annum, paid quarterly from the date of initial delivery of ProGroS Securities, applied to the value of the Telebras Receipt at the end of each such quarter assuming such value increases or decreases linearly from the starting value to the applicable hypothetical ending value;
  - (b) no transaction fees or expenses;
  - (c) a term for the ProGroS Securities from May 19, 1998 to May 19, 2005; and
  - (d) a final Telebras Receipt value equal to the ending value.

The above figures are for purposes of illustration only. The actual supplemental redemption amount received by investors and the total and pretax annualized rate of return resulting therefrom will depend entirely on the actual ending value determined by the calculation agent as provided herein.

## Dilution and Reorganization Adjustments

The Telebras Receipt is subject to adjustment if an issuer of any reference security or the custodian in the case of reference security that is an ADR shall:

- (a) pay a stock dividend or make a distribution with respect to such reference security in reference securities;
- (b) subdivide or split the outstanding units of such reference security into a greater number of units;
- (c) combine the outstanding units of such reference security into a smaller number of units;
- (d) issue by reclassification of units of such reference security any units of another security of such issuer;
- (e) issue rights or warrants to all holders of such reference security entitling them to subscribe for or purchase shares, in the aggregate, for more than 5% of the number of such reference securities outstanding prior to the issuance of such rights or warrants at a price per share less than the then current market price of such reference security, other than rights to purchase such reference security pursuant to a plan for the reinvestment of dividends or interest; or
- (f) pay a dividend or make a distribution to all holders of such reference security of evidences of its indebtedness or other assets excluding any stock dividends or distributions referred to in clause (a) above or any cash dividends other than any Extraordinary Cash Dividend or issue to all holders of such reference security rights or warrants to subscribe for or purchase any of its securities, other than those referred to in clause (e) above. Any of the foregoing assets are referred to as the "Distributed Assets" and any of the foregoing events are referred to as the "dilution events".

Notwithstanding provision (f) in the foregoing sentence, if a reference security is an ADR and the holder of such ADR would receive cash or other property other than securities in the circumstances described in (f) above, but the holder of the securities underlying such ADR could receive securities as a result of a dilution event or the 'Distributed securities and the calculation agent or its affiliates would be eligible to receive the Distributed securities, then ML&Co. can elect for purposes of provision (f) to include the Distributed securities in the Telebras Receipt instead of the cash or property distributed to holders of the ADR in an amount equal to the amount of the Distributed securities that would have been received had the Telebras Receipt consisted of the securities underlying the ADRs instead of the ADRs. For purposes of provision (f), if the holder of a reference security can elect to receive securities in lieu of cash or property other than securities, then for purposes of provision (f) the holders of the reference security shall be deemed to receive only the securities.

In the case of the dilution events referred to in clauses (a), (b), (c) and (d) above, the Telebras Receipt shall be adjusted to include the number of units of such reference security and/or security of such issuer which a holder of units of such reference security would have owned or been entitled to receive immediately following any such event had such holder held, immediately prior to such event, the number of units of such reference security constituting part of the Telebras Receipt immediately prior to such event. Each such adjustment shall become effective immediately after the effective date for such subdivision, split, combination or reclassification, as the case may be. Each such adjustment shall be made successively.

In the case of the dilution event referred to in clause (e) above where the rights or warrants are for more than 5% of the number of shares outstanding prior to the issuance of such rights or warrants, the Telebras Receipt shall be adjusted by multiplying the number of reference securities constituting Telebras Receipt immediately prior to the date of issuance of the rights or warrants referred to in clause (e) above by a fraction,

- o the numerator of which shall be the number of reference securities outstanding on the date immediately prior to such issuance, plus the number of additional reference securities offered for subscription or purchase pursuant to such rights or warrants, and
- o the denominator of which shall be the number of reference securities outstanding on the date immediately prior to such issuance, plus the number of additional reference securities which the aggregate offering price of the total number of reference securities so offered for subscription or purchase pursuant to such rights or warrants would purchase at the current market price determined as the average Closing Price per reference security for the 20 Trading Days immediately prior to the date of such rights or warrants are

issued, subject to certain adjustments, which shall be determined by multiplying such total number of reference securities by the exercise price of such rights or warrants and dividing the product so obtained by such current market price.

To the extent that reference securities are not delivered after the expiration of such rights or warrants, or if such rights or warrants are not issued, the Telebras Receipt shall be readjusted to the Telebras Receipt which would then be in effect had such adjustments for the issuance of such rights or warrants been made upon the basis of delivery of only the number of reference securities actually delivered.

In the case of the dilution event referred to in clause (f) above, the Telebras Receipt shall be adjusted to include, from and after such dividend, distribution or issuance,

- o in respect of that portion, if any, of the Distributed Assets consisting of cash, the amount of such Distributed Assets consisting of cash received for each unit of such reference security multiplied by the number of units of such Reference Security constituting part of the Telebras Receipt on the date of such dividend, distribution or issuance, immediately prior to such dividend, distribution or issuance, plus
- o in respect of that portion, if any, of the Distributed Assets which are other than cash, the number or amount of each type of Distributed Assets other than cash received with respect to each unit of such reference security multiplied by the number of units of such reference security constituting part of the Telebras Receipt on the date of such dividend, distribution or issuance, immediately prior to such dividend, distribution or issuance.

For example, where a reorganization of Telebras results in the distribution to holders of the Telebras Receipt of ADRs representing shares of common stock in various companies formed to operate various spin-off businesses of Telebras, then the Telebras Receipt shall include such ADRs in amounts specified pursuant to provision (f) above. If in any such reorganization of Telebras, holders of Telebras Receipts receive cash or property while holders of the shares of common stock underlying the Telebras Receipts receive distributed securities and the calculation agent or an affiliate can receive and hold the distributed securities, then the calculation agent can elect to have the Telebras Receipt include the Distributed securities instead of such cash or property.

An "extraordinary cash dividend" means, with respect to any consecutive 12-month period, all cash dividends or any other distribution made by the issuer of a reference security or made pursuant to an arrangement effecting a distribution of distributable profits or reserves, whether in cash or in specie, on any reference security occurring in such 12-month period or, if such reference security was not outstanding at the commencement of such 12-month period or was not then a part of the Telebras Receipt, occurring in such shorter period during which such reference security was outstanding and was part of the Telebras Receipt, exceeds on a per share basis 10% of the average of the closing prices per share of such reference security over such 12-month period or such shorter period during which such reference security was outstanding and was part of the Telebras Receipt; provided that, for purposes of the foregoing definition, the amount of cash dividends paid on a per share basis will be appropriately adjusted to reflect the occurrence during such period of any stock dividend or distribution of shares of capital stock of the issuer of such reference security or any subdivision, split, combination or reclassification of shares of such reference security.

All adjustments will be calculated to the nearest 1/10,000th of a share of the reference security or if there is not a nearest 1/10,000th of a share to the next lower 1/10,000th of a share. No adjustment shall be required unless such adjustment would require an increase or decrease of at least one percent in the Closing Price; provided, however, that any adjustments which by reason of the foregoing are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

If any of the Distributed Assets are cash, property or reference securities that will be distributed only to holders of the relevant Telebras Receipt who or which can certify as to a certain nationality or formation under the laws of a certain jurisdiction, as the case may be, and a corporation formed in the United States or an affiliate of such corporation formed elsewhere cannot receive such distribution, the Telebras Receipt will reflect only those distributed assets available for distribution to such United States corporation or its affiliates.

In the event of

- (a) any consolidation or merger of an issuer of a reference security, or any surviving entity or subsequent surviving entity of such issuer, a "Successor Company", with or into another entity, other than a merger or consolidation in which the issuer is the continuing corporation and in which the reference security outstanding

immediately before the merger or consolidation is not exchanged for cash, securities or other property of the issuer or another corporation,

- (b) any sale, transfer, lease or conveyance to another corporation of the property of an issuer of a reference security or any Successor Company as an entirety or substantially as an entirety,
- (c) any statutory exchange of securities of an issuer of a reference security or any Successor Company with another corporation, other than in connection with a merger or acquisition or
- (d) any liquidation, dissolution, winding up or bankruptcy of an issuer of a reference security or any Successor Company, any such event described in clause (a), (b), (c) or (d), a "reorganization event", the ending value shall be calculated by including the reorganization event value.

The "reorganization event value" shall be determined by the calculation agent and shall equal

- o the transaction value related to the relevant reorganization event, plus
- o interest on such transaction value accruing from the date of the payment or delivery of the consideration, if any, received in connection with such reorganization event until the stated maturity date at a fixed interest rate determined on the date of such payment or delivery equal to the interest rate that would be paid on a fixed rate senior non-callable debt security of ML&Co. with a term equal to the remaining term of the ProGroS Securities.

The "transaction value" means

- o for any cash received in any such reorganization event, the amount of cash received per unit of reference security,
- o for any property other than cash or securities received in any such reorganization event, an amount equal to the market value of such property per unit of reference security on the date that such property is received by holders of such reference security as determined by the calculation agent, and
- o for any securities received in any reorganization event, an amount equal to the closing price per unit of the securities on the date the securities are received by holders of the reference security multiplied by the number of such securities received for each unit of the reference security subject to adjustment on a basis consistent with the adjustment provisions described above.

The foregoing adjustments are made by MLPF&S, as calculation agent, and all such adjustments are final.

No adjustments will be made for other events, such as offerings of Deposit Reference Shares by Telebras for cash or in connection with acquisitions.

ML&Co. will, within ten business days following the occurrence of an event that requires an adjustment or if ML&Co. is not aware of such occurrence, as soon as practicable after becoming so aware, provide written notice to the Trustee, which shall provide notice to the holders of the ProGroS Securities of the occurrence of such event and, if applicable, a statement in reasonable detail setting forth the adjusted closing price to be used in determining the ending value.

#### Events of Default and Acceleration

In case an event of default with respect to any ProGroS Securities has occurred and is continuing, the amount payable to a beneficial owner of a ProGroS Security upon any acceleration permitted by the ProGroS Securities, with respect to each \$10 principal amount thereof, will be equal to the principal amount of the ProGroS Securities and the supplemental redemption amount, if any, calculated as though the date of early repayment were the stated maturity date of the ProGroS Securities. See "Description of the ProGroS Securities, Payment at Maturity" herein. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a ProGroS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the ProGroS Security plus an additional amount of contingent interest calculated as though the date of the commencement of the proceeding were the stated maturity date of the ProGroS Securities.

In case of default in payment of the ProGroS Securities whether at the call date, at the stated maturity date, or upon acceleration, from and after

the stated maturity date the ProGroS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 6.25% 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 ProGroS Securities to the date payment of such amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities.

The ProGroS Securities are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC, together with any successor thereto, being a "depository", as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for ProGroS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any such nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 ProGroS Securities represented by a global security for all purposes under the 1983 indenture. Except as provided below, the beneficial owners of the ProGroS Securities represented by a global security are not entitled to have the ProGroS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the ProGroS Securities in definitive form and are not considered the owners or holders under the 1983 indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee pursuant to the 1983 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 of DTC on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the 1983 indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. 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 1983 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the ProGroS Securities. The ProGroS Securities have been issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities have been issued for the ProGroS Securities in the aggregate principal amount of such issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 1934 Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the NASD. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of ProGroS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the ProGroS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfers of ownership interests in the ProGroS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all ProGroS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of ProGroS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the ProGroS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the ProGroS Securities are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the ProGroS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the ProGroS Securities are credited on the record date, identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the ProGroS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the Depository's records unless DTC has reason to believe that it will not receive payment on such date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is 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 participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the Trustee, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If the depository is at any time unwilling or unable to continue as depository and

- (a) a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, and
- (c) an Event of Default under the 1983 indenture has occurred and is continuing with respect to the ProGroS Securities,

the global securities will be exchangeable for ProGroS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples thereof. The definitive ProGroS Securities will 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 the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the Depository. In that event, ProGroS Security in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy .

#### Same-Day Payment

All payments of principal and the supplemental redemption amount, and call price if any, and will be made by ML&Co. in immediately available funds so long as the ProGroS Securities are maintained in book-entry form.

## THE TELEBRAS RECEIPT

Telecomunicagoes Brasileiras S.A.-Telebras

Telecomunicagoes Brasileiras S.A.-Telebras was the primary supplier of public telecommunications services in Brazil. Telebras owned and operated all of the inter-state and international telephone transmission facilities in Brazil, and was the primary provider of intra-state service and provides telephone-related services such as data transmission, cellular mobile telephone service, and sound, image, videotext and telex transmission.

In 1998, Telebras was privatized by the federal government of Brazil and reorganized into 12 separate corporations. These spin-offs resulted in the distribution to holders of a Telebras Receipt of cash, securities and other property, including common stock and/or warrants to purchase common stock in the new corporations. An investor in the ProGroS Securities should carefully review the adjustments to be made in the case of these reorganization events contained in "--Dilution and Reorganization Adjustments."

Before the reorganization, Telebras was subject to the informational requirements of the Exchange Act. Accordingly, Telebras filed reports, proxy and other information statements and other information with the SEC. There is no assurance that the 12 separate corporations that previously made up Telebras will be subject to the informational requirements of the Exchange Act or make any information relating to their business widely or publicly available. In the event that this information, if any, is not widely or publicly available during the term of the ProGroS Securities, pricing information for the ProGroS Securities may be more difficult to obtain and the value and liquidity of the ProGroS Securities may be adversely affected.

ML&Co. is not affiliated with Telebras and Telebras has no obligations with respect to the ProgroS securities. This prospectus relates only to the ProgroS securities offered hereby and does not relate to the Telebras receipt or other securities of Telebras. The information contained in this prospectus regarding Telebras has been derived from the publicly available documents described in the preceding paragraph. ML&Co. Has not participated in the preparation of such documents or made any due diligence inquiries with respect to Telebras in connection with the initial offering of the ProgroS securities. ML&Co. Makes no representation that such publicly available documents or any other publicly available information regarding Telebras are accurate or complete. Furthermore, there can be no assurance that all events occurring prior to the date hereof, including events that would affect the accuracy or completeness of the publicly available documents described in the preceding paragraph, that would affect the trading price of the Telebras receipt have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning Telebras could affect the supplemental redemption amount to be received at the stated maturity date and therefore the trading value of the progroS securities.

From time to time, in the ordinary course of business, affiliates of ML&Co. engaged in certain investment banking activities on behalf of the Telebras as well as served as counterparty in certain other transactions.

### OTHER TERMS

ML&Co. issued the ProGroS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the ProGroS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is



a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any voting stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;

- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any

right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The ProGroS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the ProGroS Securities and other securities. For further information on ML&Co. and the ProGroS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of

the ProGroS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the ProGroS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The ProGroS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the ProGroS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

#### PROSPECTUS

Merrill Lynch & Co., Inc.

Oracle Corporation Indexed Callable Protected Growth<sup>SM</sup> Securities  
due March 31, 2003  
"ProGroSSM Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the ProGroS Securities.

<TABLE>  
<CAPTION>

<S>

<C>

The ProGroS Securities:

Payment at Maturity:

- o 100% principal protected if held to maturity
- o Callable before the stated maturity date by Merrill Lynch & Co., Inc.
- o No payments before the stated maturity date unless called by Merrill Lynch & Co., Inc.
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o The ProGroS Securities are listed on the American Stock Exchange under the trading symbol "OPG".

- o On the maturity date, for each unit of the ProGroS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the percentage increase, if any, in the price of a share of the in the price of a share of the common stock of Oracle Corporation above a value of \$29.1875.
- o You will receive no less than the principal amount of your ProGroS Securities.

</TABLE>

Investing in the ProGroS Securities involves risks.  
See "Risk Factors" beginning on page 3

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if of this prospectus is truthful or complete. Any representation to the contrary is

a criminal offense.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 199 .

"Protected Growth" and "ProGroS" are registered service marks of Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

	Page
Risk Factors.....	2
Merrill Lynch & Co., Inc.....	6
Ratio of Earnings to Fixed Charges.....	7
Description of ProGroS Securities.....	8
Oracle Common Stock.....	16
Other Terms.....	16
Where You Can Find More Information.....	19
Incorporation of Information We File With the SEC.....	20
Plan of Distribution.....	21
Experts.....	21

RISK FACTORS

Your investment in the ProGroS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the ProGroS Securities is suitable for you.

We may redeem the ProGroS Securities before the stated maturity date

We may elect to redeem all of the ProGroS Securities in the manner and times described in this prospectus. We are likely to call the ProGroS Securities during a period when the secondary market price of the ProGroS Securities is approximately equal to the applicable redemption price. We can, however, call the ProGroS Securities during the specified periods described in this prospectus at our option regardless of the secondary market price of the ProGroS Securities. In the event that we elect to call the ProGroS Securities, you will receive only the relevant redemption price and no additional amount based on the price of the common stock of Oracle Corporation.

You may not earn a return on your investment

You should be aware that if the ending value of Oracle common stock, determined as described in this prospectus, does not exceed \$29.1875, the closing price of Oracle common stock on the date the ProGroS Securities were initially priced for sale to the public, at the stated maturity, you will only receive the principal amount of your ProGroS Securities. This will be true even if the value of Oracle common stock, at some time during the life of the ProGroS Securities, was higher than \$29.1875 but later falls below \$29.1875.

You should compare the features of the ProGroS Securities to other available investments before deciding to purchase the ProGroS Securities. Due to the uncertainty as to whether the ProGroS Securities will earn a return or be redeemed before the stated maturity date, the returns which you may receive with respect to the ProGroS Securities may be higher or lower than the returns available on other investments. You should reach an investment decision only after carefully considering the suitability of the ProGroS Securities in light of your particular circumstances.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same stated maturity date. Your investment may not reflect the full opportunity cost to you when you consider the effect of factors that affect the time value of money.

Your return will not reflect the payment of dividends

The calculation of the starting and ending values of the Oracle common stock does not take into consideration the value of dividends paid on that stock, if any. Therefore, the return you earn on the ProGroS Securities, if any, will not be the same as the return that you would earn if you actually owned shares of Oracle common stock and received any dividends paid on that stock.

There may be an uncertain trading market for the ProGroS Securities in the future

Although the ProGroS Securities are listed on the AMEX under the symbol "OPG", you cannot assume that a trading market will continue to exist for the ProGroS Securities. If a trading market in the ProGroS Securities continues to exist, you cannot assume that there will be liquidity in that trading market. The continued existence of a trading market for the ProGroS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the price of Oracle common stock.

If the trading market for the ProGroS Securities is limited, there may be a limited number of buyers if you decide to sell your ProGroS Securities. This may affect the price you receive. Furthermore, it is unlikely that the secondary market price of the ProGroS Securities will correlate exactly with the market price of the Oracle common stock.

There are many factors affecting trading value of the ProGroS Securities

Our ability to call the ProGroS Securities before their stated maturity date is likely to limit the secondary market price at which the ProGroS Securities will trade. In particular, we expect that the secondary market price of the ProGroS Securities generally will not exceed the applicable redemption price because of our ability to call the ProGroS Securities and pay only that redemption price. We believe that if we did not have the right to call the ProGroS Securities, the secondary market price of the ProGroS Securities would likely be significantly different.

We believe that the market value of the ProGroS Securities will be affected by the price of Oracle common stock and by a number of other factors in addition to our ability to call the ProGroS Securities before their stated maturity date. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe the expected impact on the market value of the ProGroS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o Value of Oracle Common Stock. We expect that the market value of the ProGroS Securities will depend on the amount by which the price of Oracle common stock exceeds \$29.1875, the value of Oracle common stock on the date the ProGroS Securities were initially priced for sale to the public. If you choose to sell your ProGroS Securities when the price of Oracle common stock exceeds \$29.1875, you may receive substantially less than the amount that would be payable at the stated maturity date based on that price because of the expectation that the price of Oracle common stock will continue to fluctuate until its final value as described in this prospectus is determined.
- o If you choose to sell your ProGroS Securities when the price of Oracle common stock is below \$29.1875, you may receive less than the principal amount of your ProGroS Securities. As of the date of this prospectus, Oracle has not paid dividends on its common stock. As a general matter, if dividends are ever paid on Oracle common stock, a rising dividend rate, i.e., dividends per share, may increase the price of Oracle common stock while a falling dividend rate may decrease its price. Political, economic and other developments may also affect the price of Oracle common stock and the value of the ProGroS Securities.
- o Interest Rates. We expect that the trading value of the ProGroS Securities will be affected by changes in interest rates. As a general matter during the earlier years of the ProGroS Securities, if U.S. interest rates increase, we expect that the trading value of

the ProGroS Securities will decrease and if U.S. interest rates decrease, we expect the trading value of the ProGroS Securities will increase. However, interest rates may also affect the economy and, in turn, the price of Oracle common stock. Rising interest rates may lower the price of Oracle common stock and the ProGroS Securities. Falling interest rates may increase the value of Oracle common stock and the value of the ProGroS Securities.

- o Volatility of Oracle common stock. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of Oracle common stock increases, we expect that the trading value of the ProGroS Securities will increase. If the volatility of Oracle common stock decreases, we expect that the trading value of the ProGroS Securities will decrease.
- o Time Remaining to Stated Maturity Date. The ProGroS Securities may trade at a value above that which would be expected based on the level of interest rates and the price of Oracle common stock. This difference will reflect a "time premium" due to expectations concerning the price of Oracle common stock during the period prior to the stated maturity date of the ProGroS Securities. However, as the time remaining to the stated maturity date of the ProGroS Securities decreases, we expect that this time premium will decrease, potentially lowering the trading value of the ProGroS Securities.
- o Dividend Yield. If dividends are ever paid on Oracle common stock, the dividend yield that would result would likely affect the value of the ProGroS Securities. If the dividend yield on Oracle common stock were to increase, we expect that the value of the ProGroS Securities would decrease. Conversely, if the dividend yield on Oracle common stock were to decrease, we expect that the value of the ProGroS Securities would increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the ProGroS Securities. However, because your return on your ProGroS Securities is dependent upon factors in addition to our ability to pay our obligations under the ProGroS Securities, such as the percentage increase in the value of Oracle common stock at maturity, an improvement in our credit ratings will not reduce investment risks related to the ProGroS Securities

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the ProGroS Securities attributable to another factor, such as an increase in the price of Oracle common stock.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the ProGroS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the ProGroS Securities than if it occurs earlier in the term of the ProGroS Securities except that we expect that the effect on the trading value of the ProGroS Securities of a given increase in the value of Oracle common stock will be greater if it occurs later in the term of the ProGroS Securities than if it occurs earlier in the term of the ProGroS Securities.

You will not have any stockholder's rights with respect to the Oracle common stock

Beneficial owners of the ProGroS Securities are not entitled to any rights with respect to Oracle common stock, including, voting rights and rights to receive any dividends or other distributions in respect of that stock.

No affiliation between ML&Co. and Oracle Corporation

ML&Co. has no affiliation with Oracle Corporation, and Oracle Corporation has no obligations with respect to the ProGroS Securities or amounts to be paid to you, including any obligation to take the needs of ML&Co. or of beneficial owners of the ProGroS Securities into consideration for any reason. Oracle Corporation did not receive any of the proceeds of the initial offering of the ProGroS Securities and is not responsible for, and has not participated in, the determination or calculation of the amount receivable by beneficial owners of the ProGroS Securities on the stated maturity date or upon an earlier redemption. In addition, Oracle Corporation is not involved with the administration or trading of the ProGroS Securities.

There may be state law limits on the payment of amounts payable on the ProGroS Securities

New York State law governs the indenture under which the ProGroS Securities are issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities

like the ProGroS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the ProGroS Securities holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return

We and our affiliates may from time to time buy or sell Oracle common stock for our own accounts for business reasons or in connection with hedging our obligations under the ProGroS Securities. These transactions could affect the price of Oracle common stock and the return on your ProGroS Securities.

Potential conflicts

The calculation agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our subsidiary. Under some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the ProGroS Securities could give rise to conflicts of interests. You should be aware that because we control the calculation agent, potential conflicts of interest could arise.

Other Considerations

You should also consider the tax consequences of investing in the ProGroS Securities and should consult your tax advisor.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to



Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the ProGroS Securities described in this prospectus.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a)	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

DESCRIPTION OF PROGROS SECURITIES

The ProGroS Securities were issued as a series of Senior debt securities under the 1983 indenture which is more fully described in this prospectus.

The ProGroS Securities will mature on March 31, 2003 unless called earlier at the option of ML&Co.

Unless called, while at maturity a beneficial owner will receive the principal amount of each ProGroS Security plus the Supplemental Redemption Amount described below, if any, there will be no other payment of interest, periodic or otherwise. See "-Payment at Maturity" below.

The ProGroS Securities may be called by ML&Co. as described below, but are not subject to redemption at the option of any beneficial owner before the stated maturity date. Upon the occurrence of an Event of Default with respect to the ProGroS Securities, beneficial owners of the ProGroS Securities may accelerate the maturity of the ProGroS Securities, as described under "-Events of Default and Acceleration" and "Other Terms-Events of Default" in this prospectus.

The ProGroS Securities were issued in denominations of whole units.

Payment at Maturity

At the stated maturity date, a beneficial owner of a ProGroS Security will be entitled to receive the principal amount of each unit plus a Supplemental Redemption Amount, if any, all as provided below. If the Supplemental Amount is not greater than zero, a beneficial owner of a ProGroS Security will be entitled to receive only the principal amount of its ProGroS Securities.

The "supplemental redemption amount" for a ProGroS Security will be determined by the calculation agent and will equal:

<TABLE>  
<CAPTION>

$$\frac{\text{principal amount of each proGroS Security } (\$10 \text{ per unit}) \times (\text{Ending Value} - \text{Starting Value})}{\text{Starting Value}}$$

</TABLE>

provided, however, that in no event will the supplemental redemption amount be less than zero.

The "starting value" equals \$29.1875.

The "ending value" will be determined by the calculation agent and will equal the arithmetic average or arithmetic mean of the last prices of Oracle common stock determined on each of the first five calculation days during the calculation period. If there are fewer than five calculation days in the calculation period, then the ending value will equal the arithmetic average or arithmetic mean of the last prices of Oracle common stock on these calculation days, and if there is only one calculation day, then the ending value will equal the Last price of Oracle common stock on that calculation day. If no calculation days occur during the calculation period, then the ending value will equal the last price of Oracle common stock determined on the last scheduled calculation day in the calculation period, regardless of the occurrence of a Market disruption event on that day.

The "calculation period" means the period from and including the seventh scheduled calculation day prior to the stated maturity date to and including the second scheduled calculation day before the stated maturity date.

"calculation day" means any trading day during the calculation period on which a Market disruption event has not occurred.

"trading day" is a day on which shares of Oracle common stock

- (a) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and
- (b) have traded at least once on a national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of Oracle common stock.

"market disruption event" means the occurrence or existence on any trading day during the one-half hour period that ends when the last price is determined of any suspension of, or limitation imposed on, trading in Oracle common stock on the National Association of Securities Dealers, Inc. Automated Quotation System or other market or exchange, if applicable.

"last price" means the last sales price of Oracle common stock as reported by the NASDAQ NMS or, if that security is not trading on the NASDAQ NMS on any date, as reported in the composite transactions for the principal United States securities exchange on which that security is so listed, or if that security is not so listed on a United States national or regional securities exchange, the last quoted bid price for that security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if the bid price is not available, the market value of that security on that date as determined by a nationally recognized independent investment banking firm retained for this purpose by the calculation agent.

"business day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in The City of New York are authorized or obligated by law to close and that is a trading day on the NYSE.

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 ML&Co. and beneficial owners of the ProGroS Securities.

Early Call of the ProGroS Securities at the Option of ML&Co.

Beginning April 1, 1999, ML&Co., in its sole discretion, may elect to call the ProGroS Securities offered hereby, in whole but not in part, before the stated maturity date by giving notice to the Trustee of ML&Co.'s election on any business day within the month of April in 1999, 2000, 2001 or 2002, at the related call price:

Call Period -----	Call Price -----
April, 1999	116% of principal amount
April, 2000	132% of principal amount

April, 2001  
 April, 2002

148% of principal amount  
 164% of principal amount

If we elect to call your ProGroS Securities prior to the stated maturity date, you will receive only the relevant call price and you will not receive a supplemental redemption amount based on the price of Oracle common stock. If we do not call the ProGroS Securities prior to the stated maturity date, the principal amount plus the supplemental redemption amount, if any, that you receive at the stated maturity may be greater than or less than any of the call prices. ML&Co. may elect to call the ProGroS Securities on any business day during a call period by giving notice to the Trustee and specifying the date on which the call price shall be paid. The call date shall be no later than the 20th Business day after any call election. The Trustee will provide notice of any call election to the registered holders of the ProGroS Securities, specifying the call date, no later than 15, nor more than 30, days before the call date. While the ProGroS Securities are held at the Depositary, the registered holder will be the Depositary, and the Depositary will receive the notice of the call. As more fully described below under "Description of ProGroS Securities--Depositary", the Depositary will forward any notice to its participants which will pass any notice on to the beneficial owners.

Hypothetical Returns

The following table illustrates, for a range of hypothetical ending values:

- o the total amount payable at the stated maturity date for each unit of ProGroS Securities,
- o the total rate of return to beneficial owners of the ProGroS Securities and
- o the pretax annualized rate of return to beneficial owners of ProGroS Securities.

This table assumes that the ProGroS Securities are not called prior to the stated maturity date.

<TABLE>  
 <CAPTION>

Hypothetical Ending value	Percentage Change Over the Starting value	Total Amount Payable at the Stated Maturity Date per Unit	Total Rate of Return	Pretax Annualized Rate of Returns (1)
<S>	<C>	<C>	<C>	<C>
11.68	%	\$10.00	0.00%	0.00%
14.60	%	\$10.00	0.00%	0.00%
17.51	%	\$10.00	0.00%	0.00%
20.43	%	\$10.00	0.00%	0.00%
23.35	%	\$10.00	0.00%	0.00%
26.27	%	\$10.00	0.00%	0.00%
29.19	0%	\$10.00	0.00%	0.00%
32.11	10%	\$11.00	10.00%	1.90%
35.03	20%	\$12.00	20.00%	3.65%
37.95	30%	\$13.00	30.00%	5.28%
40.87	40%	\$14.00	40.00%	6.79%
43.79	50%	\$15.00	50.00%	8.22%
46.70	60%	\$16.00	60.00%	9.55%
49.62	70%	\$17.00	70.00%	10.82%
52.54	80%	\$18.00	80.00%	12.02%
55.46	90%	\$19.00	90.00%	13.16%
58.38	100%	\$20.00	100.00%	14.25%
61.30	110%	\$21.00	110.00%	15.29%
64.22	120%	\$22.00	120.00%	16.29%

</TABLE>

- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
- (2) The starting value equals \$29.1875.

The above figures are for purposes of illustration only. The actual supplemental redemption amount received by investors and the total and pretax annualized rate of return resulting therefrom will depend entirely on the actual ending value determined by the calculation agent as provided in this prospectus.

#### Dilution Adjustments

The Last prices used to determine the ending value are subject to adjustment if Oracle Corporation shall:

- (a) pay a stock dividend or make a distribution with respect to Oracle common stock in shares of Oracle common stock;
- (b) subdivide or split the outstanding shares of Oracle common stock into a greater number of shares;
- (c) combine the outstanding shares of Oracle common stock into a smaller number of shares;
- (d) issue by reclassification of shares of Oracle common stock any shares of common stock of Oracle Corporation;
- (e) issue rights or warrants to all holders of Oracle common stock entitling them to subscribe for or purchase shares of Oracle common stock at a price per share less than the then current market price of Oracle common stock (other than rights to purchase Oracle common stock pursuant to a plan for the reinvestment of dividends or interest); or
- (f) pay a dividend or make a distribution to all holders of Oracle common stock of evidences of its indebtedness or other assets, excluding any stock dividends or distributions referred to in clause (a) above or any cash dividends other than any extraordinary cash dividend or issue to all holders of Oracle common stock rights or warrants to subscribe for or purchase any of its securities, other than those referred to in clause (e) above, any of the foregoing are referred to as the "Distributed Assets". The effect of the foregoing is that there will not be any adjustments to the ending value for the issuance by Oracle Corporation of options, warrants, stock purchase rights or securities in connection with the employee benefit plans of Oracle Corporation.

All adjustments will be calculated to the nearest 1/10,000th of a share of Oracle common stock or if there is not a nearest 1/10,000th of a share to the next lower 1/10,000th of a share. No adjustment shall be required unless any adjustment would require an increase or decrease of at least one percent in the last price; provided, however, that any adjustments which by reason of the foregoing are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

An "Extraordinary cash dividend" means, with respect to any consecutive 12-month period, all cash dividends on Oracle common stock during that period to the extent any dividends exceed on a per share basis 10% of the average last price of Oracle common stock over that period less any dividends for which a prior adjustment was previously made.

In the event of

- (a) any consolidation or merger of Oracle Corporation, or any surviving entity or subsequent surviving entity of Oracle Corporation, a "Successor Company", with or into another entity, other than a merger or consolidation in which Oracle Corporation is the continuing corporation and in which Oracle common stock outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of Oracle Corporation or another corporation,
- (b) any sale, transfer, lease or conveyance to another corporation of the property of Oracle Corporation or any Successor Company as an entirety or substantially as an entirety,
- (c) any statutory exchange of securities of Oracle Corporation or any Successor Company with another corporation, other than in connection with a merger or acquisition or

- (d) any liquidation, dissolution, winding up or bankruptcy of Oracle Corporation or any Successor Company, any event described in clause (a), (b), (c) or (d), a "reorganization event", the ending value shall equal the reorganization event value.

The "reorganization event value" shall be determined by the calculation agent and shall equal

- o the transaction value related to the relevant Reorganization Event, plus
- o interest on the transaction value accruing from the date of the payment or delivery of the consideration, if any, received in connection with that Reorganization Event until the stated maturity date at a fixed interest rate determined on the date of that payment or delivery equal to the interest rate that would be paid on a standard senior non-callable debt security of ML&Co. with a term equal to the remaining term of the ProGroS Securities.

The "transaction value" means

- o for any cash received in any reorganization event, the amount of cash received per share of Oracle common stock,
- o for any property other than cash or securities received in any reorganization event, an amount equal to the market value of property received per share on the date that the property is received by holders of Oracle common stock as determined by the calculation agent, and
- o for any securities received in any reorganization event, an amount equal to the last price per unit of securities on the date the securities are received by holders of Oracle common stock multiplied by the number of the securities received for each share of Oracle common stock, subject to adjustment on a basis consistent with the adjustment provisions described above.

The foregoing adjustments shall be made by MLPF&S, as calculation agent, and all adjustments shall be final.

No adjustments will be made for other events, such as offerings of Oracle common stock by Oracle Corporation for cash or in connection with acquisitions.

ML&Co. will, within ten business days following the occurrence of an event that requires an adjustment or if ML&Co. is not aware of occurrence, as soon as practicable after becoming so aware, provide written notice to the Trustee, which shall provide notice to the holders of the ProGroS Securities of the occurrence of any event and, if applicable, a statement in reasonable detail setting forth the adjusted last price to be used in determining the ending value.

#### Events of Default and Acceleration

In case an event of default with respect to any ProGroS Securities has occurred and is continuing, the amount payable to a beneficial owner of a ProGroS Security upon any acceleration permitted by the ProGroS Securities, with respect to each unit, will be equal to the principal amount and the supplemental redemption amount, if any, calculated as though the date of early repayment were the stated maturity date of the ProGroS Securities. See "Description of ProGroS Securities--Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a ProGroS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the ProGroS Security plus an additional amount of contingent interest calculated as though the date of the commencement of the proceeding were the stated maturity date of the ProGroS Securities.

In case of default in payment of the ProGroS Securities whether at the call date, at the stated maturity date, or upon acceleration, from and after the stated maturity date the ProGroS Securities shall bear interest, payable upon demand of their beneficial owners, at the rate of 5.96% per annum to the extent that payment of interest shall be legally enforceable on the unpaid amount due and payable on that date in accordance with the terms of the ProGroS Securities to the date payment of that amount has been made or duly provided for.

#### Global Securities

Description of the Global Securities.

The ProGroS Securities are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf

of, The Depository Trust Company or DTC, together with any successor thereto, being a "depository", as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for ProGroS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the Depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 ProGroS Securities represented by a global security for all purposes under the 1983 indenture. Except as provided below, the beneficial owners of the ProGroS Securities represented by a global security are not entitled to have the ProGroS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the ProGroS Securities in definitive form and are not considered the owners or holders under the 1983 indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in an global security desires to give or take any action which a holder is entitled to give or take under the 1983 indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and these participants would authorize beneficial owners owning through these participants to give or take any 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the ProGroS Securities. The ProGroS Securities have been issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities have been issued for the ProGroS Securities in the aggregate principal amount of that issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 1934 Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of ProGroS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the ProGroS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which that beneficial owner entered into the transaction. Transfers of ownership interests in the ProGroS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all ProGroS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of ProGroS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the ProGroS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the ProGroS Securities are credited, which may or may not be the beneficial owners. The

participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the ProGroS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the ProGroS Securities are credited on the record date, identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the ProGroS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the Trustee, disbursement of the payments to direct participants is the responsibility of DTC, and disbursement of the payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, and
- (c) an event of default under the 1983 indenture has occurred and is continuing with respect to the ProGroS Securities,

the global securities will be exchangeable for ProGroS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive ProGroS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that these instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the Depository. In that event, MITTS Security in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy .

#### Same-Day Payment

All payments of principal and the supplemental redemption amount, and call price if any, and will be made by ML&Co. in immediately available funds so long as the ProGroS Securities are maintained in book-entry form.

#### ORACLE COMMON STOCK

#### Oracle Corporation

Oracle Corporation supplies software for information management. Oracle Corporation offers its database, tools and application products, along with related consulting, education, and support services in more than 140 countries around the world.

Oracle Corporation is subject to the informational requirements of the Exchange Act. Accordingly, Oracle Corporation files reports, proxy and other information statements and other information with the SEC. Information provided to or filed with the SEC by Oracle Corporation is available at the

offices of the Commission . ML&Co. makes no representation or warranty as to the accuracy or completeness of these reports.

ML&Co. is not affiliated with Oracle Corporation and Oracle Corporation has no obligations with respect to the ProGroS Securities. This prospectus relates only to the ProGroS securities offered by this prospectus and does not relate to Oracle common stock or other securities of Oracle Corporation. The information contained in this prospectus regarding Oracle Corporation has been derived from the publicly available documents described in the preceding paragraph. ML&Co. has not participated in the preparation of these documents or made any due diligence inquiries with respect to Oracle Corporation in connection with the initial offering of the ProGroS Securities. ML&Co. makes no representation that any publicly available documents or any other publicly available information regarding Oracle Corporation are accurate or complete. Furthermore, there can be no assurance that all events occurring prior to the date of this prospectus, including events that would affect the accuracy or completeness of the publicly available documents described in the preceding paragraph, that would affect the trading price of Oracle common stock have been publicly disclosed. Subsequent disclosure of any events or the disclosure of or failure to disclose material future events concerning Oracle Corporation could affect the Supplemental Redemption Amount to be received at the stated maturity date and therefore the trading value of the ProGroS Securities.

From time to time, in the ordinary course of business, affiliates of ML&Co. have engaged in investment banking activities on behalf of the Oracle Corporation as well as served as counterparty in other transactions.

Oracle common stock is traded on the NASDAQ NMS under the trading symbol "ORCL".

#### OTHER TERMS

ML&Co. issued the ProGroS Securities as a series of senior debt securities under the 1983 indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as Trustee. A copy of the 1983 indenture is filed as an exhibit to the registration statement relating to the ProGroS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 indenture, including the definitions of terms in the 1983 indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 indenture.

The 1983 indenture and the ProGroS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of ML&Co. itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from some subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered Voting Stock whether or not the event has happened.



Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe of all of ML&Co.'s obligations under the 1983 indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 indenture.

Modification and Waiver

The 1983 indenture may be modified and amended by ML&Co. and the trustee with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or additional amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or additional amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or additional amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the Indenture and waive compliance by ML&Co. with provisions in the 1983 indenture, except as described under "--Events of Default".

## Events of Default

Each of the following will be events of default with respect to senior debt securities of any series:

- o default in the payment of any interest or additional amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other event of default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 indenture.

If an event of default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all events of default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of that series may waive any event of default with respect to any series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any indenture which cannot be modified under the terms of that indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 indenture. Before proceeding to exercise any right or power under the 1983 indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The ProGroS Securities and other series of senior debt securities issued under the 1983 indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 indenture.

## WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the ProGroS Securities and other securities. For further information on ML&Co. and the ProGroS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full

text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above, excluding exhibits, at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the ProGroS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the ProGroS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The ProGroS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the ProGroS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

Merrill Lynch & Co., Inc.  
European Portfolio Market Index Target-Term Securities<sup>SM</sup> due June 30, 1999  
"MITTS(R) Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>  
<CAPTION>

<S>

The MITTS Securities:

- o No payments before the maturity date
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o linked to the value of a portfolio of specified stocks of specified European companies
- o The MITTS Securities are listed on the New York Stock Exchange under the symbol "MEE"

<C>

Payment at Maturity:

- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount determined based upon the change in value of a portfolio of specified securities of European companies described in this prospectus.
- o If the initial value of the portfolio is more than the ending value of the portfolio, the amount you receive at maturity may be less than the principal amount of your MITTS Securities, however, the amount you receive at maturity will not be less than \$9.00 per unit of your MITTS Securities

</TABLE>

Investing in the MITTS Securities involves risks.

See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 199 .

"MITTS" and "Market Index Target-Term Securities" are registered service marks of Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
DESCRIPTION OF THE MITTS SECURITIES.....	9
THE PORTFOLIO.....	19
OTHER TERMS.....	20
WHERE YOU CAN FIND MORE INFORMATION.....	23
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	24
PLAN OF DISTRIBUTION.....	24
EXPERTS.....	25

RISK FACTORS

Your investment in MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

You may not earn a return on your investment.

Your return on the MITTS Securities will depend on the return of the specified portfolio of securities issued by European companies described in this prospectus. You should be aware that if the average value of this portfolio over five trading days shortly before the maturity date is less than \$100, you will receive less than the principal amount of your MITTS Securities at maturity, but no less than \$9.00 per unit of the MITTS Securities. If the average value of the portfolio over five trading days shortly before the maturity date equals \$100, you will receive only your principal amount. This will be true even if, at some time during the life of the MITTS Securities, the portfolio value may have exceeded \$100 but later falls below or remains equal to \$100.

Your yield may be lower than the yield on a standard debt security of comparable maturity.

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you consider inflation and other factors that affect the time value of money.

Your return will not reflect the return of owning the stocks included in the portfolio.

Your return will not reflect the return you would realize if you actually owned the stocks included in the portfolio and received the dividends paid on those stocks. This is because the value of the portfolio is calculated by reference to the prices of the common stocks included in the portfolio without taking into consideration the value of dividends paid on those stocks.

Your return will be affected by changes in foreign currency exchange rates and foreign markets.

Although your return on your MITTS Securities is based on value of the securities included in the portfolio, your investment in the MITTS Securities does not give you any right to receive any of the securities included in the portfolio or any other ownership right or interest in those securities. In addition, while the MITTS Securities are U.S-dollar denominated, because the prices of some of the portfolio securities and the shares underlying the portfolio securities are quoted in currencies other than the U.S. dollar, your return will be affected by changes in foreign currency rates relative to the

U.S. dollar. The U.S. dollar price of a security denominated in a currency other than the U.S. dollar will depend on the price of that security and the exchange rate between that currency and the U.S. dollar. Even if the price in a foreign currency of the security is unchanged, changes in the rates of exchange between the U.S. dollar and the foreign currency will change the U.S. dollar price of the security. Furthermore, even if the price of the security in the foreign currency increases, the U.S. dollar price of the security may decrease as a result of changes in the rates of exchange between the U.S. dollar and the foreign currency. Rates of exchange between the dollar and other currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by international balance of payments and other economic and financial conditions, government intervention, speculation and other factors.

You should be aware that investments in securities indexed to the value of non-United States securities involve risks. Fluctuations in foreign exchange rates, future foreign political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws or restrictions applicable to these investments may affect the U.S. dollar value of the securities, including the securities in the portfolio. Securities prices in different countries are subject to different economic, financial, political and social factors. Individual foreign economies may differ favorably or unfavorably from the U.S. economy in the areas of growth of gross national product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payments position. With respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect the value of investments in those countries. There may be less publicly available information about a foreign company than about a U.S. company, and foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which U.S. entities are subject. Some foreign investments may be subject to foreign withholding taxes which could affect the value of investment in these countries. In addition, investment laws in foreign countries may limit or restrict ownership of certain securities by foreign nationals by restricting or eliminating voting or other rights or limiting the amount of securities that may be so owned, and these limitations or restrictions may affect the prices of the securities.

Foreign financial markets, while currently growing in volume, may have substantially less volume than U.S. markets, and securities of many foreign companies are less liquid and their prices more volatile than securities of comparable domestic companies. The foreign markets have different trading practices that may affect the prices of securities. Some foreign markets on which the portfolio securities trade impose trading restrictions if certain price movements occur. The foreign markets have different clearance and settlement procedures, and in certain countries there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct transactions. There is generally less government supervision and regulation of exchanges, brokers and issuers in foreign countries than there is in the U.S. In addition, the terms and conditions of depository facilities may result in less liquidity or lower market values for the portfolio securities than for the stocks underlying those securities.

There may be an uncertain trading market for the MITTS Securities in the future.

Although the MITTS Securities are listed on the NYSE under the symbol "MEE," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors including the appreciation, if any, of the value of the portfolio.

If the trading market for the MITTS Securities is limited and you do not wish to hold your investment until maturity, there may be a limited number of buyers for your MITTS Securities. This may affect the price you receive if you sell before maturity.

There are many factors affecting the trading value of the MITTS.

We believe that the value of the portfolio and by a number of other factors will affect the trading value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o Interest rates. Because we will pay, at a minimum, the principal amount per unit of the MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and,

conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will increase. Local interest rates may also affect the economies of the countries in which issuers of the securities included in the portfolio or the shares underlying those securities operate, and, in turn, affect the portfolio value.

- o Volatility of the portfolio value. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the portfolio value increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the portfolio value decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time remaining to maturity. We anticipate that before their maturity, the MITTS Securities may trade at a value above that which would be expected based on the level of interest rates and the portfolio value. This difference will reflect a "time premium" due to expectations concerning the value of the Portfolio during the period before the maturity of the MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend yields. If dividend yields on the securities included in the portfolio and shares underlying the ADRs included in the portfolio increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the securities included in the portfolio and shares underlying the ADRs included in the portfolio decrease, we expect that value of the MITTS Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the portfolio at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any change in the trading value of the MITTS Securities attributable to another factor, such as an increase in value of the portfolio.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities except that we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the portfolio will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

State law limits on interest paid.

New York State laws govern the indenture under which the MITTS Securities are issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the MITTS holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return.

We and our affiliates may from time to time buy or sell the securities included in the portfolio and shares underlying the ADRs included in the portfolio for our own accounts for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these securities and the value of the portfolio in a manner adverse to your investment in the MITTS Securities.

Potential conflicts of interest.

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the portfolio and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent

for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the portfolio can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the portfolio. See "Description of the MITTS Securities--Adjustments to the Portfolio; Market Disruption Events" and "--Discontinuance of the Portfolio" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our a subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

#### Other Considerations.

We suggest that you should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax adviser.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information



for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a)	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On December 30, 1993, Merrill Lynch & Co., Inc. ("ML&Co.") issued an aggregate principal amount of \$31,000,000 or 3,100,000 units of the MITTS Securities.

The MITTS Securities were issued as a series of Senior Debt Securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on June 30, 1999.

While at maturity a beneficial owner of a MITTS Security may receive an amount in excess of the principal amount of the MITTS Security if the Closing Portfolio Value exceeds the Original Portfolio Value, there will be no payment of interest, periodic or otherwise, before maturity. (See "--Payment at Maturity", below.)

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any Holder before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, Holders of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "--Events of Default and Acceleration" and "Other Terms--Events of Default" in this Prospectus.

The MITTS Securities were issued in denominations of whole units.

Payment at Maturity .

The "Payment at Maturity" for a MITTS Security will be determined by the calculation agent and will equal:

$$\begin{array}{r} \$10 \quad \times \quad \text{Closing Portfolio Value} \\ \hline \qquad \qquad \qquad \$100 \end{array}$$

provided, however, that the amount payable at maturity will not be less than \$9 for each \$10 principal amount of MITTS Securities (the "Minimum Payment").

The "Original Portfolio Value" equals 100, based on the prices and Multipliers of the portfolio securities on December 22, 1993.

If the Closing Portfolio Value is equal to \$90 or less, a beneficial owner of a MITTS Security will receive the Minimum Payment of \$9 for each \$10 principal amount of the MITTS Securities at maturity. If the Closing Portfolio Value is between \$90 and \$100, a beneficial owner of a MITTS Security will receive between \$9 and \$10 for each \$10 principal amount of the MITTS Securities at maturity.

The "Closing Portfolio Value" will be determined by MLPF&S, an affiliate of ML&Co., or ML&Co.'s successor (the "calculation agent"), and will equal the sum of the products of the Average Market Price and the applicable Multiplier for each portfolio security.

The "Average Market Price" of a portfolio security will equal the average, or mean, of the Market Prices of that portfolio security determined on each of the first forty-five Calculation Days with respect to that portfolio security during the Calculation Period. If there are fewer than forty-five Calculation Days with respect to a portfolio security, then the

Average Market Price with respect to that portfolio security will equal the average, or mean, of the Market Prices on the Calculation Days, and if there is only one Calculation Day, then the Average Market Price will equal the Market Price on the Calculation Day.

The "Calculation Period" means the period from and including the ninetieth scheduled NYSE Trading Day, as defined below, before the maturity date to and including the fourth scheduled NYSE Trading Day before the maturity date. "Calculation Day" with respect to a portfolio security means any Trading Day during the Calculation Period in the country in which the portfolio security is being priced on which a Market Disruption Event has not occurred. If a Market Disruption Event occurs on all Trading Days in that country during the Calculation Period then the fourth scheduled NYSE Trading Day before the maturity date in that country will be deemed a Calculation Day, notwithstanding the Market Disruption Event; provided, however, that if the fourth scheduled NYSE Trading Day is not a Trading Day in that country, then the immediately preceding Trading Day shall instead be deemed a Calculation Day. Any reference to a specific day in this prospectus shall mean the calendar day in each market in which portfolio securities are priced.

"Market Price" means for a Calculation Day the following:

- (a) If the portfolio security is listed on a national securities exchange in the United States, is a NASDAQ National Market System ("NASDAQ NMS") security or is included in the OTC Bulletin Board Service ("OTC Bulletin Board") operated by the National Association of Securities Dealers, Inc., Market Price means:
  - (a) the last reported sale price, regular way, on the day on the principal United States securities exchange registered under the Exchange Act on which the portfolio security is listed or admitted to trading, or
  - (b) if not listed or admitted to trading on any securities exchange or if the last reported sale price is not obtainable, the last reported sale price on the over-the-counter market as reported on the NASDAQ NMS or OTC Bulletin Board on that day, or
  - (c) if the last reported sale price is not available pursuant to (a) and (b) above, the mean of the last reported bid and offer price on the over-the-counter market as reported on the NASDAQ NMS or OTC Bulletin Board on that day as determined by the calculation agent.
- (b) The term "NASDAQ NMS security" shall include a security included in any successor to the system and the term "OTC Bulletin Board Service" shall include any successor service to the system.
- (c) If the portfolio security is not listed on a national securities exchange in the United States or is not a NASDAQ NMS security or included in the OTC Bulletin Board operated by the NASD, Market Price means the last reported sale price on the day on the securities exchange on which the portfolio security is listed or admitted to trading with the greatest volume of trading for the calendar month preceding that day as determined by the calculation agent, provided that if the last reported sale price is for a transaction which occurred more than four hours before the close of that exchange, then the Market Price shall mean the average, or mean, of the last available bid and offer price on that exchange.
- (d) If the portfolio security is not listed or admitted to trading on any securities exchange or if the last reported sale price or bid and offer are not obtainable, the Market Price shall mean the last reported sale price on the over-the-counter market with the greatest volume of trading as determined by the calculation agent, provided that if the last reported sale price is for a transaction which occurred more than four hours before the time when trading in that over-the-counter market typically ends, then the Market Price shall mean the average, or mean, of the last available bid and offer prices in that market of the three dealers which have the highest volume of transactions in the Portfolio Security in the immediately preceding calendar month as determined by the calculation agent based on information that is reasonably available to it. If prices are quoted in a currency other than in U.S. Dollars, these prices will be translated into U.S. Dollars for purposes of calculating the Average Market Price using the Spot Rate on the same calendar day as the date of that price.
- (e) The "Spot Rate" on any date will be determined by the calculation agent and will equal the spot rate of the currency per U.S. \$1.00 on that date at approximately 3:00 p.m., New York City time, as reported on the information service operated by Bloomberg, L.P. ("Bloomberg") representing the mean of certain dealers in that currency or, if Bloomberg has not reported the rate by 3:30 p.m., New York City time, on that day, the offered spot rate of that

currency per U.S. \$1.00 on that date for a transaction amount in an amount customary for that market on the date quoted at approximately 3:30 p.m., New York City time, by a leading bank in the foreign exchange markets as may be selected by the calculation agent.

If the calculation agent is required to use the bid and offer price for a Portfolio Security to determine the Market Price of that Portfolio Security pursuant to the foregoing, the calculation agent shall not use any bid or offer price announced by MLPF&S or any other affiliate of ML&Co.

"NYSE Trading Day" shall mean a day on which trading is generally conducted in the over-the-counter market for equity securities in the United States and on the New York Stock Exchange as determined by the calculation agent.

"Trading Day" shall mean a day on which trading is conducted on the principal securities exchanges in the country in which the portfolio security is being priced.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- (a) the suspension or material limitation on trading of that portfolio security in the country in which the portfolio security is being priced for more than two hours of trading, or during the period one-half hour before the time that the portfolio security is to be priced, or
- (b) 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
  - (1) option contracts related to the portfolio securities, or
  - (2) options on futures contracts, which traded on any exchange in the country in which the portfolio security is being priced for more than two hours of trading or for during the period one half hour before the time that a portfolio security is to be priced.

For the purposes of clause (a) above with respect to portfolio securities that are priced in the United States, limitations pursuant to NYSE Rule 80A on trading during significant market fluctuations under NYSE Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

All determinations made by the calculation agent shall be at the sole discretion of the calculation agent and, in the absence of manifest error, shall be conclusive for all purposes and binding on ML&Co. and beneficial owners of the MITTS Securities. All percentages resulting from any calculation on the MITTS Securities will be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards, for example, 9.876545%, or .09876545, would be rounded to 9.87655%, or .0987655, and all dollar amounts used in or resulting from that calculation will be rounded to the nearest cent with one-half cent being rounded upwards.

In some 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 a subsidiary of ML&Co.

Portfolio Securities

The securities listed below were used to calculate the Original Portfolio Value. Holders of the MITTS will not have any right to receive the portfolio securities or the underlying shares. The following table sets forth the portfolio securities, the percentage of each portfolio security in the Original Portfolio Value and their Initial Multipliers:

<TABLE>  
<CAPTION>

Issuer of the Portfolio Security	Country in Which Organized	ADR	% of Portfolio Value Represented in Original Portfolio Value	Initial Multiplier
<S>	<C>	<C>	<C>	<C>

Alcatel Alsthom Compagnie				
Generale d'Electricite(1).....	France	Yes	4.167%	0.145560
Banco de Santander S.A.(1).....	Spain	Yes	4.167%	0.084388
Bayer A.G.(3).....	Germany	No	4.167%	0.019832
Benetton Group S.p.A.(1).....	Italy	Yes	4.167%	0.130719
The British Petroleum Co., plc.(1)	United Kingdom	Yes	4.167%	0.064977
British Telecom-				
Munications plc.(1).....	United Kingdom	Yes	4.167%	0.056402
=====				
Cadbury Schweppes plc(1).....	United Kingdom	Yes	4.167%	0.136054
Deutsche Bank A.G.(3).....	Germany	No	4.167%	0.008103
L.M. Ericsson Telephone				
Co., Inc. (1).....	Sweden	Yes	4.167%	0.103842
Grand Metropolitan plc(1)	United Kingdom	Yes	4.167%	0.148810
Hanson plc(1).....	United Kingdom	Yes	4.167%	0.205761
Hoechst A.G.(3).....	Germany	No	4.167%	0.023662
Nestle S.A.(3).....	Switzerland	No	4.167%	0.004792
Philips Electronics N.V.(2).....	Netherlands	No	4.167%	0.198413
Reuters Holdings plc(1).....	United Kingdom	Yes	4.167%	0.051125
Rhone-Poulenc S.A.(1).....	France	Yes	4.167%	0.166667
Royal Dutch Petroleum Co.(2)	Netherlands	No	4.167%	0.039683
Siemens A.G.(3).....	Germany	No	4.167%	0.009207
Societe Nationale				
Elf Aquitaine(1).....	France	Yes	4.167%	0.115741
Telefonica de Espana, S.A.(1)...	Spain	Yes	4.167%	0.104167
Total S.A.(1).....	France	Yes	4.167%	0.153610
Unilever plc(1).....	United Kingdom	Yes	4.167%	0.057870
Vodafone Group plc(1).....	United Kingdom	Yes	4.167%	0.047755
Waste Management				
International plc(1).....	United Kingdom	Yes	4.167%	0.234742
-----				

(1) As represented in the Portfolio by American Depositary Receipts.

(2) As represented in the Portfolio by ordinary shares traded in U.S. dollars.

(3) As represented in the Portfolio by ordinary shares traded outside the U.S. and denominated in other than U.S. dollars.

</TABLE>

The initial Multiplier relating to each portfolio security indicates the number of the portfolio security, given the market price of that portfolio security, required to be included in the calculation of the Original Portfolio Value so that each portfolio security represents an equal percentage of the Original Portfolio Value on December 22, 1993.

The price of each portfolio security used to calculate the initial Multiplier relating to each portfolio security was the closing price of that portfolio security on December 22, 1993. The respective Multipliers will remain constant for the term of the MITTS Securities unless adjusted for certain corporate events, as described below.

The value of the portfolio, for any day, will equal the sum of the products of the most recently available Market Prices, determined as described in this prospectus, and the applicable Multipliers for the portfolio securities. The Closing Portfolio Value, however, is calculated based on averaging Market Prices for certain days.

The calculation agent currently intends to publish the portfolio value once on each business day. The calculation agent currently calculates and publishes values of approximately 1,100 specified portfolios. The calculation agent currently provides information concerning the portfolios to the electronic reporting services operated by Bloomberg and to newspapers and specialized trade publications. If the calculation agent does publish portfolio values, the calculation agent currently intends to provide these values to similar sources described above, but there can be no assurance that the information will ultimately be published by these sources. In addition, the calculation agent will provide the portfolio value upon request, and will provide the portfolio value once each business day to the NYSE which has agreed to report the portfolio value on its electronic transaction reporting services under the symbol "MEP".

American Depositary Receipts.

Some of the portfolio securities are in the form of American Depositary Receipts or ADRs. An ADR is a negotiable receipt which is issued by a depositary, generally a bank, representing shares of a foreign issuer that have been deposited and are held, on behalf of the holders of the ADRs, at a custodian bank in the foreign issuer's home country. While the market for shares underlying the ADRs will generally be in the country in which the foreign issuer is organized, and trading in the market will generally be based

on that country's currency, ADRs that are included in the portfolio will trade in U.S. Dollars.

Although ADRs are distinct securities from their underlying shares, the trading characteristics and valuations of ADRs will usually, but not necessarily, mirror the characteristics and valuations of their underlying shares. Active trading volume and efficient pricing in the principal market in the home country for the underlying shares will usually indicate similar characteristics in respect of the ADRs. In the case of certain ADRs, however, there may be inadequate familiarity with or information about the foreign issuer of the underlying shares represented by the ADR in the market in which the ADR trades to support active volume, thus resulting in pricing distortions. This is more likely to occur when the ADR is not listed on a U.S. stock exchange or quoted on the National Market System of the National Association of Securities Dealers Automated Quotations System, and trades only in the over-the-counter market, because the foreign issuer is not required to register these ADRs under the Securities Exchange Act of 1934, as is the case with ADRs so listed or quoted. In addition, because of the size of an offering of underlying shares in ADR form outside the home country and/or other factors that have limited or increased the float of certain ADRs, the liquidity of these securities may be less than or greater than that with respect to the underlying shares. Inasmuch as holders of ADRs may surrender the ADR in order to take delivery of and trade the underlying shares, a characteristic that allows investors in ADRs to take advantage of price differentials between different markets, a market for the underlying shares that is not liquid will generally result in an illiquid market for the ADR representing these underlying shares.

The depository bank that issues an ADR generally charges a fee, based on the price of the ADR, upon issuance and cancellation of the ADR. This fee would be in addition to the brokerage commissions paid upon the acquisition or surrender of the security. In addition, the depository bank incurs expenses in connection with the conversion of dividends or other cash distributions paid in local currency into U.S. Dollars and these expenses are deducted from the amount of the dividend or distribution paid to holders, resulting in a lower payout per underlying share represented by the ADR than would be the case if the underlying share were held directly. Furthermore, foreign investment laws in certain countries may restrict ownership by foreign nationals of certain classes of underlying shares. Accordingly, the ADR representing this class of securities may not possess voting rights, if any, equivalent to those in respect of the underlying shares. There may be tax considerations, including tax rate differentials, arising from application of the tax laws of one nation to the nationals of another and from certain practices in the ADR market may also exist with respect to some ADRs. In varying degrees, any or all of these factors may affect the value of the ADR compared with the value of the underlying shares in the home market of the issuer.

#### Adjustments to the Multiplier and Portfolio.

The Multiplier with respect to any portfolio security and the portfolio will be adjusted as follows:

1. If a portfolio security is subject to a stock split or reverse stock split or a portfolio security that is an ADR is subject to a similar adjustment, then once the split has become effective, the Multiplier relating to that portfolio security will be adjusted to equal the product of the number of shares issued with respect to one share of that portfolio security, or the number of receipts issued with respect to one ADR if a portfolio security is an ADR, and the prior multiplier.

2. If a portfolio security is subject to a stock dividend, i.e. issuance of additional shares of the portfolio security, that is given equally to all holders of shares of the issuer of that portfolio security, then once the dividend has become effective and that portfolio security is trading ex-dividend, the Multiplier will be adjusted so that the new Multiplier shall equal the former Multiplier plus the product of the number of shares of that portfolio security issued with respect to one share of that portfolio security and the prior multiplier.

3. There will be no adjustments to the Multipliers to reflect cash dividends or distributions paid with respect of a portfolio security other than for Extraordinary Dividends as described below. A cash dividend with respect to a portfolio security will be deemed to be an "Extraordinary Dividend" if that dividend exceeds the immediately preceding non-Extraordinary Dividend for that portfolio security by an amount equal to at least 10% of the Market Price on the Trading Day preceding the record day for the payment of that Extraordinary Dividend, or the "ex-dividend date". If an Extraordinary Dividend occurs with respect to a portfolio security, the Multiplier with respect to that portfolio security will be adjusted on the ex-dividend date with respect to the Extraordinary Dividend so that the new Multiplier will equal the product of

- o the then current Multiplier, and
- o a fraction, the numerator of which is the sum of the

Extraordinary Dividend Amount and the Market Price on the Trading Day preceding the ex-dividend date, and the denominator of which is the Market Price on the Trading Day preceding the ex-dividend date.

The "Extraordinary Dividend Amount" with respect to an Extraordinary Dividend for a portfolio security will equal the Extraordinary Dividend minus the amount of the immediately preceding non-Extraordinary Dividend for the portfolio security.

4. If the issuer of a portfolio security, or, if a portfolio security is an ADR, the issuer of the underlying share, is being liquidated or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law, that portfolio security will continue to be included in the portfolio so long as a Market Price for that portfolio security is available. If a Market Price is no longer available for a portfolio security for whatever reason, including the liquidation of the issuer of that portfolio security or the subjection of the issuer of that portfolio security to a proceeding under any applicable bankruptcy, insolvency or other similar law, then the value of that portfolio security will equal zero in connection with calculating portfolio value and Closing Portfolio Value for so long as no Market Price is available, and no attempt will be made to find a replacement stock or increase the value of the portfolio to compensate for the deletion of that portfolio security.

5. If the issuer of a portfolio security, or, if a portfolio security is an ADR, the issuer of the underlying share, has been subject to a merger or consolidation and is not the surviving entity or is nationalized, then a value for that portfolio security will be determined at the time the issuer is merged or consolidated or nationalized and will equal the last available Market Price for that portfolio security and that value will be constant for the remaining term of the securities. At that time, no adjustment will be made to the Multiplier of that portfolio security. ML&Co. may at its sole discretion increase the last available Market Price to reflect payments or dividends of cash, securities or other consideration to holders of the portfolio security in connection with any merger or consolidation which may not be reflected in the last available Market Price.

6. If the issuer of a portfolio security issues to all of its shareholders equity securities of an issuer other than the issuer of the portfolio security, then these new equity securities will be added to the portfolio as a new portfolio security. The Multiplier for these new portfolio security will equal the product of the original Multiplier with respect to the portfolio security for which the new portfolio security is being issued (the "Original Portfolio Security") and the number of shares of the new portfolio security issued with respect to one share of the Original Portfolio Security.

7. If an ADR is no longer listed or admitted to trading on a United States securities exchange registered under the Exchange Act, is no longer a NASDAQ NMS security or is no longer included in the OTC Bulletin Board operated by the NASD, then the underlying shares represented by that ADR will be deemed to be a new portfolio security and that ADR will no longer constitute a portfolio security. The initial Multiplier for the new portfolio security will equal the last value of the Multiplier for that ADR multiplied by the number of shares of underlying shares represented by a single ADR.

No adjustments of any Multiplier of a portfolio security will be required unless that adjustment would require a change of at least 1% in the Multiplier then in effect. The Multiplier resulting from any of the adjustments specified above will be rounded to the nearest one thousandth with five ten-thousandths being rounded upward.

The calculation agent will make no adjustments to the Multiplier of any portfolio security or to the portfolio other than those specified above.

#### Hypothetical Payments

The following table illustrates, for a range of hypothetical Closing Portfolio Values, the amount payable at maturity for each unit of MITTS Securities. An investment in the portfolio securities would be significantly different than investing in the MITTS Securities. Among other things, an investor in the portfolio securities may realize certain dividends that are not reflected by investing in the MITTS Securities, and currency fluctuations may significantly increase or decrease the rate of return of the portfolio securities versus investing in the MITTS Securities.

Hypothetical Closing Portfolio Value	Percentage Change in the Portfolio Level	Payment at Maturity per \$10 Principal Amount of Securities
\$ 0.00	-100.00%	\$ 9.00
\$ 10.00	-90.00%	\$ 9.00
\$ 20.00	-80.00%	\$ 9.00
\$ 30.00	-70.00%	\$ 9.00
\$ 40.00	-60.00%	\$ 9.00
\$ 50.00	-50.00%	\$ 9.00
\$ 60.00	-40.00%	\$ 9.00
\$ 70.00	-30.00%	\$ 9.00
\$ 80.00	-20.00%	\$ 9.00
\$ 90.00	-10.00%	\$ 9.00
\$100.00	0.00%	\$10.00
\$110.00	10.00%	\$11.00
\$120.00	20.00%	\$12.00
\$130.00	30.00%	\$13.00
\$140.00	40.00%	\$14.00
\$150.00	50.00%	\$15.00
\$160.00	60.00%	\$16.00
\$170.00	70.00%	\$17.00
\$180.00	80.00%	\$18.00
\$190.00	90.00%	\$19.00
\$200.00	100.00%	\$20.00

The above figures are for purposes of illustration only. The actual amount payable at maturity with respect to the MITTS Securities will depend entirely on the actual Closing Portfolio Value.

The investor will not receive their entire principal at maturity should the portfolio decline in value. The investor will only receive \$9.00 for each \$10 principal amount of MITTS Securities, or 90% of their original investment, should the portfolio decline in value by 10% or more.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a holder of a MITTS Security upon any acceleration permitted by the MITTS Securities will be equal to the amount payable calculated as though the date of early repayment were the maturity date of the MITTS Securities. See "Description of Securities--Payment at Maturity" in this Prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the holder of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the MITTS Security plus an additional amount, if any, of contingent interest calculated as though the date of the commencement of the proceeding were the maturity date of the MITTS Securities.

In case of default in payment at the maturity date of the MITTS Securities, whether at their stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the holders of the MITTS Securities, at the rate of 6% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor to DTC, being a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive

physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the Trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the American stock Exchange and the NASD, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the



MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the Trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

ML&Co. will make all payments in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE PORTFOLIO

While the portfolio consists of securities of European issuers or ADRs representing interests in those securities, the portfolio is not intended to provide an indication of the pattern of price movements of common stocks of European corporations generally. As of December 22, 1993, all of the portfolio securities were registered under the Exchange Act, except for the portfolio securities which are ADRs representing shares in Bayer A.G., Deutsche Bank A.G., Hoechst A.G., Siemens A.G. and Nestle S.A. Companies with securities registered under the Exchange Act are required to file periodically certain financial and other information specified by the SEC, including a reconciliation of their financial statements to United States generally accepted accounting principles. As of December 22, 1993, Bayer A.G., Deutsche Bank A.G., Hoechst A.G., Siemens A.G. and Nestle S.A. had qualified for an exemption from the reporting requirements of the Exchange Act and had agreed to provide to the SEC certain financial and other information that the issuer provides to its shareholders or files with stock exchanges in its home country or is otherwise required to make public. This information is not required to contain a reconciliation of their financial statements to United States generally accepted accounting principles. Information provided to or filed with the SEC is available at the offices of the SEC specified under "Where you can find more information" in this Prospectus. Information contained in the information filed with the SEC will generally be more limited than that available with respect to a United States issuer. ML&Co. makes no representation or warranty as to the accuracy or completeness of these reports. The inclusion of a portfolio security in the portfolio is not a recommendation to buy or sell the portfolio security or its underlying shares, and neither ML&Co. nor any of its affiliates make any representation to any purchaser of securities as to the performance of the portfolio.

ML&Co. or its affiliates may presently or from time to time engage in business with one or more of the issuers of the portfolio securities or of the underlying shares relating to the portfolio securities, including extending loans to, or making equity investments in, the issuers or providing advisory services to the issuers, including merger and acquisition advisory services.

In the course of this business, ML&Co. or its affiliates may acquire non-public information with respect to the issuers and, in addition, one or more affiliates of ML&Co. may publish research reports with respect to these issuers. ML&Co. does not make any representation to any purchaser of MITTS Securities with respect to any matters whatsoever relating to these issuers. Any prospective purchaser of a MITTS Security should undertake an independent investigation of the issuers of the underlying shares relating to the portfolio securities as in its judgment is appropriate to make an informed decision with respect to an investment in the MITTS Securities.

#### Europe

The issuers of the portfolio securities, or of the shares underlying the portfolio securities which are ADRs, are companies which have been organized in countries located in Europe. The amount payable at the maturity of the Securities is dependent on the value of the portfolio securities and the value of the portfolio securities will be affected by political and economic developments in Europe.

The economies of individual European countries may differ favorably or unfavorably from the U.S. economy in areas of growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. European countries in recent years generally have experienced weak economic performance and suffer from relatively high unemployment levels, slow growth, falling industrial competitiveness, and increasing costs for social welfare programs.

The securities markets of most European countries have substantially less trading volume than the securities markets of the United States and Japan. Further, securities of some European companies are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, European securities markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities or by large dispositions of securities than is the case in the United States.

#### Issuers of the underlying shares

Among the issuers of portfolio securities and the underlying shares, 9 are incorporated in the United Kingdom, 4 in the Federal Republic of Germany, 4 in France, 2 in the Netherlands, 2 in Spain, 1 in Italy, 1 in Sweden and 1 in Switzerland. The following table sets forth the issuers of the portfolio securities and underlying shares, the country in which each issuer is organized and the primary industry in which each issuer is engaged:

<TABLE>  
<CAPTION>

Company Name - - - - -	Country - - - - -	Industry - - - - -
<S>	<C>	<C>
The British Petroleum Co., plc	United Kingdom	Energy
British Telecommunications plc	United Kingdom	Telecommunications
Cadbury Schweppes plc	United Kingdom	Beverage
Grand Metropolitan plc	United Kingdom	Food/Beverage
Hanson plc.	United Kingdom	Conglomerate
Reuters Holdings plc.	United Kingdom	Media/Publishing
Unilever plc.	United Kingdom	Foods
Vodafone Group plc	United Kingdom	Telecommunications
Waste Management International plc	United Kingdom	Pollution Control
Alcatel Alsthom Compagnie		
Generale d'Electricite	France	Telecommunications
Rhone-Poulenc S.A.	France	Chemicals
Societe Nationale Elf Aquitaine	France	Energy
Total S.A.	France	Energy
Bayer A.G.	Germany	Chemicals
Deutsche Bank A.G.	Germany	Bank
Hoechst A.G.	Germany	Chemicals
Siemens A.G.	Germany	Electrical Equipment
Philips Electronics N.V.	Netherlands	Electrical Equipment
Royal Dutch Petroleum Company	Netherlands	Energy
Banco de Santander S.A.	Spain	Bank
Telefonica de Espana, S.A.	Spain	Telecommunications
Benetton Group S.p.A.	Italy	Retailing
L.M. Ericsson Telephone Co., Inc.	Sweden	Telecommunications

&lt;/TABLE&gt;

A potential investor should review the historical prices of the securities underlying the portfolio. The historical prices of these securities should not be taken as an indication of future performance, and no assurance can be given that the prices of these securities will increase sufficiently to cause the beneficial owners of the Securities to receive an amount in excess of the Minimum Payment at the maturity of the MITTS Securities.

The value of the portfolio is reported on the NYSE under the symbol "MEP" and on Reuters under the symbol ".MGT".

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture .

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary . In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co.

contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;

- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

ML&Co. may offer the MITTS Securities on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these

securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated MARCH 29, 1999

P R O S P E C T U S

MERRILL LYNCH & CO., INC.  
S&P 500 MARKET INDEX TARGET-TERM SECURITIES(SM) DUE SEPTEMBER 16, 2002

"MITTS(R) SECURITIES"  
\$10 PRINCIPAL AMOUNT

THIS PROSPECTUS IS TO BE USED BY Merrill Lynch & Co., MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, OUR WHOLLY-OWNED SUBSIDIARY, WHEN MAKING OFFERS AND SALES RELATED TO MARKET-MAKING TRANSACTIONS IN THE MITTS SECURITIES.

<TABLE>  
<CAPTION>

THE MITTS SECURITIES:

PAYMENT AT MATURITY:

<p>&lt;S&gt; &lt;C&gt;</p> <ul style="list-style-type: none"> <li>o 100% PRINCIPAL PROTECTION AT MATURITY</li> <li>o NO PAYMENTS BEFORE THE MATURITY DATE</li> <li>o Senior unsecured debt securities OF MERRILL LYNCH &amp; CO., INC.</li> <li>o LINKED TO THE VALUE OF THE S&amp;P 500 INDEX</li> <li>o THE MITTS SECURITIES ARE LISTED ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL "MIM".</li> </ul>	<p>&lt;C&gt;</p> <ul style="list-style-type: none"> <li>o ON THE MATURITY DATE, FOR EACH UNIT OF THE MITTS SECURITIES YOU OWN, WE WILL PAY YOU AN AMOUNT EQUAL TO THE SUM OF THE PRINCIPAL AMOUNT OF EACH UNIT AND AN ADDITIONAL AMOUNT based on the percentage increase, if any, in the VALUE OF THE INDEX, ADJUSTED AS DESCRIBED IN THIS PROSPECTUS.</li> <li>o YOU WILL RECEIVE NO LESS THAN THE PRINCIPAL AMOUNT OF YOUR MITTS SECURITIES.</li> </ul>
---	---

</TABLE>

INVESTING IN THE MITTS SECURITIES INVOLVES RISKS.  
SEE "RISK FACTORS" BEGINNING ON PAGE 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The SALE PRICE OF THE MITTS SECURITIES WILL BE THE PREVAILING MARKET PRICE at the time of sale.

-----  
MERRILL LYNCH & CO.  
-----

The date of this prospectus is , 1999.

-----  
"MITTS" AND "MARKET Index Target-Term Securities" ARE REGISTERED service MARKS OWNED BY Merrill Lynch & Co., Inc.

"STANDARD & POOR'S(R)", "STANDARD & POOR'S 500", "S&P 500(R)", "S&P(R)" AND "500", ARE TRADEMARKS OF THE MCGRAW-HILL COMPANIES, INC. AND HAVE BEEN LICensed FOR USE BY MERRILL LYNCH CAPITAL SERVICES, INC. AND ML&CO. IS AN AUTHORIZED SUBLICENSEE.

TABLE OF CONTENTS

RISK FACTORS.....6  
MERRILL LYNCH & CO., INC.....9  
RATIO OF EARNINGS TO FIXED CHARGES.....10  
DESCRIPTION OF THE MITTS SECURITIES.....11

THE INDEX.....	16
OTHER TERMS.....	19
PROJECTED PAYMENT SCHEDULE.....	23
WHERE YOU CAN FIND MORE INFORMATION.....	23
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	24
PLAN OF DISTRIBUTION.....	25
EXPERTS.....	25

RISK FACTORS

YOUR INVESTMENT IN MITTS SECURITIES WILL INVOLVE RISKS. YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING DISCUSSION OF RISKS BEFORE DECIDING WHETHER AN INVESTMENT IN MITTS SECURITIES IS SUITABLE FOR YOU.

YOU MAY NOT EARN A RETURN ON YOUR INVESTMENT

You should be aware that AT MATURITY WE WILL PAY YOU NO MORE THAN \$10 FOR EACH UNIT OF THE MITTS SECURITIES YOU OWN IF THE AVERAGE VALUE OF THE INDEX OVER FIVE TRADING DAYS SHORTLY BEFORE THE MATURITY DATE IS LESS THAN 813.65, THE VALUE OF THE INDEX ON THE DATE THE MITTS SECURITIES WERE PRICED. This will be true even if AT SOME TIME DURING THE LIFE OF THE MITTS SECURITIES, THE VALUE OF THE INDEX WAS HIGHER THAN 813.65 BUT LATER FALLS BELOW 813.65.

YOUR YIELD MAY BE LOWER THAN THE YIELD ON A STANDARD DEBT SECURITY OF COMPARABLE MATURITY

THE AMOUNT WE PAY YOU AT MATURITY MAY BE LESS THAN THE RETURN YOU COULD EARN ON OTHER INVESTMENTS. YOUR YIELD MAY BE LESS THAN THE YIELD YOU WOULD EARN IF YOU BOUGHT A STANDARD SENIOR NON-CALLABLE DEBT SECURITY OF MERRILL LYNCH & CO., INC. WITH THE SAME MATURITY DATE. YOUR INVESTMENT may not reflect the full opportunity cost to you WHEN YOU TAKE INTO ACCOUNT factors THAT AFFECT the time value of money.

THE YIELD ON THE MITTS SECURITIES WILL NOT REFLECT THE DIVIDENDS ON THE STOCKS INCLUDED IN THE INDEX

Your return will not reflect the return you would realize if you actually owned the stocks underlying the INDEX and received the dividends paid on those stocks because the INDEX does not reflect the payment of dividends on the stocks underlying it.

AMOUNTS PAYABLE ON THE MITTS SECURITIES MAY BE LIMITED BY STATE LAW

New York State laws govern the INDENTURE UNDER WHICH THE MITTS SECURITIES WERE ISSUED. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for your benefit, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

THERE ARE MANY FACTORS AFFECTING THE TRADING VALUE OF THE MITTS SECURITIES

THE MITTS Securities are listed on the New York Stock Exchange under the symbol "MIM".

WE EXPECT THAT THE CREDITWORTHINESS OF ML&CO. AND A NUMBER OF OTHER FACTORS WILL AFFECT the trading value of the MITTS Securities in the secondary market . We expect that the trading value of the MITTS Securities will depend substantially on the extent of the appreciation, if any, of the INDEX OVER 813.65. If, however, you sell your MITTS Securities prior to the maturity date at a time when the INDEX exceeds 813.65, the price you receive may be at a substantial discount from the amount expected to be payable if THE excess of the INDEX OVER 813.65 were to prevail until maturity of the MITTS Securities because of the possible fluctuation of the INDEX between the time of THE sale and the time AT WHICH THE MITTS SECURITIES MATURE. Furthermore, the price at which you will be able to sell MITTS Securities prior to maturity may be at a discount, which could be substantial, from the principal amount , if, at THAT time, the INDEX is below, equal to, or not sufficiently above 813.65. A discount could also result from rising interest rates.

In addition to the value of the INDEX, a number of interrelated factors, including the creditworthiness of ML&CO. and those factors listed below MAY AFFECT THE TRADING VALUE OF THE MITTS SECURITIES. The relationship among these factors is complex, including how these factors affect the relative value



of the MITTS SECURITIES. Accordingly, you should be aware that factors other than the level of the INDEX are likely to affect the MITTS Securities' trading value. The expected effect on the trading value of the MITTS 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 WE WILL PAY, at a minimum, the principal amount PER UNIT OF MITTS SECURITIES at maturity, WE EXPECT the trading value of the MITTS Securities will likely be affected by changes in interest rates. In general, we anticipate that if U.S. interest rates increase, the trading value of the MITTS Securities will decrease. If U.S. interest rates decrease, we expect the trading value of the MITTS Securities 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, the MITTS Securities. Falling interest rates may increase the value of the INDEX and, thus, may increase the value of the MITTS Securities.

Volatility of the INDEX. If the volatility of the INDEX increases, we expect THAT the trading value of the MITTS Securities WILL increase. If the volatility of the INDEX decreases, we expect THAT the trading value of the MITTS Securities WILL decrease.

Time REMAINING TO MATURITY. We believe that before maturity the MITTS 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 MITTS Securities. As the time remaining to maturity of the MITTS Securities decreases, however, we expect this time premium to decrease, thus decreasing the trading value of the MITTS Securities. In addition, the price at which you may be able to sell MITTS Securities prior to maturity may be at a discount, which may be substantial, from the principal amount of the MITTS Securities if the value of the INDEX is below, equal to, or not sufficiently above 813.65.

Dividend RATES in the United States. If dividend rates on the stocks INCLUDED IN the INDEX increase, we expect the value of the MITTS Securities to decrease. Conversely, if dividend rates on the stocks INCLUDED IN the INDEX decrease, we expect the value of the MITTS Securities to increase. However, in general, rising U.S. corporate dividend rates may increase the value of the INDEX and, in turn, increase the value of the MITTS Securities. Conversely, falling U.S. dividend rates may decrease the value of the INDEX and, in turn, decrease the value of the MITTS 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 MITTS 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 MITTS 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 MITTS 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 MITTS Securities than if it occurs earlier in the term of the MITTS Securities. WE EXPECT THAT THE effect on the trading value of the MITTS Securities of a given appreciation of the INDEX VALUE in excess of 813.65 to be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities, assuming all other relevant factors are held constant.

#### THE S&P 500 INDEX

POLITICAL, economic and other developments that affect the stocks underlying the INDEX MAY ADVERSELY AFFECT THE VALUE OF THE INDEX AND THEREFORE THE VALUE OF THE MITTS SECURITIES.

#### OTHER CONSIDERATIONS

It is suggested that you should reach an investment decision regarding the MITTS Securities only after YOU carefully considering the suitability of the MITTS Securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax advisor.

OUR WHOLLY-OWNED SUBSIDIARY, MERRILL LYNCH, PIERCE, FENNER & SMITH OR 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 THOSE stocks and therefore the value of the MITTS Securities. MLPF&S and its affiliates will also be the counterparties to the hedge of ML&CO.'S obligations under the MITTS

Securities. Accordingly, under SOME circumstances, conflicts of interest may arise between MLPF&S's responsibilities as CALCULATION AGENT with respect to the MITTS Securities and its obligations under its hedge and its status as a subsidiary of ML&CO. Under SOME circumstances, the duties of MLPF&S as CALCULATION AGENT could conflict with the interests of MLPF&S as an affiliate of the issuer of the MITTS Securities, Merrill Lynch & Co., Inc., and with the interests of the holders of the MITTS SECURITIES.

MERRILL LYNCH & CO., INC.

WE ARE A HOLDING COMPANY THAT, THROUGH OUR U.S. AND NON-U.S. SUBSIDIARIES AND AFFILIATES SUCH AS MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, MERRILL LYNCH GOVERNMENT SECURITIES INC., MERRILL LYNCH CAPITAL SERVICES, INC., MERRILL LYNCH INTERNATIONAL, MERRILL LYNCH CAPITAL MARKETS BANK LTD., MERRILL LYNCH ASSET MANAGEMENT L.P. AND MERRILL LYNCH MERCURY ASSET MANAGEMENT, PROVIDES INVESTMENT, FINANCING, ADVISORY, INSURANCE, AND RELATED PRODUCTS ON A GLOBAL BASIS, INCLUDING:

- o SECURITIES BROKERAGE, TRADING AND UNDERWRITING;
- o INVESTMENT BANKING, STRATEGIC SERVICES, INCLUDING MERGERS AND ACQUISITIONS AND OTHER CORPORATE FINANCE ADVISORY ACTIVITIES;
- o ASSET MANAGEMENT AND OTHER INVESTMENT ADVISORY AND RECORDKEEPING SERVICES;
- o TRADING AND BROKERAGE OF SWAPS, OPTIONS, FORWARDS, FUTURES AND OTHER DERIVATIVES;
- o SECURITIES CLEARANCE SERVICES;
- o EQUITY, DEBT AND ECONOMIC RESEARCH;
- o BANKING, TRUST AND LENDING SERVICES, INCLUDING MORTGAGE LENDING AND RELATED SERVICES; AND
- o INSURANCE SALES AND UNDERWRITING SERVICES.

WE PROVIDE THESE PRODUCTS AND SERVICES TO A WIDE ARRAY OF CLIENTS, INCLUDING INDIVIDUAL INVESTORS, SMALL BUSINESSES, CORPORATIONS, GOVERNMENTS, GOVERNMENTAL AGENCIES AND FINANCIAL INSTITUTIONS.

OUR PRINCIPAL EXECUTIVE OFFICE IS LOCATED AT WORLD FINANCIAL CENTER, NORTH TOWER, 250 VESEY STREET, NEW YORK, NEW YORK 10281; OUR TELEPHONE NUMBER IS (212) 449-1000.

IF YOU WANT TO FIND MORE INFORMATION ABOUT US, PLEASE SEE THE SECTIONS ENTITLED "WHERE YOU CAN FIND MORE INFORMATION" AND "INCORPORATION OF INFORMATION WE FILE WITH THE SEC" IN THIS PROSPECTUS.

IN THIS PROSPECTUS, "ML&CO.", "WE", "US" AND "OUR" REFER SPECIFICALLY TO MERRILL LYNCH & CO., INC., THE HOLDING COMPANY. ML&CO. IS THE ISSUER OF THE MITTS SECURITIES DESCRIBED IN THIS PROSPECTUS.

RATIO OF EARNINGS TO FIXED CHARGES

IN 1998, WE ACQUIRED THE OUTSTANDING SHARES OF MIDLAND WALWYN, INC., IN A TRANSACTION ACCOUNTED FOR AS A POOLING-OF-INTERESTS. THE FOLLOWING INFORMATION FOR THE FISCAL YEARS 1994 THROUGH 1997 HAS BEEN RESTATED AS IF THE TWO ENTITIES HAD ALWAYS BEEN COMBINED.

THE FOLLOWING TABLE SETS FORTH OUR HISTORICAL RATIOS OF EARNINGS TO FIXED CHARGES FOR THE PERIODS INDICATED:

<TABLE>  
<CAPTION>

	YEAR ENDED LAST FRIDAY IN DECEMBER				
	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
RATIO OF EARNINGS TO FIXED CHARGES (A) . . . . .	1.2	1.2	1.2	1.2	1.1

-----  
(A) THE EFFECT OF COMBINING MIDLAND WALWYN DID NOT CHANGE THE RATIOS REPORTED FOR THE FISCAL YEARS 1994 THROUGH 1997.

FOR THE PURPOSE OF CALCULATING THE RATIO OF EARNINGS TO FIXED CHARGES, "EARNINGS" CONSIST OF EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND FIXED CHARGES, EXCLUDING CAPITALIZED INTEREST AND PREFERRED SECURITY DIVIDEND REQUIREMENTS. "FIXED CHARGES" CONSIST OF INTEREST COSTS, THE INTEREST FACTOR IN RENTALS, AMORTIZATION OF DEBT ISSUANCE COSTS, PREFERRED SECURITY

DESCRIPTION OF THE MITTS SECURITIES

ON MARCH 14, 1997, ML&CO. ISSUED \$175,000,000 AGGREGATE PRINCIPAL AMOUNT OF S&P 500 MITTS SECURITIES DUE SEPTEMBER 16, 2002. THE MITTS SECURITIES WERE issued as a series of SENIOR DEBT SECURITIES under the 1983 Indenture which is more fully described IN THIS PROSPECTUS.

The MITTS Securities will mature on SEPTEMBER 16, 2002.

While at maturity a beneficial owner of a MITTS Security will receive the principal amount of THAT MITTS Security plus the Supplemental Redemption Amount DESCRIBED BELOW, if any, there will be no other payment of interest, periodic or otherwise. SEE "- PAYMENT at Maturity" BELOW.

The MITTS Securities are not subject to redemption by ML&CO. or at the option of any beneficial owner BEFORE maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- EVENTS of Default and Acceleration" and "Other TERMS - EVENTS of Default" in this PROSPECTUS.

The MITTS Securities were issued in denominations of whole UNITS.

PAYMENT AT MATURITY

At THE maturity DATE, a beneficial owner of a MITTS Security will be entitled to receive the principal amount OF EACH UNIT plus THE Supplemental Redemption Amount, if any, all as provided below. If the Ending Index Value does not exceed the Starting Index Value, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount OF ITS MITTS SECURITIES.

THE "SUPPLEMENTAL REDEMPTION AMOUNT" FOR A MITTS SECURITY WILL BE DETERMINED BY THE CALCULATION AGENT AND WILL EQUAL:

$$\frac{\text{Principal Amount} \times \text{Ending Index Value} - \text{Starting Index Value} \times \text{Participation Rate}}{\text{Starting Index Value}}$$

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "STARTING INDEX VALUE" equals 813.65, which was the closing value of the S&P 500 Index (THE "INDEX") on the date the MITTS Securities were priced by ML&CO. for initial sale to the public (THE "PRICING DATE").

THE "PARTICIPATION RATE" equals 101%.

The "ENDING INDEX VALUE" will be determined by THE CALCULATION AGENT and will equal the average OR 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 BUT MORE THAN ONE Calculation Days, then the Ending Index Value will equal the average OR ARITHMETIC MEAN of the closing values of the Index on THESE Calculation Days. IF there is only one Calculation Day, then the Ending Index Value will equal the closing value of the Index on THAT 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 THAT 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 and the American Stock Exchange are open for trading and the Index or any Successor Index, as defined ON PAGE 10 below, 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 ML&CO. and beneficial owners of the MITTS Securities.

The following table illustrates, for a range of hypothetical Ending Index Values,

- o the total amount payable at maturity for each \$10 principal amount of MITTS Securities,
- o the total rate of return to beneficial owners of the MITTS Securities,
- o the pretax annualized rate of return to beneficial owners of MITTS Securities and
- o the pretax annualized rate of return of an investment in the stocks underlying the Index, which includes an assumed aggregate dividend yield of 1.80% per annum, as more fully described below.

<TABLE>  
<CAPTION>

HYPOTHETICAL ENDING INDEX VALUE	PERCENTAGE CHANGE OVER THE STARTING INDEX VALUE	TOTAL AMOUNT PAYABLE AT MATURITY		PRETAX ANNUALIZED RATE OF RETURN OF STOCKS UNDERLYING THE INDEX (1) (2)	
		PER \$10 PRINCIPAL AMOUNT OF MITTS SECURITIES	TOTAL RATE OF RETURN ON THE MITTS SECURITIES	ANNUALIZED RATE OF RETURN ON THE MITTS SECURITIES (1)	PRETAX ANNUALIZED RATE OF RETURN OF STOCKS UNDERLYING THE INDEX (1) (2)
<S>	<C>	<C>	<C>	<C>	<C>
406.83	-50%	\$10.00	0.00%	0.00%	-10.43%
488.19	-40%	\$10.00	0.00%	0.00%	-7.30%
569.56	-30%	\$10.00	0.00%	0.00%	-4.60%
650.92	-20%	\$10.00	0.00%	0.00%	-2.23%
732.29	-10%	\$10.00	0.00%	0.00%	-0.12%
813.65(3)	0%	\$10.00	0.00%	0.00%	1.80%
895.02	10%	\$11.01	10.10%	1.76%	3.56%
976.38	20%	\$12.02	20.20%	3.37%	5.18%
1,057.75	30%	\$13.03	30.30%	4.87%	6.69%
1,139.11	40%	\$14.04	40.40%	6.26%	8.10%
1,220.48	50%	\$15.05	50.50%	7.56%	9.41%
1,301.84	60%	\$16.06	60.60%	8.79%	10.66%
1,383.21	70%	\$17.07	70.70%	9.95%	11.83%
1,464.57	80%	\$18.08	80.80%	11.05%	12.95%
1,545.94	90%	\$19.09	90.90%	12.10%	14.01%
1,627.30	100%	\$20.10	101.00%	13.09%	15.02%
1,708.67	110%	\$21.11	111.10%	14.04%	16.00%
1,790.03	120%	\$22.12	121.20%	14.95%	16.83%

</TABLE>

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

- o an investment of a fixed amount in the stocks underlying the Index with the allocation of THAT amount reflecting the current relative weights of THE stocks in the Index;
- o a percentage change in the aggregate price of THE stocks that equals the percentage change in the Index from the Starting Index Value to the relevant hypothetical Ending Index Value;
- o a constant dividend yield of 1.80% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming THE value increases or decreases linearly from the Starting Index Value to the applicable hypothetical Ending Index Value;
- o no transaction fees or expenses;
- o a term for the MITTS Securities from March 14, 1997 to September 16, 2002; and
- o a final Index value equal to the Ending Index Value. The aggregate dividend yield of the stocks INCLUDED IN the Index as of March 10, 1997 was approximately 1.80%.

(3) This is the Starting Index Value.

The above figures are for purposes of illustration only. The actual

Supplemental Redemption Amount received by investors and the RESULTING total and pretax annualized rate of return will depend entirely on the actual Ending Index Value determined by the CALCULATION AGENT as provided IN THIS PROSPECTUS.

#### ADJUSTMENTS TO THE INDEX; MARKET DISRUPTION EVENTS

If at any time the method of calculating the Index, or ITS value, is changed in any material respect, or if the Index is in any other way modified so that THE Index does not, in the opinion of the CALCULATION AGENT, fairly represent the value of the Index had ANY changes or modifications not been made, then, from and after THAT 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 ANY 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 THE changes or modifications had not been made, and calculate THE closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of THE Index is a fraction or a multiple of what it would have been if it had not been modified, FOR EXAMPLE, due to a split in the Index, then the CALCULATION AGENT shall adjust THE Index in order to arrive at a value of the Index as if it had not been modified, FOR EXAMPLE, as if A split had not occurred.

"MARKET DISRUPTION EVENT" means either of the following events, as determined by the CALCULATION AGENT:

(A) the suspension or material limitation FOR MORE THAN TWO HOURS OF TRADING IN 100 OR MORE OF THE SECURITIES INCLUDED IN THE S&P 500 INDEX, OR

(B) 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

- (1) futures contracts related to the Index which are traded on the Chicago Mercantile Exchange or
- (2) option contracts related to the Index which are traded on the Chicago Board Options Exchange, Inc.

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.

FOR THE PURPOSES OF CLAUSE (A) ABOVE, ANY LIMITATIONS ON TRADING DURING SIGNIFICANT MARKET FLUCTUATIONS UNDER NEW YORK STOCK EXCHANGE RULE 80A, OR ANY APPLICABLE RULE OR REGULATION ENACTED OR PROMULGATED BY THE NYSE OR ANY OTHER SELF REGULATORY ORGANIZATION OR THE SEC OF SIMILAR SCOPE AS DETERMINED BY THE CALCULATION AGENT, WILL BE CONSIDERED "MATERIAL".

#### DISCONTINUANCE OF THE INDEX

If S&P discontinues publication of the Index and S&P or another entity publishes a successor or substitute index that the CALCULATION AGENT determines, in its sole discretion, to be comparable to THE INDEX, ANY SUCCESSOR OR SUBSTITUTE INDEX IS REFERRED TO AS A "SUCCESSOR INDEX", THEN, UPON THE CALCULATION AGENT'S NOTIFICATION OF THE determination to the TRUSTEE AND ML&CO., THE CALCULATION AGENT will substitute the Successor Index as calculated by S&P or ANY other entity for the Index. Upon any selection by the CALCULATION AGENT of a Successor Index, ML&CO. shall cause notice to be given to HOLDERS of the MITTS Securities.

If S&P 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 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 BEFORE THE discontinuance. If a Successor Index is selected or the CALCULATION AGENT calculates a value as a substitute for the Index as described below, THE 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 S&P discontinues publication of the Index BEFORE the period during which the Supplemental Redemption Amount is to be determined and the CALCULATION AGENT determines that no Successor Index is available at THAT time, then on each Business Day until the earlier to occur of:

0 the determination of the Ending Index Value and

0 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 THAT day were a Calculation Day. The CALCULATION AGENT will cause notice of each 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 THE values to be made available by telephone.

DESPITE these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### EVENTS OF DEFAULT AND ACCELERATION

In case an Event of Default with respect to any MITTS Securities HAS occurred and IS continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount PER UNIT, will be equal to the initial issue price (\$10) PER UNIT AND an additional amount of contingent interest calculated as though the date of early repayment were the STATED maturity date of the MITTS Securities. See "- PAYMENT at Maturity" in this PROSPECTUS. If a bankruptcy proceeding is commenced in respect of ML&CO., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(B)(2) OF TITLE 11 of the United States Code, to the principal amount PER UNIT of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at THE stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 6.75% per annum, to the extent that payment of ANY interest shall be legally enforceable, on the unpaid amount due and payable on THAT date in accordance with the terms of the MITTS Securities to the date payment of ANY amount has been made or duly provided for.

#### GLOBAL SECURITIES

##### DESCRIPTION OF THE GLOBAL SECURITIES

BENEFICIAL OWNERS OF THE MITTS SECURITIES MAY NOT RECEIVE PHYSICAL DELIVERY OF THE MITTS SECURITIES NOR MAY THEY BE ENTITLED TO HAVE THE MITTS SECURITIES REGISTERED IN THEIR NAMES. THE MITTS SECURITIES CURRENTLY ARE represented by one or more fully registered global securities. EACH GLOBAL SECURITY WAS deposited with, or on behalf of, The Depository Trust Company OR DTC, DTC, TOGETHER WITH ANY SUCCESSOR THERETO, BEING A "DEPOSITARY", AS DEPOSITARY, registered in the name of CEDE & CO., DTC'S PARTNERSHIP nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no GLOBAL SECURITY may be transferred except as a whole by the DEPOSITARY to a nominee of THE DEPOSITARY or by a nominee of THE DEPOSITARY TO THE DEPOSITARY or another nominee of THE DEPOSITARY OR BY THE DEPOSITARY OR ANY nominee to a successor of THE DEPOSITARY OR A NOMINEE OF THAT SUCCESSOR.

So long as DTC, or its nominee, is A 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 MITTS Securities represented by A GLOBAL SECURITY for all purposes under the 1983 Indenture. Except as provided below, THE BENEFICIAL OWNERS OF THE MITTS SECURITIES REPRESENTED BY A GLOBAL SECURITY will not be entitled to have the MITTS Securities represented by THE GLOBAL SECURITY registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or HOLDERS under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&CO. or the TRUSTEE UNDER the 1983 Indenture. Accordingly, each PERSON owning a beneficial interest in a GLOBAL SECURITY must rely on the procedures of DTC and, if THAT PERSON is not a PARTICIPANT OF DTC on the procedures of the PARTICIPANT through which THAT PERSON owns its interest, to exercise any rights of a HOLDER under the 1983 Indenture. ML&CO. understands that under existing industry practices, in the event that ML&CO. requests any action of HOLDERS or that an owner of a beneficial interest in A GLOBAL SECURITY desires to give or take any action which a HOLDER is entitled to give or take under the 1983 Indenture, DTC would authorize the PARTICIPANTS holding the relevant beneficial interests to give or take ANY action, and THE PARTICIPANTS would authorize BENEFICIAL OWNERS owning through THOSE PARTICIPANTS to give or take 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.

##### DTC PROCEDURES

THE FOLLOWING IS BASED ON INFORMATION FURNISHED BY DTC:

DTC IS THE SECURITIES DEPOSITARY FOR THE MITTS SECURITIES. THE MITTS

SECURITIES WERE ISSUED AS FULLY REGISTERED SECURITIES REGISTERED IN THE NAME OF CEDE & CO., DTC'S PARTNERSHIP NOMINEE. ONE OR MORE FULLY REGISTERED GLOBAL SECURITIES WERE ISSUED FOR THE MITTS SECURITIES IN THE AGGREGATE PRINCIPAL AMOUNT OF THE MITTS SECURITIES, AND WERE DEPOSITED WITH DTC.

DTC IS A LIMITED-PURPOSE TRUST COMPANY ORGANIZED UNDER THE NEW YORK BANKING LAW, A "BANKING ORGANIZATION" WITHIN THE MEANING OF THE NEW YORK BANKING LAW, 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 UNDER TO THE PROVISIONS OF SECTION 17A OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED. DTC HOLDS SECURITIES THAT ITS PARTICIPANTS DEPOSIT WITH DTC. DTC ALSO FACILITATES THE SETTLEMENT AMONG PARTICIPANTS OF SECURITIES TRANSACTIONS, SUCH AS TRANSFERS AND PLEDGES, IN DEPOSITED SECURITIES THROUGH ELECTRONIC COMPUTERIZED BOOK-ENTRY CHANGES IN PARTICIPANTS' ACCOUNTS, THEREBY ELIMINATING THE NEED FOR PHYSICAL MOVEMENT OF SECURITIES CERTIFICATES. DIRECT PARTICIPANTS OF DTC INCLUDE SECURITIES BROKERS AND DEALERS, BANKS, TRUST COMPANIES, CLEARING CORPORATIONS AND OTHER ORGANIZATIONS. DTC IS OWNED BY A NUMBER OF ITS DIRECT PARTICIPANTS AND BY THE NYSE, THE AMEX AND THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ACCESS TO THE DTC'S SYSTEM IS ALSO AVAILABLE TO OTHERS SUCH AS SECURITIES BROKERS AND DEALERS, BANKS AND TRUST COMPANIES THAT CLEAR THROUGH OR MAINTAIN A CUSTODIAL RELATIONSHIP WITH A DIRECT PARTICIPANT, EITHER DIRECTLY OR INDIRECTLY. THE RULES APPLICABLE TO DTC AND ITS PARTICIPANTS ARE ON FILE WITH THE SEC.

PURCHASES OF MITTS SECURITIES UNDER DTC'S SYSTEM MUST BE MADE BY OR THROUGH DIRECT PARTICIPANTS, WHICH WILL RECEIVE A CREDIT FOR THE MITTS SECURITIES ON DTC'S RECORDS. THE OWNERSHIP INTEREST OF EACH BENEFICIAL OWNER IS IN TURN TO BE RECORDED ON THE RECORDS OF DIRECT AND INDIRECT PARTICIPANTS. 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 DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS THROUGH WHICH THE BENEFICIAL OWNER ENTERED INTO THE TRANSACTION. TRANSFERS OF OWNERSHIP INTERESTS IN THE MITTS SECURITIES ARE TO BE ACCOMPLISHED BY ENTRIES MADE ON THE BOOKS OF PARTICIPANTS ACTING ON BEHALF OF BENEFICIAL OWNERS.

TO FACILITATE SUBSEQUENT TRANSFERS, ALL MITTS SECURITIES DEPOSITED WITH DTC ARE REGISTERED IN THE NAME OF DTC'S PARTNERSHIP NOMINEE, CEDE & CO. THE DEPOSIT OF MITTS SECURITIES WITH DTC AND THEIR REGISTRATION IN THE NAME OF CEDE & CO. EFFECT NO CHANGE IN BENEFICIAL OWNERSHIP. DTC HAS NO KNOWLEDGE OF THE ACTUAL BENEFICIAL OWNERS OF THE MITTS SECURITIES; DTC'S RECORDS REFLECT ONLY THE IDENTITY OF THE DIRECT PARTICIPANTS TO WHOSE ACCOUNTS THE MITTS SECURITIES ARE CREDITED, WHICH MAY OR MAY NOT BE THE BENEFICIAL OWNERS. THE PARTICIPANTS WILL REMAIN RESPONSIBLE FOR KEEPING ACCOUNT OF THEIR HOLDINGS ON BEHALF OF THEIR CUSTOMERS.

CONVEYANCE OF NOTICES AND OTHER COMMUNICATIONS BY DTC TO DIRECT PARTICIPANTS, BY DIRECT PARTICIPANTS TO INDIRECT PARTICIPANTS, AND BY DIRECT 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.

NEITHER DTC NOR CEDE & CO. WILL CONSENT OR VOTE WITH RESPECT TO THE MITTS SECURITIES. UNDER ITS USUAL PROCEDURES, DTC MAILS AN OMNIBUS PROXY TO ML&CO. AS SOON AS POSSIBLE AFTER THE APPLICABLE RECORD DATE. THE OMNIBUS PROXY ASSIGNS CEDE & CO.'S CONSENTING OR VOTING RIGHTS TO THOSE DIRECT PARTICIPANTS IDENTIFIED IN A LISTING ATTACHED TO THE OMNIBUS PROXY TO WHOSE ACCOUNTS THE MITTS SECURITIES ARE CREDITED ON THE RECORD DATE IDENTIFIED IN A LISTING ATTACHED TO THE OMNIBUS PROXY.

PRINCIPAL, PREMIUM, IF ANY, AND/OR INTEREST, IF ANY, PAYMENTS ON THE MITTS SECURITIES WILL BE MADE IN IMMEDIATELY AVAILABLE FUNDS TO DTC. DTC'S PRACTICE IS TO CREDIT DIRECT PARTICIPANTS' ACCOUNTS ON THE APPLICABLE PAYMENT DATE IN ACCORDANCE WITH THEIR RESPECTIVE HOLDINGS SHOWN ON THE DEPOSITARY'S RECORDS UNLESS DTC HAS REASON TO BELIEVE THAT IT WILL NOT RECEIVE PAYMENT ON THAT DATE. PAYMENTS BY PARTICIPANTS TO BENEFICIAL OWNERS WILL BE GOVERNED BY STANDING INSTRUCTIONS AND CUSTOMARY PRACTICES, AS IS THE CASE WITH SECURITIES HELD FOR THE ACCOUNTS OF CUSTOMERS IN BEARER FORM OR REGISTERED IN "STREET NAME", AND WILL BE THE RESPONSIBILITY OF THE PARTICIPANT AND NOT OF DTC, THE TRUSTEE OR ML&CO., SUBJECT TO ANY STATUTORY OR REGULATORY REQUIREMENTS AS MAY BE IN EFFECT FROM TIME TO TIME. PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND/OR INTEREST, IF ANY, TO DTC IS THE RESPONSIBILITY OF ML&CO. OR THE TRUSTEE, DISBURSEMENT OF PAYMENTS TO DIRECT PARTICIPANTS IS THE RESPONSIBILITY OF DTC, AND DISBURSEMENT OF PAYMENTS TO THE BENEFICIAL OWNERS IS THE RESPONSIBILITY OF DIRECT AND INDIRECT PARTICIPANTS.

#### EXCHANGE FOR CERTIFICATED SECURITIES

IF:

- o THE DEPOSITARY IS AT ANY TIME UNWILLING OR UNABLE TO CONTINUE AS DEPOSITARY AND A SUCCESSOR DEPOSITARY IS NOT APPOINTED BY ML&CO. WITHIN 60 DAYS,
- o ML&CO. EXECUTES AND DELIVERS TO THE TRUSTEE A COMPANY ORDER TO THE EFFECT THAT THE GLOBAL SECURITIES SHALL BE EXCHANGEABLE, OR

- o AN EVENT OF DEFAULT UNDER THE 1983 INDENTURE HAS OCCURRED AND IS CONTINUING WITH RESPECT TO THE MITTS SECURITIES,

THE GLOBAL SECURITIES WILL BE EXCHANGEABLE FOR MITTS SECURITIES IN DEFINITIVE FORM OF LIKE TENOR AND OF AN EQUAL AGGREGATE PRINCIPAL AMOUNT, IN DENOMINATIONS OF \$10 AND INTEGRAL MULTIPLES OF \$10. THE DEFINITIVE MITTS SECURITIES WILL BE REGISTERED IN THE NAME OR NAMES AS THE DEPOSITARY SHALL INSTRUCT THE TRUSTEE. IT IS EXPECTED THAT INSTRUCTIONS MAY BE BASED UPON DIRECTIONS RECEIVED BY THE DEPOSITARY FROM PARTICIPANTS WITH RESPECT TO OWNERSHIP OF BENEFICIAL INTERESTS IN THE GLOBAL SECURITIES.

IN ADDITION, ML&CO. MAY DECIDE TO DISCONTINUE USE OF THE SYSTEM OF BOOK-ENTRY TRANSFERS THROUGH THE DEPOSITARY. IN THAT EVENT, MITTS SECURITIES IN DEFINITIVE FORM WILL BE PRINTED AND DELIVERED.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT ML&CO. BELIEVES TO BE RELIABLE, BUT ML&CO. TAKES NO RESPONSIBILITY FOR ITS ACCURACY.

#### SAME-DAY SETTLEMENT AND PAYMENT

ML&CO. WILL MAKE ALL payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

All DISCLOSURES contained in this PROSPECTUS regarding the Index, including its make-up, method of calculation and changes in its components, ARE derived from publicly available information prepared by S&P AS OF March 22, 1999. ML&CO. AND MLPF&S DO NOT ASSUME any responsibility for the accuracy or completeness of THE information.

The Index is published by S&P, and is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of the Index, discussed below in further detail, is based on the relative value of the aggregate Market Value of the common stocks of 500 companies as of a particular time compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of March 22, 1999 the 500 companies included in the Index represented approximately 78% of the aggregate Market Value of common stocks traded on THE NYSE; however, these 500 companies are not the 500 largest companies listed on THE NYSE and not all of these 500 companies are listed on THE exchange. As of March 22, 1999, the aggregate MARKET VALUE of the 500 companies included in the Index represented approximately 79% of the aggregate MARKET VALUE of United States domestic, public companies. S&P chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of THE NYSE, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include:

- o the viability of the particular company,
- o the extent to which that company represents the industry group to which it is assigned,
- o the extent to which the market price of that COMPANY'S common stock is generally responsive to changes in the affairs of the respective industry, and
- o the Market Value and trading activity of the common stock of that company.

FOUR main groups of companies COMPRISE THE INDEX, with the number of companies currently included in each group indicated in parentheses: Industrials (380), Utilities (39), Transportation (10) and Financial (71). S&P 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 DOES NOT REFLECT THE PAYMENT OF DIVIDENDS ON THE STOCKS UNDERLYING IT. THE RETURN BASED ON THE MITTS SECURITIES WILL NOT BE THE SAME RETURN YOU WOULD RECEIVE IF YOU WERE TO PURCHASE THE UNDERLYING STOCKS AND HOLD THEM FOR A PERIOD EQUAL TO THE MATURITY OF THE MITTS SECURITIES.

#### COMPUTATION OF THE INDEX

S&P currently computes the Index as of a particular time as follows:



(A) the product of the market price per share and the number of then outstanding shares of each component stock is determined AT A PARTICULAR TIME (the "Market Value" of THE stock);

(B) the Market Value of all component STOCK AS OF THAT TIME are aggregated;

(C) the mean average of the Market Values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;

(D) the mean average Market Values of all THESE common stocks over THE base period are aggregated (THE aggregate amount being referred to as the "Base Value");

(E) the CURRENT aggregate Market Value of all component stocks is divided by the Base Value; and

(F) the resulting quotient, expressed in decimals, is multiplied by ten.

While S&P currently employs the above methodology to calculate the Index, no assurance can be given that S&P will not modify or change THIS methodology in a manner that may affect the Supplemental Redemption Amount, if any, payable to beneficial owners of MITTS Securities upon maturity or otherwise.

S&P adjusts the foregoing formula to negate the EFFECTS of changes in the Market Value of component STOCKS that are determined by S&P to be arbitrary or not due to true market fluctuations. CHANGES may result from causes SUCH as

- o the issuance of stock dividends,
- o the granting to shareholders of rights to purchase additional shares of stock,
- o the purchase OF SHARES by employees pursuant to employee benefit plans,
- o consolidations and acquisitions,
- o the granting to shareholders of rights to purchase other securities of ML&CO.,
- o the substitution by S&P of particular component stocks in the Index, and
- o other reasons.

In THESE cases, S&P first recalculates the aggregate Market Value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares thereof or both, and then determines the New Base Value in accordance with the following formula:

$$\begin{array}{l} \text{New Market Value} \\ \text{-----} \\ \text{Old Base Value X} \qquad \text{OLD MARKET VALUE} \qquad = \text{New Base Value} \end{array}$$

The result is that the Base Value is adjusted in proportion to any change in the aggregate Market Value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of THESE causes upon the Index.

HISTORICAL DATA ON THE INDEX

THE FOLLOWING TABLE SETS FORTH THE VALUE OF THE INDEX AT THE END OF EACH MONTH, IN THE PERIOD FROM JANUARY 1990 THROUGH FEBRUARY 1999. THESE HISTORICAL DATA ON THE INDEX ARE NOT NECESSARILY INDICATIVE OF THE FUTURE PERFORMANCE OF THE INDEX OR WHAT THE VALUE OF THE MITTS SECURITIES MAY BE. ANY HISTORICAL UPWARD OR DOWNWARD TREND IN THE VALUE 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 MITTS SECURITIES.

<TABLE>  
<CAPTION>

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
JANUARY.....	329.08	343.93	408.78	438.78	481.61	470.42	636.02	786.16	980.28	1,279.64
FEBRUARY.....	331.89	367.07	412.70	443.38	467.14	487.39	640.43	790.82	1,049.34	1,238.33
MARCH.....	339.94	375.22	403.69	451.67	445.77	500.71	645.50	757.12	1,101.75	

APRIL.....	330.80	375.34	414.95	440.19	450.91	514.71	654.17	801.34	1,111.75
MAY.....	361.23	389.83	415.35	450.19	456.51	533.40	669.12	848.28	1,090.82
JUNE.....	358.02	371.16	408.14	450.53	444.27	544.75	670.63	885.14	1,133.84
JULY.....	356.15	387.81	424.22	448.13	458.26	562.06	639.95	954.29	1,120.67
AUGUST.....	322.56	395.43	414.03	463.56	475.50	561.88	651.99	899.47	957.28
SEPTEMBER.....	306.05	387.86	417.80	458.93	462.71	584.41	687.31	947.28	1,017.01
OCTOBER.....	304.00	392.45	418.68	467.83	472.35	581.50	705.27	914.62	1,098.67
NOVEMBER.....	322.22	375.22	431.35	461.79	453.69	605.37	757.02	955.40	1,163.63
DECEMBER.....	330.22	417.09	435.71	466.45	459.27	615.93	740.74	970.43	1,229.23

</TABLE>

#### LICENSE AGREEMENT

STANDARD & POOR'S ("S&P") DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED IN THE INDEX. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY ML&CO., MLPF&S, HOLDERS OF THE MITTS SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P INDEX OR ANY DATA INCLUDED IN THE INDEX IN CONNECTION WITH THE RIGHTS LICENSED UNDER THE LICENSE AGREEMENT DESCRIBED IN THIS PROSPECTUS OR FOR ANY OTHER USE. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE S&P INDEX OR ANY DATA INCLUDED IN THE INDEX. WITHOUT LIMITING ANY OF THE ABOVE INFORMATION, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGE, INCLUDING LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF THESE DAMAGES.

S&P and Merrill Lynch Capital Services, Inc. have entered into a non-exclusive license agreement providing for the license to Merrill Lynch Capital Services, Inc., in exchange for a fee, of the right to use indices owned and published by S&P in connection with SOME securities, including the MITTS Securities, and ML&CO. is an authorized sublicensee OF MERRILL LYNCH CAPITAL SERVICES, INC.

The license agreement between S&P and Merrill Lynch Capital Services, Inc. provides that the following language must be stated in this PROSPECTUS:

"The MITTS Securities are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the HOLDERS of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities particularly or the ability of the Index to track general stock market performance. S&P's only relationship to Merrill Lynch Capital Services, Inc. and ML&CO. (other than transactions entered into in the ordinary course of business) is the licensing of certain servicemarks and trade names of S&P and of the Index which is determined, composed and calculated by S&P without regard to ML&CO. or the MITTS Securities. S&P has no obligation to take the needs of ML&CO. or the HOLDERS of the MITTS Securities into consideration in determining, composing or calculating the Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the MITTS Securities, prices at which the MITTS Securities are to initially be sold, or quantities of the MITTS Securities to be issued or in the determination or calculation of the equation by which the MITTS Securities are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities."

#### OTHER TERMS

ML&CO. ISSUED THE MITTS Securities as a series of SENIOR DEBT SECURITIES under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&CO. and The Chase Manhattan Bank, AS TRUSTEE. A COPY OF THE 1983 Indenture is filed as an exhibit to the registration STATEMENT relating to the MITTS Securities OF WHICH THIS PROSPECTUS IS A PART. The following summaries of THE MATERIAL provisions of the 1983 Indenture ARE not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the DEFINITIONS OF TERMS IN THE 1983 INDENTURE.

ML&CO. MAY ISSUE SERIES OF SENIOR DEBT SECURITIES FROM TIME TO TIME UNDER THE 1983 INDENTURE, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&CO. may establish UNDER the provisions OF THE 1983 INDENTURE.

THE 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&CO. MAY ISSUE SENIOR DEBT SECURITIES with terms different from those of SENIOR DEBT SECURITIES previously issued, and ISSUE ADDITIONAL SENIOR DEBT SECURITIES OF a previously issued series of SENIOR DEBT SECURITIES.

THE SENIOR DEBT SECURITIES are unsecured and rank EQUALLY with all other unsecured and unsubordinated indebtedness of ML&CO. However, BECAUSE ML&CO. is a holding company, the RIGHTS OF ML&CO. AND ITS CREDITORS, INCLUDING THE HOLDERS OF SENIOR DEBT SECURITIES, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise ARE necessarily subject to the prior claims of creditors of the subsidiary, except

to the extent that A BANKRUPTCY COURT MAY RECOGNIZE claims of ML&CO. itself as a creditor of the subsidiary . In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&CO. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### LIMITATIONS UPON LIENS

ML&CO. may not, and may not permit any MAJORITY-OWNED SUBSIDIARY to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, OTHER THAN THOSE liens specifically permitted by the 1983 INDENTURE, on the Voting Stock owned directly or indirectly by ML&CO. of any MAJORITY-OWNED SUBSIDIARY, other than a MAJORITY-OWNED SUBSIDIARY which, at the time of the incurrence of THE secured indebtedness, has a net worth of less than \$3,000,000, UNLESS THE OUTSTANDING SENIOR DEBT SECURITIES ARE secured equally and ratably with THE secured indebtedness.

"VOTING STOCK" IS DEFINED IN THE 1983 INDENTURE AS THE STOCK OF THE CLASS OR CLASSES HAVING GENERAL VOTING POWER UNDER ORDINARY CIRCUMSTANCES TO ELECT AT LEAST A MAJORITY OF THE BOARD OF DIRECTORS, MANAGERS OR TRUSTEES OF A CORPORATION PROVIDED THAT, FOR THE PURPOSES OF THE 1983 INDENTURE, STOCK THAT CARRIES ONLY THE RIGHT TO VOTE CONDITIONALLY ON THE OCCURRENCE OF AN EVENT IS NOT CONSIDERED VOTING STOCK WHETHER OR NOT THE EVENT HAS HAPPENED.

#### LIMITATION ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

ML&CO. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"CONTROLLED SUBSIDIARY" IS defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&CO.

In addition, ML&CO. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### MERGER AND CONSOLIDATION

ML&CO. may consolidate or merge with or into any other corporation and ML&CO. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o THE RESULTING CORPORATION, IF OTHER THAN ML&CO., IS a corporation organized and existing under the laws of the United States of America or ANY U.S. STATE AND ASSUMES ALL OF ML&CO.'S OBLIGATIONS TO:
  - o PAY ANY AMOUNTS DUE AND PAYABLE OR DELIVERABLE WITH RESPECT TO ALL THE SENIOR DEBT SECURITIES; AND
  - o PERFORM AND OBSERVE ALL OF ML&CO.'S OBLIGATIONS UNDER THE 1983 INDENTURE, AND
- o ML&CO. OR THE successor corporation, as the case may be, IS not, immediately AFTER ANY CONSOLIDATION OR MERGER, in default under the 1983 Indenture.

#### MODIFICATION AND WAIVER

ML&CO. AND THE TRUSTEE MAY MODIFY AND AMEND THE 1983 INDENTURE with the consent of HOLDERS OF AT LEAST 66 2/3% in principal amount of EACH OUTSTANDING SERIES OF SENIOR DEBT SECURITIES AFFECTED. HOWEVER, without the consent of EACH HOLDER OF ANY OUTSTANDING SENIOR DEBT SECURITY AFFECTED, NO AMENDMENT OR MODIFICATION TO THE 1983 INDENTURE MAY:

- o CHANGE THE STATED MATURITY DATE of the principal of, or any installment of interest or Additional Amounts payable on, any SENIOR DEBT SECURITY or any premium payable on redemption , or change the REDEMPTION PRICE;
- o reduce the principal amount of, or the interest or Additional Amounts

payable on, any SENIOR DEBT SECURITY or reduce the amount of principal which could be declared due and payable BEFORE THE STATED MATURITY DATE;

- o change THE place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any SENIOR DEBT SECURITY;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any SENIOR DEBT SECURITY;
- o reduce the percentage in principal amount of the OUTSTANDING SENIOR DEBT SECURITIES of any series, the consent of whose HOLDERS is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of OUTSTANDING SENIOR DEBT SECURITIES necessary to waive any past default to less than a majority.

No modification or amendment of ML&CO.'S Subordinated Indenture or any Subsequent Indenture for SUBORDINATED DEBT SECURITIES may adversely affect the rights of any holder of ML&CO.'S SENIOR INDEBTEDNESS without the consent of EACH HOLDER AFFECTED. THE HOLDERS of at least a majority in principal amount of OUTSTANDING SENIOR DEBT SECURITIES of any series may, with respect to THAT series, waive past defaults under the 1983 Indenture and waive compliance by ML&CO. WITH PROVISIONS IN THE 1983 INDENTURE, EXCEPT AS DESCRIBED UNDER "--EVENTS OF DEFAULT".

#### EVENTS OF DEFAULT

EACH OF the following will be Events of Default with respect to SENIOR DEBT SECURITIES of any series:

- o default in the payment of any interest or Additional Amounts payable WHEN DUE AND CONTINUING FOR 30 DAYS;
- o default in the payment of any principal or premium WHEN DUE;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other OBLIGATION OF ML&CO. contained in the 1983 Indenture for the benefit of THAT series or in the SENIOR DEBT SECURITIES OF THAT series, CONTINUING for 60 days after written notice as provided in the 1983 Indenture;
- o SPECIFIED events in bankruptcy, insolvency or reorganization OF ML&CO.; and
- o any other Event of Default provided with respect to SENIOR DEBT SECURITIES OF THAT SERIES WHICH ARE NOT INCONSISTENT WITH THE 1983 INDENTURE.

IF AN EVENT OF DEFAULT OCCURS AND IS CONTINUING FOR ANY SERIES OF SENIOR DEBT SECURITIES, OTHER THAN AS A RESULT OF THE BANKRUPTCY, INSOLVENCY OR REORGANIZATION OF ML&CO., THE TRUSTEE OR THE HOLDERS OF AT LEAST 25% in principal amount of the OUTSTANDING SENIOR DEBT SECURITIES of that series may declare ALL AMOUNTS, OR ANY LESSER AMOUNT PROVIDED FOR IN THE SENIOR DEBT SECURITIES, DUE AND PAYABLE OR DELIVERABLE IMMEDIATELY. At any time after a declaration of acceleration has been made with respect to SENIOR DEBT SECURITIES of any series but before THE TRUSTEE HAS OBTAINED a judgment or decree for payment of money, THE HOLDERS of a majority in principal amount of the OUTSTANDING SENIOR DEBT SECURITIES of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

THE HOLDERS of a majority in principal amount OR AGGREGATE ISSUE PRICE OF THE OUTSTANDING SENIOR DEBT SECURITIES OF THAT SERIES MAY WAIVE ANY EVENT OF DEFAULT WITH RESPECT TO THAT SERIES, EXCEPT A DEFAULT:

- o IN THE PAYMENT OF ANY AMOUNTS DUE AND PAYABLE OR DELIVERABLE UNDER THE DEBT SECURITIES OF THAT SERIES; OR
- o IN RESPECT OF AN OBLIGATION OR PROVISION OF THE 1983 INDENTURE which cannot be modified UNDER THE TERMS OF THAT INDENTURE without the consent of EACH HOLDER OF EACH OUTSTANDING SECURITY OF EACH SERIES OF SENIOR DEBT SECURITIES AFFECTED.

THE HOLDERS of a majority in principal amount of the OUTSTANDING SENIOR DEBT SECURITIES of a series may direct the time, method and place of conducting any proceeding for any remedy available to the TRUSTEE or exercising any trust or power conferred on the TRUSTEE with respect to THOSE SENIOR DEBT SECURITIES, provided that ANY direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of THE HOLDERS, THE TRUSTEE shall be entitled to receive from THE HOLDERS reasonable security or INDEMNIFICATION against the costs, expenses and liabilities which might be incurred by it in complying with any DIRECTION.

THE MITTS SECURITIES AND OTHER SERIES OF SENIOR DEBT SECURITIES ISSUED

UNDER THE 1983 INDENTURE DO NOT HAVE THE BENEFIT OF ANY CROSS-DEFAULT PROVISIONS WITH OTHER INDEBTEDNESS OF ML&CO.

ML&CO. is required to furnish to the TRUSTEE annually a statement as to the fulfillment by ML&CO. of all of its obligations under the 1983 INDENTURE.

PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying final Treasury regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&CO. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount thereof and a Supplemental Redemption Amount equal to \$4.3254 per UNIT. This represents an estimated yield on the MITTS Securities equal to 6.64% per annum (compounded semiannually).

The projected payment schedule (including both the projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities) has been determined solely for United States Federal income tax purposes (i.e., for purposes of applying the Final Regulations to the MITTS Securities), and is not a prediction of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each UNIT of the MITTS Securities during each accrual period over the term of the MITTS Securities based upon the projected payment schedule for the MITTS Securities (including both the projected Supplemental Redemption Amount and the estimated yield equal to 6.64% per annum (compounded semiannually)) as determined by ML&CO. for purposes of the application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

ACCRUAL PERIOD	INTEREST DEEMED TO ACCRUE DURING ACCRUAL PERIOD (PER UNIT)	TOTAL INTEREST DEEMED TO HAVE ACCRUED ON SECURITIES AS OF END OF ACCRUAL PERIOD (PER UNIT)
March 14, 1997 through March 16, 1997.....	\$0.0018	\$0.0018
March 17, 1997 through September 16, 1997.....	\$0.3338	\$0.3356
September 17, 1997 through March 16, 1998.....	\$0.3413	\$0.6769
March 17, 1998 through September 16, 1998.....	\$0.3545	\$1.0314
September 17, 1998 through March 16, 1999.....	\$0.3662	\$1.3976
March 17, 1999 through September 16, 1999.....	\$0.3785	\$1.7761
September 17, 1999 through March 16, 2000.....	\$0.3909	\$2.1670
March 17, 2000 through September 16, 2000.....	\$0.4040	\$2.5710
September 17, 2000 through March 16, 2001.....	\$0.4173	\$2.9883
March 17, 2001 through September 16, 2001.....	\$0.4312	\$3.4195
September 17, 2001 through March 16, 2002.....	\$0.4456	\$3.8651
March 17, 2002 through September 16, 2002.....	\$0.4603	\$4.3254

</TABLE>

Projected Supplemental Redemption Amount = \$4.3254 per UNIT

Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&CO. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Office of the Corporate Secretary, 100 Church Street, New York, New York 10080.

WHERE YOU CAN FIND MORE INFORMATION

WE FILE REPORTS, PROXY STATEMENTS AND OTHER INFORMATION WITH THE SEC. OUR SEC FILINGS ARE ALSO AVAILABLE OVER THE INTERNET AT THE SEC'S WEB SITE AT [HTTP://WWW.SEC.GOV](http://www.sec.gov). YOU MAY ALSO READ AND COPY ANY DOCUMENT WE FILE BY VISITING THE SEC'S PUBLIC REFERENCE ROOMS IN WASHINGTON, D.C., NEW YORK, NEW YORK, AND CHICAGO, ILLINOIS. PLEASE CALL THE SEC AT 1-800-SEC-0330 FOR FURTHER INFORMATION ABOUT THE PUBLIC REFERENCE ROOMS. YOU MAY ALSO INSPECT OUR SEC REPORTS AND OTHER INFORMATION AT THE NEW YORK STOCK EXCHANGE, INC., 20 BROAD STREET, NEW YORK, NEW YORK 10005.

WE HAVE FILED A REGISTRATION STATEMENT ON FORM S-3 WITH THE SEC COVERING THE MITTS SECURITIES AND OTHER SECURITIES. FOR FURTHER INFORMATION ON ML&CO. AND THE MITTS SECURITIES, YOU SHOULD REFER TO OUR REGISTRATION STATEMENT AND ITS EXHIBITS. THIS PROSPECTUS SUMMARIZES MATERIAL PROVISIONS OF CONTRACTS

AND OTHER DOCUMENTS THAT WE REFER YOU TO. BECAUSE THE PROSPECTUS MAY NOT CONTAIN ALL THE INFORMATION THAT YOU MAY FIND IMPORTANT, YOU SHOULD REVIEW THE FULL TEXT OF THESE DOCUMENTS. WE HAVE INCLUDED COPIES OF THESE DOCUMENTS AS EXHIBITS TO OUR REGISTRATION STATEMENT OF WHICH THIS PROSPECTUS IS A PART.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

THE SEC ALLOWS US TO INCORPORATE BY REFERENCE THE INFORMATION WE FILE WITH THEM, WHICH MEANS:

- o INCORPORATED DOCUMENTS ARE CONSIDERED PART OF THE PROSPECTUS;
- o WE CAN DISCLOSE IMPORTANT INFORMATION TO YOU BY REFERRING YOU TO THOSE DOCUMENTS; AND
- o INFORMATION THAT WE FILE WITH THE SEC WILL AUTOMATICALLY UPDATE AND SUPERSEDE THIS INCORPORATED INFORMATION.

WE INCORPORATE BY REFERENCE THE DOCUMENTS LISTED BELOW WHICH WERE FILED WITH THE SEC UNDER THE EXCHANGE ACT:

- o ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 25, 1998; AND
- o CURRENT REPORTS ON FORM 8-K DATED DECEMBER 28, 1998, JANUARY 19, 1999, FEBRUARY 17, 1999, FEBRUARY 18, 1999, FEBRUARY 22, 1999, FEBRUARY 23, 1999 AND MARCH 26, 1999.

WE ALSO INCORPORATE BY REFERENCE EACH OF THE FOLLOWING DOCUMENTS THAT WE WILL FILE WITH THE SEC AFTER THE DATE OF THIS PROSPECTUS UNTIL THIS OFFERING IS COMPLETED OR AFTER THE DATE OF THIS INITIAL REGISTRATION STATEMENT AND BEFORE THE EFFECTIVENESS OF THE REGISTRATION STATEMENT:

- o REPORTS FILED UNDER SECTIONS 13(A) AND (C) OF THE EXCHANGE ACT;
- o DEFINITIVE PROXY OR INFORMATION STATEMENTS FILED UNDER SECTION 14 OF THE EXCHANGE ACT IN CONNECTION WITH ANY SUBSEQUENT STOCKHOLDERS' MEETING; AND
- o ANY REPORTS FILED UNDER SECTION 15(D) OF THE EXCHANGE ACT.

YOU SHOULD RELY ONLY ON INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. WE HAVE NOT, AND MLPF&S HAS NOT, AUTHORIZED ANY OTHER PERSON TO PROVIDE YOU WITH DIFFERENT INFORMATION. IF ANYONE PROVIDES YOU WITH DIFFERENT OR INCONSISTENT INFORMATION, YOU SHOULD NOT RELY ON IT. WE ARE NOT, AND MLPF&S IS NOT, MAKING AN OFFER TO SELL THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

YOU SHOULD ASSUME THAT THE INFORMATION APPEARING IN THIS PROSPECTUS IS ACCURATE AS OF THE DATE OF THIS PROSPECTUS ONLY. OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS MAY HAVE CHANGED SINCE THAT DATE.

YOU MAY REQUEST A COPY OF ANY FILINGS REFERRED TO ABOVE (EXCLUDING EXHIBITS), AT NO COST, BY CONTACTING US AT THE FOLLOWING ADDRESS: MR. LAWRENCE M. EGAN, JR., CORPORATE SECRETARY'S OFFICE, MERRILL LYNCH & CO., INC., 100 CHURCH STREET, NEW YORK, NEW YORK 10080-6512, TELEPHONE: (212) 602-8435.

#### PLAN OF DISTRIBUTION

THIS PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH SECONDARY SALES OF THE MITTS SECURITIES AND IS TO BE USED BY MLPF&S WHEN MAKING OFFERS AND SALES RELATED TO MARKET-MAKING TRANSACTIONS IN THE MITTS SECURITIES.

MLPF&S MAY ACT AS PRINCIPAL OR AGENT IN THESE MARKET-MAKING TRANSACTIONS.

THE MITTS SECURITIES MAY BE OFFERED ON THE NYSE OR OFF THE EXCHANGE IN NEGOTIATED TRANSACTIONS OR OTHERWISE.

THE DISTRIBUTION OF THE MITTS SECURITIES WILL CONFORM TO THE REQUIREMENTS SET FORTH IN THE APPLICABLE SECTIONS OF RULE 2720 OF THE CONDUCT RULES OF THE NASD.

#### EXPERTS

The consolidated financial statements AND THE related financial statement schedule INCORPORATED IN THIS PROSPECTUS BY REFERENCE FROM THE ANNUAL REPORT ON FORM 10-K OF MERRILL LYNCH & CO., INC. AND SUBSIDIARIES have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (WHICH EXPRESS AN UNQUALIFIED OPINION AND WHICH REPORT ON THE consolidated financial statements INCLUDES AN EXPLANATORY PARAGRAPH FOR THE CHANGE IN ACCOUNTING METHOD FOR CERTAIN INTERNAL-USE SOFTWARE DEVELOPMENT COSTS), WHICH ARE incorporated herein by reference, AND HAVE BEEN SO INCORPORATED in reliance upon THE reports of SUCH FIRM given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S  
-----

Merrill Lynch & Co., Inc.  
Healthcare/Biotechnology Portfolio Market Index Target-Term Securities(R)  
due October 31, 2001

"MITTS(R) Securities"  
\$10 principal amount

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>

<S>

The MITTS Securities:

- o 100% principal protection at maturity
- o No payments before to the maturity date
- o Senior unsecured debt securities Merrill Lynch & Co., Inc.
- o Linked to the value of the Healthcare/Biotechnology Portfolio, as described in this prospectus
- o The MITTS Securities are listed on the American Stock Exchange under the symbol "MLH".

</TABLE>

<C>

Payment at Maturity:

- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the percentage increase, if any, in the value of the portfolio, adjusted as described in this prospectus.
- o You will receive no less than the principal amount of your MITTS Securities

Investing in the MITTS Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is \_\_\_\_\_, 1999.

(R) "MITTS" and (R) Market Index Target-Term Securities" are registered service marks of Merrill Lynch & Co., Inc.

Table of Contents

Page

RISK FACTORS.....	1
MERRILL LYNCH & CO., INC.....	4
RATIO OF EARNINGS TO FIXED CHARGES.....	5
DESCRIPTION OF SECURITIES.....	6
THE PORTFOLIO.....	13
OTHER TERMS.....	16
PROJECTED PAYMENT SCHEDULE.....	20
WHERE YOU CAN FIND MORE INFORMATION.....	20
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	21
PLAN OF DISTRIBUTION.....	22
EXPERTS.....	22

## RISK FACTORS

### Payment at Maturity

You may not earn a return on your investment.

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the portfolio over five trading days shortly before the maturity date is less than 115. This will be true even if at some time during the life of the MITTS Securities, the value of the portfolio was higher than 115 but later falls below 115.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Your return will not reflect the return of owning the stocks included in the portfolio

The portfolio does not reflect the payment of dividends on the stocks underlying it. Therefore your yield you receive based on the value of portfolio at the maturity of the MITTS Securities will not be the same as the yield you would receive if you had purchased the underlying stocks and held them for a similar period.

Amounts payable on the MITTS Securities may be limited by state law

New York State laws govern the indenture under which the MITTS Securities were issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for your benefit, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

There are many factors affecting the trading value of the MITTS Securities

We expect that the trading value of the MITTS Securities will depend substantially on the extent of the appreciation, if any, of the portfolio value over 115. If, however, you sell your MITTS Securities prior to the maturity date at a time when the portfolio value exceeds 115, the price you



receive may be at a substantial discount from the amount expected to be payable if the excess of the portfolio value over 115 were to prevail until maturity of the MITTS Securities because of the possible fluctuation of the portfolio between the time of the sale and the time that the MITTS Securities mature. Furthermore, the price at which you will be able to sell MITTS Securities prior to maturity may be at a discount, which could be substantial, from the principal amount thereof, if, at that time, the portfolio is below, equal to, or not sufficiently above 115. A discount could also result from rising interest rates.

In addition to the value of the portfolio, a number of interrelated factors, including those factors listed below may affect the trading value of the MITTS Securities. The relationship among these factors is complex. The expected effect on the trading value of the MITTS 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 we will pay, at a minimum, the principal amount per unit of the MITTS Securities at maturity, changes in interest rates will likely affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect the trading value of the MITTS Securities to decrease. Conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities to increase. Interest rates may also affect the U.S. economy, and, in turn, the value of the portfolio. Rising interest rates may lower the value of the portfolio and, thus, may decrease the trading value of the MITTS Securities. Falling interest rates may increase the value of the portfolio and, thus, may increase the trading value of the MITTS Securities.

**Volatility of the portfolio.** If the volatility of the portfolio value increases, we expect the trading value of the MITTS Securities to increase. If the volatility of the portfolio value decreases, we expect the trading value of the MITTS Securities to decrease.

**Time Remaining to Maturity.** We anticipate that prior to maturity the MITTS Securities may trade at a value above that which you may expect based on the level of interest rates and the portfolio. This difference will reflect a "time premium" due to expectations concerning the value of the portfolio during the period prior to maturity of the MITTS Securities. As the time remaining to maturity of the MITTS Securities decreases, however, this time premium is expected to decrease, thus decreasing the trading value of the MITTS Securities. In addition, the price at which you may be able to sell the MITTS Securities prior to maturity may be at a discount, which may be substantial, from the principal amount of the MITTS Securities if the value of the portfolio is below, equal to, or not sufficiently above 115.

**Dividend Rates in the United States.** If dividend rates on the stocks included in the portfolio increase, we expect the trading value of the MITTS Securities to decrease. Conversely, if dividend rates on the stocks included in the portfolio decrease, we expect the value of the MITTS Securities to increase. However, in general, rising U.S. corporate dividend rates may increase the value of the portfolio and, in turn, increase the trading value of the MITTS Securities. Conversely, falling U.S. corporate dividend rates may decrease the value of the portfolio and, in turn, decrease the trading value of the MITTS Securities.

The impact of the factors specified above, excluding the value of the portfolio, may offset, partially or in whole, any increase in the trading value of the MITTS Securities that is attributable to an increase in the value of the portfolio. For example, an increase in U.S. interest rates may cause the MITTS Securities to trade at a discount from their initial offering price, even if the portfolio has appreciated significantly. In general, assuming all relevant factors are held constant, the effect on the trading value of the MITTS Securities of a given change in interest rates, portfolio volatility and/or dividend rates of stocks comprising the portfolio is expected to be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities. However, the effect on the trading value of the MITTS Securities of a given appreciation of the portfolio in excess 115 is expected to be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities, assuming all other relevant factors are held constant.

Many factors affecting the stocks in the portfolio value will affect your return

Political, economic and other developments that affect the stocks underlying the portfolio may adversely affect the value of the portfolio and the value of the MITTS Securities. Since the stocks underlying the portfolio are of companies involved in various segments of the healthcare industry and the biotechnology industry, factors affecting these industries may affect the value of the portfolio and therefore the trading value of the MITTS Securities. See "The Portfolio--Healthcare and Biotechnology Industries".

## Other Considerations

We suggest that you reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities, and should consult your tax advisor.

Our wholly-owned subsidiary, Merrill Lynch, Pierce, Fenner and Smith Incorporated, or MLPF&S, or its affiliates may from time to time engage in transactions involving the stocks included in the portfolio for their proprietary accounts and for other accounts under their management, which may influence the value of these stocks and therefore the value of the MITTS Securities. MLPF&S and its affiliates will also be the counterparties to the hedge of ML&Co.'s obligations under the MITTS Securities. Accordingly, in some circumstances, conflicts of interest may arise between MLPF&S's responsibilities as calculation agent for the MITTS Securities and its obligations under its hedge and its status as a subsidiary of ML&Co. At times, the duties of MLPF&S as calculation agent could conflict with the interests of MLPF&S as an affiliate of the issuer of the MITTS Securities, Merrill Lynch & Co., Inc., and with the interests of the holders of the MITTS Securities.

## MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

## RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

</TABLE>

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF SECURITIES

On October 30, 1996, ML&Co. issued \$15,000,000 aggregate principal amount of Healthcare/Biotechnology MITTS Securities due October 31, 2001. The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on October 31, 2001.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default, as defined below, with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "-- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

#### Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of that unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Ending Portfolio Value does not exceed the Benchmark Portfolio Value, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>			
<S>	<C>	<C>	
Principal Amount (\$10 per unit)	x	( Value--Benchmark Portfolio Value)	
		-----	
		Benchmark Portfolio Value	

</TABLE>

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Portfolio" means the Healthcare/Biotechnology Portfolio.

The "Benchmark Portfolio Value" equals 115. The Benchmark Portfolio Value was determined on the date the MITTS securities were priced for initial sale to the public (the "Pricing Date"), by multiplying the Starting Portfolio Value by a factor equal to 115%. Based on the individual prices of the stocks included in the Portfolio (the "Portfolio Securities") on the Pricing Date,

the Multiplier for each Portfolio Security was initially set by the AMEX so that, on the Pricing Date, the Portfolio Securities were equally dollar-weighted in the Portfolio and the Portfolio Value equaled 100 (the "Starting Portfolio Value").

The "Ending Portfolio Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of the Portfolio determined on each of the first five Calculation Days during the Calculation Period. If there are fewer than five Calculation Days, then the Ending Portfolio Value will equal the average or arithmetic mean of the closing values of the Portfolio on those Calculation Days. If there is only one Calculation Day, then the Ending Portfolio Value will equal the closing value of the Portfolio on that Calculation Day. If no Calculation Days occur during the Calculation Period because of Market Disruption Events, then the Ending Portfolio Value will equal the closing value of the Portfolio determined on the last scheduled Portfolio Business Day in the Calculation Period, regardless of the occurrence of a Market Disruption Event on that day.

The "Calculation Period" means the period from and including the seventh scheduled Portfolio Business Day prior to the maturity date to and including the second scheduled Portfolio Business Day prior to the maturity date.

"Calculation Day" means any Portfolio Business Day during the Calculation Period on which a Market Disruption Event has not occurred.

For purposes of determining the Ending Portfolio Value, a "Portfolio Business Day" is a day on which the AMEX is open for trading and trading generally occurs in the over-the-counter market for equity securities and the Portfolio or any Successor Portfolio, as defined below on page 10, 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 ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Portfolio Values,

- o the total amount payable at maturity for each \$10 principal amount of MITTS Securities, based on the Benchmark Portfolio Value, which equals 115% of the Starting Portfolio Value;
- o the pretax annualized rate of return to beneficial owners of MITTS Securities, and
- o the pretax annualized rate of return of an investment in the stocks underlying the Portfolio, which includes an assumed aggregate dividend yield of 0.23% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Hypothetical Ending Portfolio Value	Percentage Change Over the Starting Portfolio Value	Total Amount Payable at Maturity(1)	Pretax Annualized Rate of Return on the Securities(2)	Pretax Annualized Rate of Return of Stock Underlying the Portfolio(2) (3)
<S>	<C>	<C>	<C>	<C>
50	-50%	\$ 10.00	0.00%	-13.09%
60	-40%	\$ 10.00	0.00%	-9.66%
70	-30%	\$ 10.00	0.00%	-6.71%
80	-20%	\$ 10.00	0.00%	-4.11%
90	-10%	\$ 10.00	0.00%	-1.79%
100 (4)	0%	\$ 10.00	0.00%	0.23%
110	10%	\$ 10.00	0.00%	2.23%
120	20%	\$ 10.43	0.85%	4.00%
130	30%	\$ 11.30	2.47%	5.64%
140	40%	\$ 12.17	3.97%	7.17%
150	50%	\$ 13.04	5.39%	8.60%
160	60%	\$ 13.91	6.72%	9.96%
170	70%	\$ 14.78	7.97%	11.23%
180	80%	\$ 15.65	9.16%	12.45%
190	90%	\$ 16.52	10.30%	13.60%

200	100%	\$ 17.39	11.38%	14.70%
210	110%	\$ 18.26	12.41%	15.75%
220	120%	\$ 19.13	13.40%	16.76%
230	130%	\$ 20.00	14.35%	17.77%
240	140%	\$ 20.87	15.27%	18.66%
250	150%	\$ 21.74	16.15%	19.56%

</TABLE>

- (1) The total amount payable at maturity is based on the Benchmark Portfolio Value, which equals 115% of the Starting Portfolio 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:
  - o an investment of a fixed amount in the stocks underlying the Portfolio with the allocation of that amount reflecting the relative weights of the stocks in the Portfolio;
  - o a percentage change in the aggregate price of the stocks that equals the percentage change in the Portfolio from the Starting Portfolio Value to the relevant hypothetical Ending Portfolio Value;
  - o a constant dividend yield of 0.23% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Portfolio at the end of each quarter assuming this value increases or decreases linearly from the Starting Portfolio Value to the applicable hypothetical Ending Portfolio Value;
  - o no transaction fees or expenses;
  - o a five year maturity of the MITTS Securities from the date of issuance; and
  - o a final Portfolio value equal to the Ending Portfolio Value. The aggregate dividend yield of the stocks underlying the Portfolio as of October 24, 1996 was approximately 0.23% per annum.
- (4) The Starting Portfolio Value was set at 100 based on the closing prices on the Pricing Date.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the resulting pretax annualized rate of return will depend entirely on the actual Ending Portfolio Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Portfolio; Market Disruption Events

If at any time the method of calculating the Portfolio Value is changed in any material respect, or if the Portfolio is in any other way modified so that the Portfolio Value does not, in the opinion of the calculation agent, fairly represent the Portfolio Value had these changes or modifications not been made, then, from and after that 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 Portfolio Value is to be calculated, make any 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 Portfolio Value as if any changes or modifications had not been made, and calculate the closing value with reference to the Portfolio Value, as adjusted. Accordingly, if the method of calculating the Portfolio Value is modified so that the Portfolio Value is a fraction or a multiple of what it would have been if it had not been modified, for example, due to a split in the Portfolio Value, then the calculation agent shall adjust the Portfolio Value in order to arrive at a Portfolio Value as if it had not been modified, for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- (a) the suspension or material limitation on the trading of three or more of the Portfolio Securities on any exchange in the United States or in the over-the-counter market for more than two hours of trading or during the period one-half hour prior to the close of trading, or

(b) the suspension or material limitation, whether by reason of movements in price otherwise exceeding levels permitted by the relevant exchange or otherwise, in the trading of option contracts related to three or more of the Portfolio Securities traded on any exchange for more than two hours of trading or during the period one-half hour prior to the close of trading.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

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 Portfolio

If the AMEX discontinues publication of the Portfolio Value and the AMEX or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Portfolio Value (the "Successor Portfolio Value"), then, upon the calculation agent's notification of this determination to the trustee and ML&Co., the calculation agent will substitute the Successor Portfolio Value as calculated by the AMEX or any other entity for the Portfolio Value and calculate the Ending Portfolio Value as described above under "Payment at Maturity". Upon any selection by the calculation agent of a Successor Portfolio Value, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If the AMEX discontinues publication of the Portfolio Value and a Successor Portfolio Value 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 Portfolio Value for any 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 Portfolio Value prior to any discontinuance. If a Successor Portfolio Value is selected or the calculation agent calculates a value as a substitute for the Portfolio Value as described below, the Successor Portfolio Value or value calculated by the calculation agent shall be substituted for the Portfolio Value for all purposes, including for purposes of determining whether a Market Disruption Event exists.

If the AMEX discontinues publication of the Portfolio Value prior to the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Portfolio Value is available at that time, then on each Business Day until the earlier to occur of

- o the determination of the Ending Portfolio Value and
- o a determination by the calculation agent that a Successor Portfolio Value 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 to be made available by telephone.

Despite these alternative arrangements, discontinuance of the publication of the Portfolio Value may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

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

In case of default in payment at the maturity date of the MITTS Securities whether at their stated maturity or upon acceleration, from and

after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 7.7% per annum to the extent that payment of the interest shall be legally enforceable on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

## Global Securities

### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a Holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of Holders or that an owner of a beneficial interest in a global security desires to give or take any action which a Holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

ML&CO. will make all payments of principal and the Supplemental Redemption Amount, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.



THE PORTFOLIO

While the Portfolio consists of stocks of companies involved in various segments of the healthcare industry and the biotechnology industry, the Portfolio is not intended to provide an indication of the pattern of price movements of common stocks of healthcare and biotechnology corporations generally. All of the Portfolio Securities are registered under the Exchange Act. Companies with securities registered under the Exchange Act are required to file periodically financial and other information specified by the SEC. Information provided to or filed with the SEC is available at the offices of the SEC. Neither ML&Co. nor MLPF&S makes any representation or warranty as to the accuracy or completeness of the reports. The inclusion of a Portfolio Security in the Portfolio is not a recommendation to buy or sell that Portfolio Security and neither ML&Co. nor any of its affiliates make any representation to any purchaser of MITTS Securities as to the performance of the Portfolio.

ML&Co. or its affiliates may presently or from time to time engage in business with one or more of the issuers of the Portfolio Securities, including extending loans to, or making equity investments in, these issuers or providing advisory services to these issuers, including merger and acquisition advisory services. In the course of business, ML&Co. or its affiliates may acquire non-public information about the issuers and, in addition, one or more affiliates of ML&Co. may publish research reports about the issuers. ML&Co. does not make any representation to any purchaser of MITTS Securities with respect to any matters whatsoever relating to these issuers. Any prospective purchaser of a MITTS Security should undertake an independent investigation of the issuers of the Portfolio Securities as in its judgment is appropriate to make an informed decision about an investment in the MITTS Securities.

Healthcare and Biotechnology Industries

The healthcare industry is subject to various federal, state and local laws and regulations which are frequently subject to change in many ways that can affect the price of the stocks of companies involved in the industry.

The biotechnology industry segment is subject to many of the same factors that affect the healthcare industry. In addition, the products produced by biotechnology companies often entail costly research and development and can be subject to extensive regulatory review prior to approval for sale.

Computation of the Portfolio Value

The AMEX will generally calculate and disseminate the value of the Portfolio based on the most recently reported prices of the Portfolio Securities, as reported by the Exchanges, at approximately 15-second intervals during the AMEX's business hours and at the end of each Portfolio Business Day via the Consolidated Tape Association's Network B. The Portfolio Value, at any time, will equal the sum of the products of these prices and the applicable Multipliers for the Portfolio Securities. The Ending Portfolio Value, however, is calculated by the calculation agent based on averaging the Portfolio Values reported by the AMEX at the end of particular Portfolio Business Days. See "Description of Securities--Payment at Maturity". The securities listed below are the Portfolio Securities and will be used to calculate the value of the Portfolio. Holders of the MITTS will not have any right to receive the Portfolio Securities. The following table sets forth the issuers of the Portfolio Securities, the exchanges, the percentage of each Portfolio Security in the Starting Portfolio Value and the initial Multipliers:

<TABLE>  
<CAPTION>

Issuer of the Portfolio Security	Exchanges	Industry Segment	Approximate Market Capitalization as of October 23, 1996	% of Starting Portfolio Value	Initial Multiplier
-------------------------------------	-----------	---------------------	--	--	-----------------------

(In Millions)

<S>	<C>	<C>	<C>	<C>	<C>
Amgen Inc.....	Nasdaq	Biotechnology	16,312.14	4%	0.0640000
Apria Healthcare Group Inc. .	NYSE	Health--Specialty	874.73	4%	0.2269504
Baxter International Inc.....	NYSE	Hospital Supplies	11,718.40	4%	0.0981595
Beverly Enterprises.....	NYSE	Health--Long Term Care	1,166.27	4%	0.3368421

Biogen, Inc. ....	Nasdaq	Biotechnology	2,870.02	4%	0.0487805
Chiron Corporation.....	Nasdaq	Biotechnology	3,270.62	4%	0.2077922
Columbia/HCA Healthcare Corporation.....	NYSE	Hospital Management	24,148.37	4%	0.1126761
Emcare Holdings Inc. ....	Nasdaq	Health--Specialty	215.90	4%	0.1502347
Genzyme Corporation.....	Nasdaq	Biotechnology	1,629.46	4%	0.1649485
Genesis Health Ventures, Inc..	NYSE	Health--Long Term Care	730.63	4%	0.1675393
Health Management Associates, Inc.....	NYSE	Hospital Management	2,495.82	4%	0.1729730
Healthsource, Inc. ....	NYSE	Health Maintenance Organization	741.34	4%	0.3440860
Healthsouth Corporation.....	NYSE	Health--Specialty	5,909.69	4%	0.1038961
Humana Inc.....	NYSE	Health Maintenance Organization	3,086.40	4%	0.2105263
Johnson & Johnson.....	NYSE	Hospital Supplies	66,327.34	4%	0.0822622
Medpartners/Mullikin, Inc....	NYSE	Health Maintenance Organization	1,205.26	4%	0.1720430
Neuromedical Systems, Inc....	Nasdaq	Health--Specialty	516.75	4%	0.2162162
Olsten Corporation.....	NYSE	Health--Specialty	1,283.15	4%	0.1739130
Oxford Health Plans, Inc.....	Nasdaq	Health Maintenance Organization	3,441.59	4%	0.0871935
Phycor, Inc. ....	Nasdaq	Health Maintenance Organization	1,759.06	4%	0.1216730
Quorum Health Group, Inc. ....	Nasdaq	Hospital Management	1,291.42	4%	0.1428571
Renal Treatment Centers, Inc..	NYSE	Health--Specialty	683.50	4%	0.1361702
Tenet Healthcare Corporation..	NYSE	Hospital Management	4,476.70	4%	0.1893491
Total Renal Care Holdings, Inc. ....	NYSE	Health--Specialty	1,119.74	4%	0.0932945
United Healthcare Corporation.	NYSE	Health maintenance Organization	6,657.24	4%	0.1126761

</TABLE>

The initial Multiplier relating to each Portfolio Security indicates the number of shares of the Portfolio Security, given the market price of the Portfolio Security, required to be included in the calculation of the Starting Portfolio Value so that each Portfolio Security represents an equal percentage of the Starting Portfolio Value. The price of each Portfolio Security used to calculate the initial Multiplier relating to each Portfolio Security was the closing price of the Portfolio Security on the Pricing Date. The respective Multipliers will remain constant for the term of the MITTS Securities unless adjusted for particular corporate events, as described below.

#### Adjustments to the Multiplier and Portfolio

The AMEX will adjust the Multiplier with respect to any Portfolio Security and the Portfolio as follows:

1. If a Portfolio Security is subject to a stock split or reverse stock split, then once the split has become effective, the Multiplier relating to the Portfolio Security will be adjusted to equal the product of the number of shares issued with respect to one share of the Portfolio Security and the prior multiplier.

2. If a Portfolio Security is subject to a stock dividend, issuance of additional shares of the Portfolio Security, that is given equally to all holders of shares of the issuer of that Portfolio Security, then once the dividend has become effective and that Portfolio Security is trading ex-dividend, the Multiplier will be adjusted so that the new Multiplier shall equal the former Multiplier plus the product of the number of shares of that Portfolio Security issued with respect to one share of that Portfolio Security and the prior multiplier.

3. There will be no adjustments to the Multipliers to reflect cash dividends or distributions paid on a Portfolio Security other than for Extraordinary Dividends as described below. A cash dividend with respect to a Portfolio Security will be deemed to be an "Extraordinary Dividend" if that dividend exceeds the immediately preceding non-Extraordinary Dividend for the Portfolio Security by an amount equal to at least 10% of the market price on the Portfolio Business Day preceding the record day for the payment of the Extraordinary Dividend (the "ex-dividend date"). If an Extraordinary Dividend occurs with respect to a Portfolio Security, the Multiplier of the Portfolio Security will be adjusted on the ex-dividend date with respect to that Extraordinary Dividend so that the new Multiplier will equal the product of the then current Multiplier and a fraction, the numerator of which is the sum of the Extraordinary Dividend Amount and the market price on the Trading Day preceding the ex-dividend date, and the denominator of which is the market price on the Trading Day preceding the ex-dividend date. The "Extraordinary Dividend Amount" with respect to an Extraordinary Dividend for a Portfolio Security will equal the Extraordinary Dividend minus the amount of the immediately preceding non-Extraordinary Dividend for that Portfolio Security.

4. If the issuer of a Portfolio Security is being liquidated or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law, the Portfolio Security will continue to be included in the Portfolio so long as a market price for the Portfolio Security is available. If a market price is no longer available for a Portfolio Security for whatever reason, including the liquidation of the issuer of the Portfolio Security or the subjection of the issuer of the Portfolio Security to a proceeding under any applicable bankruptcy, insolvency or other similar law, then the value of

that Portfolio Security will equal zero in connection with calculating the Portfolio Value and the Ending Portfolio Value for so long as no market price is available, and no attempt will be made to find a replacement stock or increase the value of the Portfolio to compensate for the deletion of the Portfolio Security.

5. If the issuer of a Portfolio Security has been subject to a merger or consolidation and is not the surviving entity or is nationalized, then a value for that Portfolio Security will be determined at the time the issuer is merged or consolidated or nationalized and will equal the last available market price for the Portfolio Security and that value will be constant for the remaining term of the MITTS Securities. At that time, no adjustment will be made to the Multiplier of the Portfolio Security. ML&Co. may at its sole discretion increase the last available market price to reflect payments or dividends of cash, securities or other consideration to holders of the Portfolio Security in connection with the merger or consolidation which may not be reflected in the last available market price.

6. If the issuer of a Portfolio Security issues to all of its shareholders equity securities that are publicly traded of an issuer other than the issuer of the Portfolio Security, then the new equity securities will be added to the Portfolio as a new Portfolio Security. The Multiplier for the new Portfolio Security will equal the product of the original Multiplier of the Portfolio Security for which the new Portfolio Security is being issued (the "Original Portfolio Security") and the number of shares of the new Portfolio Security issued with respect to one share of the Original Portfolio Security.

No adjustments of any Multiplier of a Portfolio Security will be required unless the adjustment would require a change of at least 1% in the Multiplier then in effect. The Multiplier resulting from any of the adjustments specified above will be rounded to the nearest one thousandth with five ten-thousandths being rounded upward.

The AMEX expects that no adjustments to the Multiplier of any Portfolio Security or to the Portfolio will be made other than those specified above, however, the AMEX may at its discretion make adjustments to maintain the economic intent of the Portfolio.

The value of the Portfolio is reported on the AMEX and Bloomberg under the symbol "MXH" and on Reuters under the symbol ".MXH".

A potential investor should review the historical performance of the Portfolio. The historical performance of the Portfolio should not be taken as an indication of future performance, and no assurance can be given that the Portfolio will increase sufficiently to cause the beneficial owners of the MITTS Securities to receive an amount in excess of the principal amount at the maturity of the MITTS Securities.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise

are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any

installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;

- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
  
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying final Treasury regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount thereof and a Supplemental Redemption Amount equal to \$3.8425 per unit. This represents an estimated yield on the MITTS Securities equal to 6.61% per annum (compounded semiannually).

The projected payment schedule (including both the projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities) has been determined solely for United States Federal income tax purposes (i.e., for purposes of applying the Final Regulations to the MITTS Securities), and is not a prediction of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over the term of the MITTS Securities based upon the projected payment schedule for the MITTS Securities (including both the projected Supplemental Redemption Amount and the estimated yield equal to 6.61% per annum (compounded semiannually)) as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period -----	Interest Deemed to Accrue During Accrual Period (per unit) -----	Total Interest Deemed to Have Accrued on Securities as of End of Accrual Period (per unit) -----
<S>	<C>	<C>
October 30, 1996 through April 30, 1997....	\$0.3305	\$0.3305
May 1, 1997 through October 31, 1997.....	\$0.3414	\$0.6719
November 1, 1997 through April 30, 1998....	\$0.3527	\$1.0246
May 1, 1998 through October 31, 1998.....	\$0.3644	\$1.3890
November 1, 1998 through April 30, 1999....	\$0.3764	\$1.7654
May 1, 1999 through October 31, 1999.....	\$0.3888	\$2.1542
November 1, 1999 through April 30, 2000....	\$0.4017	\$2.5559
May 1, 2000 through October 31, 2000.....	\$0.4150	\$2.9709
November 1, 2000 through April 30, 2001....	\$0.4287	\$3.3996
May 1, 2001 through October 31, 2001.....	\$0.4429	\$3.8425

</TABLE>

- - - - -

Projected Supplemental Redemption Amount = \$3.8425 per unit

Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for the information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Office of the Corporate Secretary, 100 Church Street, New York, New York 10080.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities are listed on the AMEX and may be offered on the CBOE and NYSE or off an exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

#### P R O S P E C T U S

- - - - -

Merrill Lynch & Co., Inc.

Technology Market Index Target-Term Securities(R) due August 15, 2001

"MITTS(R) Securities"

\$10 principal amount

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>

<S>

The MITTS Securities:

- o 100% principal protection at maturity
- o No payments before the maturity date
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o Linked to the value of the Chicago Board of Options Exchange Technology Index, as further described in this prospectus
- o The MITTS Securities are listed on the Chicago Board of Options Exchange and the New York Stock Exchange under the symbol "TKM".

</TABLE>

<C>

Payment at Maturity:

- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the percentage increase, if any, in the value of the index, adjusted as described in this prospectus.
- o At maturity you will receive no less than the principal amount of your MITTS Securities and no more than \$20.

Investing in the MITTS Securities involves risks.

See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

- - - - -



-----  
The date of this prospectus is \_\_\_\_\_, 1999.

-----  
(R) "MITTS" and "Market Index Target-Term Securities" are service marks of Merrill Lynch & Co., Inc.

\* The use and reference of the term "CBOE Technology Index" in this prospectus has been consented to by the CBOE.

The "CBOE Technology Index" is a service mark of the CBOE.

Table of Contents

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	5
RATIO OF EARNINGS TO FIXED CHARGES.....	6
DESCRIPTION OF SECURITIES.....	7
THE INDEX.....	14
OTHER TERMS.....	17
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	21
PLAN OF DISTRIBUTION.....	22
EXPERTS.....	22

RISK FACTORS

You may not earn a return on your investment

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity date is less than 189.48.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Yield on the MITTS Securities is subject to a maximum amount

Because the amount, in addition to the principal amount of the MITTS Securities, if any, we will pay you at maturity, will not exceed \$10 per unit of MITTS Securities, you will not benefit from index increases in excess of approximately 125% of the closing index value on the date the MITTS Securities were priced for initial sale to the public.

Your return will not reflect the return of owning the stocks included in the index

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 MITTS Securities will not produce the same yield as if you purchased the underlying stocks and held them for a similar period.

There are many factors affecting the trading value of the MITTS Securities

The trading value of the MITTS Securities is expected to depend substantially on the extent of the appreciation, if any, of the index over 189.48. If, however, you sell your MITTS Securities prior to the maturity date at a time when the index exceeds 189.48, the price you receive may be at a substantial discount from the amount expected to be payable if the excess of

the index over 189.48 were to prevail until maturity of the MITTS Securities because of the possible fluctuation of the index between the time of the sale and the time that the MITTS Securities mature. Furthermore, the price at which you will be able to sell the MITTS Securities prior to maturity may be at a discount, which could be substantial, from the principal amount thereof, if, at that time, the index is below, equal to, or not sufficiently above 189.48. The \$20 limitation on payment at maturity of the MITTS Securities may adversely affect the secondary market value of the MITTS Securities. A discount could also result from rising interest rates.

In addition to the value of the index, a number of interrelated factors, including the creditworthiness of ML&Co. and those factors listed below, may affect the trading value of the MITTS Securities. The relationship among these factors is complex, including how these factors affect the amount to be repaid at maturity. Accordingly, you should be aware that factors other than the level of the index are likely to affect the MITTS Securities' trading value. The expected effect on the trading value of the MITTS 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 we will pay, at a minimum, the principal amount per unit of MITTS Securities at maturity, we expect the trading value of the MITTS Securities will likely be affected by changes in interest rates. In general, we anticipate that if U.S. interest rates increase, the trading value of the MITTS Securities is expected to decrease. Conversely, if U.S. interest rates decrease, the trading value of the MITTS 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 MITTS Securities. Falling interest rates may increase the value of the index and, thus, may increase the trading value of the MITTS Securities.

**Volatility of the Index.** If the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.

**Time Remaining to Maturity.** We believe that before maturity the MITTS Securities may trade at a value above that which you may expect 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 MITTS Securities. As the time remaining to maturity of the MITTS Securities decreases, however, we expect this time premium to decrease, thus decreasing the trading value of the MITTS Securities. In addition, the price at which you may be able to sell your MITTS Securities prior to maturity may be at a discount, which may be substantial, from the principal amount of the MITTS Securities if the value of the index is below, equal to, or not sufficiently above 189.48.

**Dividend Rates in the United States.** If dividend rates on the stocks included in the index increase, we expect the trading value of the MITTS Securities to decrease. Conversely, if dividend rates on the stocks included in the index decrease, we expect the value of the MITTS Securities 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 MITTS Securities. Conversely, falling U.S. corporate dividend rates may decrease the value of the index and, in turn, decrease the trading value of the MITTS 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 MITTS 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 MITTS Securities to trade at a discount from their initial offering price, even if the index has appreciated significantly. In addition, the impact of a given factor may change depending on the prevailing value of the index relative to 189.48 and on the time remaining to maturity. In general, assuming all relevant factors are held constant, the effect on the trading value of the MITTS 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 MITTS Securities than if it occurs earlier in the term of the MITTS Securities. We expect that the effect on the trading value of the MITTS Securities of a given appreciation of the index in excess of value of the MITTS Securities to be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities, assuming all other relevant factors are held constant.

Many factors affect the value of the index

Political, economic and other developments that affect the stocks included in the index may adversely affect the value of the index and the value of the MITTS Securities. Since the stocks included in 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 MITTS Securities.

#### Other Considerations

It is suggested that you should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax advisor.

Our wholly-owned subsidiary, Merrill Lynch, Pierce, Fenner and Smith, or 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 the stocks and therefore the value of the MITTS Securities. MLPF&S and its affiliates will also be the counterparties to the hedge of ML&Co.'s obligations under the MITTS Securities. Accordingly, in some circumstances, conflicts of interest may arise between MLPF&S's responsibilities as calculation agent with respect to the MITTS Securities and its obligations under its hedge and its status as a subsidiary of ML&Co. In some circumstances, the duties of MLPF&S as calculation agent could conflict with the interests of MLPF&S as an affiliate of the issuer of the MITTS Securities, Merrill Lynch & Co., Inc., and with the interests of the holders of the MITTS Securities.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two

entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

DESCRIPTION OF SECURITIES

On August 12, 1996, ML&Co. issued \$25,000,000 aggregate principal amount of Technology MITTS Securities due August 15, 2001. The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on August 15, 2001.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus the 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 MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

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

provided, however, that in no event will the Supplemental Redemption Amount be less than zero or more than \$10 per \$10 principal amount of MITTS Securities.

The "Benchmark Index Value" equals 189.48. The Benchmark Index Value was determined on the date the MITTS Securities were priced for initial sale to the public (the "Pricing Date") by multiplying the closing value of the CBOE Technology Index (the "Index") on the Pricing Date by a factor equal to 112.5%.

The "Ending Index Value" will be determined by calculation agent and will equal the average or 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 or arithmetic mean of the closing values of the Index on those Calculation Days. If there is only one Calculation Day, then the Ending Index Value will equal the closing value of the Index on that 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 that day.

The "Calculation Period" means the period from and including the seventh scheduled Index Business Day before the maturity date to and including the second scheduled Index Business Day before 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, as defined on page 11 below, 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 ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Index Values,

- o the total amount payable at maturity for each \$10 principal amount of MITTS Securities,
- o the pretax annualized rate of return to beneficial owners of MITTS Securities, and
- o 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.

<TABLE>  
<CAPTION>

Hypothetical Ending Index Value	Percentage Change Over the Starting Index Value	Total Amount Payable at Maturity	Pretax Annualized Rate of Return on the MITTS Securities(1)	Pretax Annualized Rate of Return of Stocks Underlying the Index(1) (2)
<S>	<C>	<C>	<C>	<C>
84.22	-50%	\$ 10.00	0.00%	-13.20%
101.06	-40%	\$ 10.00	0.00%	-9.77%
117.90	-30%	\$ 10.00	0.00%	-6.81%
134.74	-20%	\$ 10.00	0.00%	-4.22%
151.59	-10%	\$ 10.00	0.00%	-1.90%
168.43 (3)	0%	\$ 10.00	0.00%	0.20%
185.27	10%	\$ 10.00	0.00%	2.12%
202.12	20%	\$ 10.67	1.30%	3.88%
218.96	30%	\$ 11.56	2.92%	5.52%
235.80	40%	\$ 12.44	4.41%	7.05%
252.65	50%	\$ 13.33	5.82%	8.49%
269.49	60%	\$ 14.22	7.15%	9.84%
286.33	70%	\$ 15.11	8.41%	11.12%
303.17	80%	\$ 16.00	9.61%	12.33%
320.02	90%	\$ 16.89	10.74%	13.48%
336.86	100%	\$ 17.78	11.83%	14.58%
353.70	110%	\$ 18.67	12.86%	15.63%
370.55	120%	\$ 19.56	13.85%	16.64%
387.39	130%	\$ 20.00	14.33%	17.60%
404.23	140%	\$ 20.00	14.33%	18.53%
421.08	150%	\$ 20.00	14.33%	19.43%

</TABLE>

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

(2) This rate of return assumes

- o an investment of a fixed amount in the stocks underlying the Index with the allocation of that amount reflecting the relative weights of the stocks in the Index;
- o a percentage change in the aggregate price of the stocks that equals the percentage change in the Index from the closing value of the Index on the Pricing Date to the relevant hypothetical Ending Index Value;
- o a constant dividend yield of 0.20% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming the value increases or decreases linearly from the closing value of the Index on the Pricing Date to the applicable hypothetical Ending Index Value;
- o no transaction fees or expenses;
- o an investment term equal to the term of the MITTS Securities; and
- o a final Index value equal to the Ending Index Value. The aggregate dividend yield of the stocks underlying the Index as of August 7, 1996 was approximately 0.20%.

(3) The closing value of the Index on the Pricing Date.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the resulting pretax annualized rate of return will depend entirely on the actual Ending Index Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Index; Market Disruption Events

If at any time the method of calculating its Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had the changes or modifications not been made, then, from and after that 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 any 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 the changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified for example, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- (a) the suspension or material limitation on trading for more than two hours of trading in 5 or more of the securities included in the Index, or
- (b) 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 clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

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 the Index (a

"Successor Index"), then, upon the calculation agent's notification of the determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by the CBOE or any 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, ML&Co. shall cause notice to be given to holders of the MITTS 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 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 before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 before the period during which the calculation agent is to calculate the Supplemental Redemption Amount and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of the determination of the Ending Index Value and 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 these values to be made available by telephone. Despite these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities shall have occurred and be continuing, the amount payable to a beneficial owner of a Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount thereof, will be equal to the principal amount plus an additional amount of contingent interest calculated as though the date of early repayment were the maturity date of the MITTS Securities. See "Description of Securities--Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., 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 MITTS Securities.

In case of default in payment at the maturity date of the MITTS Securities, whether at their stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 7.76%, per annum to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of that amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor, a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the

beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a Holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of Holders or that an owner of a beneficial interest in a global security desires to give or take any action which a Holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the



MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

Unless otherwise stated, all information in this prospectus on the Index is derived from the CBOE or other publicly available sources. This information reflects the policies of the CBOE as stated in those sources and the 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 for example, 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:

- o computer services,
- o telecommunications equipment,
- o server software and hardware,
- o design software,

- o PC software and hardware,
- o networking, peripherals, and
- o semiconductors.

See the table below for a list of the stocks underlying the Index as of August 5, 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

- o the viability of the particular company,
- o the extent to which that company represents the high technology sector,
- o 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 August 5, 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 included in the Index are currently listed either on the New York Stock Exchange or traded through the facilities of the National Association of Securities Dealers Automated Quotation System and reported as National Market System securities. As of August 5, 1996, the 30 companies included in the Index had an aggregate market value of \$445.9 billion, with an average capitalization of \$14.86 billion. The Index components ranged in size from \$906.6 million to \$72.3 billion, with a median capitalization of \$4.81 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 July 31, 1996 ranged from a low of 5.65 million shares to a high of 177.6 million shares. As of August 5, 1996, the largest stock in the Index, by value, accounted for 8.88% of the Index, while the smallest represented 0.78% of the Index. Also on that date, the top five stocks in the Index accounted for 32.26% 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 for example, 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 that 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

- o totaling the prices of a single share of each of the Underlying Stocks (the "Market Price Aggregate"), and
- o 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. These adjustments may result from stock splits, consolidations and acquisitions, the grant to shareholders of the right to purchase other securities of the issuer for example, spinoffs

and rights issuances. The CBOE may also adjust the Index Divisor because of the substitution of an Underlying Security. The CBOE first recalculates the Market Price Aggregate and then determines a new Index Divisor based on the following formula:

$$\text{Old Divisor} \times \frac{\text{New Market Price Aggregate}}{\text{Old Market Price Aggregate}} = \text{New Divisor}$$

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 Commission. These maintenance criteria currently provide, among other things, that each component security must have

- o a market capitalization of at 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
- o 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 Exchange Act. 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 SEC, 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 MITTS Securities are not sponsored, endorsed, sold or promoted by the CBOE. No inference should be drawn from the information contained in this prospectus that the CBOE makes any representation or warranty, implied or express, to ML&Co., the beneficial owners of MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS 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 ML&Co. or the beneficial owners of MITTS 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 MITTS 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 MITTS Securities.

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

Except in the limited circumstance described in this prospectus, none of ML&Co., 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 value of the Index is reported on the AMEX and Bloomberg under the symbol "TXX" and on Reuters under the symbol ".TXX".

A potential investor should review the historical performance of the Index. The historical performance of the Index should not be taken as an indication of future performance, and no assurance can be given that the Index will increase sufficiently to cause the beneficial owners of the MITTS Securities to receive an amount in excess of the principal amount at the maturity of the MITTS Securities.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, LPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full

text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the CBOE or NYSE or off the exchanges in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

- -----

Merrill Lynch & Co., Inc.  
S&P 500 Market Index Target-Term Securities(R) due May 10, 2001

"MITTS(R) Securities"  
\$10 principal amount

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>

<S>

The MITTS Securities:

- o 100% principal protection at maturity
- o No payments before the maturity date
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o Linked to the value of the S&P 500 Index
- o The MITTS Securities are listed on the New York Stock Exchange under the symbol "MIX".

<C>

Payment at Maturity:

- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the percentage increase, if any, in the value of the index, adjusted as described in this prospectus.
- o You will receive no less than the principal amount of your MITTS Securities

</TABLE>

Investing in the MITTS Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 1999.

- -----

"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

"Standard & Poor's(R)", "Standard & Poor's 500", "S&P 500(R)", "S&P(R)" and "500", are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Merrill Lynch Capital Services, Inc. and ML&Co. is an authorized sublicensee.



Table of Contents

	Page
RISK FACTORS.....	4
MERRILL LYNCH & CO., INC.....	6
RATIO OF EARNINGS TO FIXED CHARGES.....	7
DESCRIPTION OF THE MITTS SECURITIES.....	8
THE INDEX.....	15
OTHER TERMS.....	17
PROJECTED PAYMENT SCHEDULE.....	22
WHERE YOU CAN FIND MORE INFORMATION.....	23
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	23
PLAN OF DISTRIBUTION.....	24
EXPERTS.....	25

RISK FACTORS

Your investment in MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

You may not earn a return on your investment

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity date is less than 638.26, the value of the index on the date the MITTS Securities were priced. This will be true even if at some time during the life of the MITTS Securities, the value of the index, as adjusted, was higher than 638.26 but later falls below 638.26.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Your return will not reflect the return of owning the stocks included in the index

Your return will not reflect the return you would realize if you actually owned the stock underlying the index and received the dividends paid on those stocks because the index does not reflect the payment of dividends on the stocks underlying it.

Amounts payable on the MITTS Securities may be limited by state law

New York State laws govern the indenture under which the MITTS Securities were issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for your benefit, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

There are many factors affecting the trading value of the MITTS Securities

We expect that the creditworthiness of ML&Co. and a number of other

factors will affect the trading value of the MITTS Securities in the secondary market. We expect that the trading value of the MITTS Securities will depend substantially on the extent of the appreciation, if any, of the index over 638.26. If, however, you sell your MITTS Securities prior to the maturity date at a time when the index exceeds 638.26, the price you receive may be at a substantial discount from the amount expected to be payable if the excess of the index over 638.26 were to prevail until maturity of the MITTS Securities because of the possible fluctuation of the index between the time of the sale and the time at which the MITTS Securities mature. Furthermore, the price at which you will be able to sell MITTS Securities prior to maturity may be at a discount, which could be substantial, from the principal amount, if, at that time, the index is below, equal to, or not sufficiently above 638.26. A discount could also result from rising interest rates.

In addition to the value of the index, a number of interrelated factors, including the creditworthiness of ML&Co. and those factors listed below may affect the trading value of the MITTS Securities. The relationship among these factors is complex, including how these factors affect the relative value of the MITTS Securities. Accordingly, you should be aware that factors other than the level of the index are likely to affect the MITTS Securities' trading value. The expected effect on the trading value of the MITTS 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 we will pay, at a minimum, the principal amount per unit of MITTS Securities at maturity, we expect the trading value of the MITTS Securities will likely be affected by changes in interest rates. In general, we anticipate that if U.S. interest rates increase, the trading value of the MITTS Securities will decrease. If U.S. interest rates decrease, we expect the trading value of the MITTS Securities 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, the MITTS Securities. Falling interest rates may increase the value of the index and, thus, may increase the value of the MITTS Securities.

Volatility of the index. If the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.

Time remaining to maturity. We believe that before maturity the MITTS Securities may trade at a value above that which you may expect based upon 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 MITTS Securities. As the time remaining to maturity of the MITTS Securities decreases, however, we expect this time premium to decrease, thus decreasing the trading value of the MITTS Securities. In addition, the price at which you may be able to sell MITTS Securities prior to maturity may be at a discount, which may be substantial, from the principal amount of the MITTS Securities if the value of the index is below, equal to, or not sufficiently above 638.26.

Dividend rates in the United States. If dividend rates on the stocks included in the index increase, we expect the value of the MITTS Securities to decrease. Conversely, if dividend rates on the stocks included in the index decrease, we expect the value of the MITTS Securities to increase. However, in general, rising U.S. corporate dividend rates may increase the value of the index and, in turn, increase the value of the MITTS Securities. Conversely, falling U.S. dividend rates may decrease the value of the index and, in turn, decrease the value of the MITTS Securities.

We want you to understand that 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 MITTS 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 MITTS 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 MITTS 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 MITTS Securities than if it occurs earlier in the term of the MITTS Securities. We expect that the effect on the trading value of the MITTS Securities of a given appreciation of the index in excess of 638.26 to be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities, assuming all other relevant factors are held constant.

Political, economic and other developments that affect the stocks included in the index may adversely affect the value of the index and therefore the value of the MITTS Securities.

#### Other Considerations

It is suggested that you should reach an investment decision regarding the MITTS Securities only after carefully considering the suitability of the MITTS Securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult your tax advisor.

Our wholly-owned subsidiary, Merrill Lynch, Pierce, Fenner & Smith or 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 these stocks and therefore the value of the MITTS Securities. MLPF&S and its affiliates will also be the counterparties to the hedge of ML&Co.'s obligations under the MITTS Securities. Accordingly, under some circumstances, conflicts of interest may arise between MLPF&S's responsibilities as calculation agent with respect to the MITTS Securities and its obligations under its hedge and its status as a subsidiary of ML&Co. Under some circumstances, the duties of MLPF&S as calculation agent could conflict with the interests of MLPF&S as an affiliate of the issuer of the MITTS Securities, Merrill Lynch & Co., Inc., and with the interests of the holders of the MITTS Securities.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On May 13, 1996, ML&Co. issued \$110,000,000 aggregate principal amount of S&P 500 MITTS Securities due May 10, 2001. The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on May 10, 2001.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

#### Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Ending Index Value does not exceed the Starting Index Value, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

$$\frac{\text{Principal Amount} \times \text{Ending Index Value} - \text{Starting Index Value} \times \text{Participation Rate}}{\text{Starting Index Value}}$$

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Index Value" equals 638.26, which was the closing value of the S&P 500 Index (the "Index") on the date the MITTS Securities were priced by ML&Co. for initial sale to the public (the "Pricing Date").

The "Participation Rate" equals 110%.

The "Ending Index Value" will be determined by the calculation agent and will equal the average or 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 or arithmetic mean of the closing values of the Index on these Calculation Days. If there is only one Calculation Day, then

the Ending Index Value will equal the closing value of the Index on that 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 occurrences of a Market Disruption Event on that 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 New York Stock Exchange and the American Stock Exchange are open for trading and the Index or any Successor Index, as defined below, 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 purpose and binding on ML&Co. and beneficial owners of the MITTS Securities.

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Index Values,

- o the total amount payable at maturity for each \$10 principal amount of MITTS Securities,
- o the total rate of return to beneficial owners of the MITTS Securities,
- o the pretax annualized rate of return to beneficial owners of MITTS Securities, and
- o the pretax annualized rate of return of an investment in the stocks underlying the Index, which includes an assumed aggregate dividend yield of 2.20% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Hypothetical Ending Index Value	Percentage Change Over the Starting Index Value	Total Amount Payable at Maturity Per \$10 Principal Amount of Securities	Pretax Annualized Rate of Return on the Securities(1)	Pretax Annualized Rate of Return on Stocks Underlying the Index(1) (2)
<S>	<C>	<C>	<C>	<C>
319.13	-50%	\$10.00	0.00%	-11.41%
382.96	-40%	\$10.00	0.00%	-7.89%
446.78	-30%	\$10.00	0.00%	-4.89%
510.61	-20%	\$10.00	0.00%	-2.25%
574.43	-10%	\$10.00	0.00%	0.09%
638.26(3)	0%	\$10.00	0.00%	2.21%
702.09	10%	\$11.10	2.10%	4.15%
765.91	20%	\$12.20	4.02%	5.94%
829.74	30%	\$13.30	5.80%	7.61%
893.56	40%	\$14.40	7.44%	9.16%
957.39	50%	\$15.50	8.97%	10.62%
1,021.22	60%	\$16.60	10.42%	12.00%
1,085.04	70%	\$17.70	11.77%	13.30%
1,148.87	80%	\$18.80	13.05%	14.54%
1,212.69	90%	\$19.90	14.27%	15.72%
1,276.52	100%	\$21.00	15.43%	16.84%
1,340.35	110%	\$22.10	16.53%	17.92%
1,404.17	120%	\$23.20	17.59%	18.95%

</TABLE>

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

(2) This rate of return assumes

- o an investment of a fixed amount in the stocks underlying the Index with the allocation of the amount reflecting the current relative weights of the stocks in the Index;
- o a percentage change in the aggregate price of the stocks that equals the percentage change in the Index from the Starting Index Value to the relevant hypothetical Ending Index Value;
- o a constant dividend yield of 2.20% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming the value increases or decreases linearly from the Starting Index Value to the applicable hypothetical Ending Index Value;
- o no transaction fees or expenses;
- o a term for the MITTS Securities from May 13, 1996 to May 10, 2001; and
- o a final Index value equal to the Ending Index Value. The aggregate dividend yield of the stocks underlying the Index as of May 7, 1996 was approximately 2.20%.

(3) The Starting Index Value.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the resulting total and pretax annualized rate of return will depend entirely on the actual Ending Index Value determined by the calculation agent as provided in this prospectus.

Adjustments to the Index; Market Disruption Events

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had these changes or modifications not been made, then, from and after that 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 any 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 the changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified, for example, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified, for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

(a) the suspension or material limitation in trading for more than two hours of trading in 100 or more of the securities included in the S&P 500 Index, or

(b) the suspension or material limitation on trading 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

- (1) futures contracts related to the Index which are traded on the Chicago Mercantile Exchange or
- (2) option contracts related to the Index which are traded on the Chicago Board Options Exchange, Inc.

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.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

Discontinuance of the Index

If S&P discontinues publication of the Index and S&P or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (any

successor or substitute index is referred to as a "Successor Index"), then, upon the calculation agent's notification of the determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by S&P or any other entity for the Index. Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If S&P 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 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 before the discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 S&P discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of:

- o the determination of the Ending Index Value and
- o 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 that day were a Calculation Day. The calculation agent will cause notice of each 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 the values to be made available by telephone.

Despite these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the initial issue price (\$10) per unit and an additional amount of contingent interest calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "- Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 8% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC, DTC together with any successor thereto, being a "depository", as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the

depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.



Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

All payments of principal and the Supplemental Redemption Amount, if any, will be made by ML&Co. in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE INDEX

All disclosures contained in this prospectus regarding the Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by S&P as of March 22, 1999. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

The Index is published by S&P, and is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of the Index, discussed below in further detail, is based on the relative value of the aggregate Market Value of the common stocks of 500 companies as of a

particular time compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of March 22, 1999 the 500 companies included in the Index represented approximately 78% of the aggregate Market Value of common stocks traded on the NYSE; however, these 500 companies are not the 500 largest companies listed on the NYSE and not all of these 500 companies are listed on the exchange. As of March 22, 1999, the aggregate Market Value of the 500 companies included in the Index represented approximately 79% of the aggregate Market Value of United States domestic, public companies. S&P chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the NYSE, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include:

- o the viability of the particular company,
- o the extent to which that company represents the industry group to which it is assigned,
- o the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry, and
- o the Market Value and trading activity of the common stock of that company.

Four main groups of companies comprise the Index, with the number of companies currently included in each group indicated in parentheses: Industrials (380), Utilities (39), Transportation (10) and Financial (71). S&P 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 does not reflect the payment of dividends on the stocks underlying it. The return based on the MITTS Securities will not be the same return you would receive if you were to purchase the underlying stocks and hold them for a period equal to the maturity of the MITTS Securities.

#### Computation of the Index

S&P currently computes the Index as of a particular time as follows:

(a) the product of the market price per share and the number of then outstanding shares of each component stock is determined at a particular time (the "Market Value" of the stock);

(b) the Market Value of all component stock as of that time is aggregated;

(c) the mean average of the Market Values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;

(d) the mean average Market Values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "Base Value");

(e) the current aggregate Market Value of all component stocks is divided by the Base Value; and

(f) the resulting quotient, expressed in decimals, is multiplied by ten.

While S&P currently employs the above methodology to calculate the Index, no assurance can be given that S&P will not modify or change this methodology in a manner that may affect the Supplemental Redemption Amount, if any, payable to beneficial owners of MITTS Securities upon maturity or otherwise.

S&P adjusts the foregoing formula to negate the effects of changes in the Market Value of component stocks that are determined by S&P to be arbitrary or not due to true market fluctuations. Changes may result from such causes as

- o the issuance of stock dividends,
- o the granting to shareholders of rights to purchase additional shares

- of stock,
- o the purchase of shares by employees pursuant to employee benefit plans,
- o consolidations and acquisitions,
- o the granting to shareholders of rights to purchase other securities of ML&Co.,
- o the substitution by S&P of particular component stocks in the Index, and
- o other reasons.

In these cases, S&P first recalculates the aggregate Market Value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares thereof or both, and then determines the New Base Value in accordance with the following formula:

$$\text{Old Base Value} \times \frac{\text{New Market Value}}{\text{Old Market Value}} = \text{New Base Value}$$

The result is that the Base Value is adjusted in proportion to any change in the aggregate Market Value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the Index.

Historical Data on the Index

The following table sets forth the value of the Index at the end of each month, in the period from January 1990 through February 1999. These historical data on the Index are not necessarily indicative of the future performance of the Index or what the value of the MITTS Securities may be. Any historical upward or downward trend in the value 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 MITTS Securities.

<TABLE>  
<CAPTION>

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
January.....	329.08	343.93	408.78	438.78	481.61	470.42	636.02	786.16	980.28	1,279.64
February.....	331.89	367.07	412.70	443.38	467.14	487.39	640.43	790.82	1,049.34	1,238.33
March.....	339.94	375.22	403.69	451.67	445.77	500.71	645.50	757.12	1,101.75	
April.....	330.80	375.34	414.95	440.19	450.91	514.71	654.17	801.34	1,111.75	
May.....	361.23	389.83	415.35	450.19	456.51	533.40	669.12	848.28	1,090.82	
June.....	358.02	371.16	408.14	450.53	444.27	544.75	670.63	885.14	1,133.84	
July.....	356.15	387.81	424.22	448.13	458.26	562.06	639.95	954.29	1,120.67	
August.....	322.56	395.43	414.03	463.56	475.50	561.88	651.99	899.47	957.28	
September.....	306.05	387.86	417.80	458.93	462.71	584.41	687.31	947.28	1,017.01	
October.....	304.00	392.45	418.68	467.83	472.35	581.50	705.27	914.62	1,098.67	
November.....	322.22	375.22	431.35	461.79	453.69	605.37	757.02	955.40	1,163.63	
December.....	330.22	417.09	435.71	466.45	459.27	615.93	740.74	970.43	1,229.23	

License Agreement

Standard & Poor's ("S&P") does not guarantee the accuracy and/or the completeness of the Index or any data included in the Index. S&P makes no warranty, express or implied, as to results to be obtained by ML&Co., MLPF&S, holders of the MITTS Securities, or any other person or entity from the use of the S&P Index or any data included in the Index in connection with the rights licensed under the license agreement described in this prospectus or for any other use. S&P makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the S&P Index or any data included in the Index. Without limiting any of the above information, in no event shall S&P have any liability for any special, punitive, indirect or consequential damage, including lost profits, even if notified of the possibility of these damages.

S&P and Merrill Lynch Capital Services, Inc. have entered into a non-exclusive license agreement providing for the license to Merrill Lynch Capital Services, Inc., in exchange for a fee, of the right to use indices owned and published by S&P in connection with some securities, including the MITTS Securities, and ML&Co. is an authorized sublicensee of Merrill Lynch Capital Services, Inc.

The license agreement between S&P and Merrill Lynch Capital Services,

Inc. provides that the following language must be stated in this prospectus:

"The MITTS Securities are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the holders of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities particularly or the ability of the Index to track general stock market performance. S&P's only relationship to Merrill Lynch Capital Services, Inc. and ML&Co. (other than transactions entered into in the ordinary course of business) is the licensing of certain servicemarks and trade names of S&P and of the Index which is determined, composed and calculated by S&P without regard to ML&Co. or the MITTS Securities. S&P has no obligation to take the needs of ML&Co. or the holders of the MITTS Securities into consideration in determining, composing or calculating the Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the MITTS Securities, prices at which the MITTS Securities are to initially be sold, or quantities of the MITTS Securities to be issued or in the determination or calculation of the equation by which the MITTS Securities are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities."

All disclosures contained in this prospectus regarding the Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by S&P. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount

of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the Treasury Department Final Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a projected Supplemental Redemption Amount equal to \$5.0390 per unit. This represents an estimated yield on the MITTS Securities equal to 5.90% per annum (compounded semiannually).

The projected payment schedule (including both the projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities) has been determined solely for United States Federal income tax purposes (i.e., for purposes of applying the Final Regulations to the MITTS Securities), and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over a term of seven years and one day for the MITTS Securities based upon the projected payment schedule for the MITTS Securities, including both the projected Supplemental Redemption Amount and the estimated yield equal to 5.90% per annum, compounded semiannually, as determined by ML&Co. for purposes of application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period	Interest Deemed to Accrue During Accrual Period (per unit)	Total Interest Deemed to Have Accrued on the MITTS Securities as of End of Accrual Period (per unit)
<S>	<C>	<C>
June 26, 1998 through January 1, 1999.....	\$0.3057	\$0.3057
January 2, 1999 through July 1, 1999.....	\$0.3040	\$0.6097
July 2, 1999 through January 1, 2000.....	\$0.3130	\$0.9227
January 2, 2000 through July 1, 2000.....	\$0.3222	\$1.2449
July 2, 2000 through January 1, 2001.....	\$0.3317	\$1.5766
January 2, 2001 through July 1, 2001.....	\$0.3415	\$1.9181
July 2, 2001 through January 1, 2002.....	\$0.3516	\$2.2697
January 2, 2002 through July 1, 2002.....	\$0.3620	\$2.6317
July 2, 2002 through January 1, 2003.....	\$0.3726	\$3.0043
January 2, 2003 through July 1, 2003.....	\$0.3836	\$3.3879
July 2, 2003 through January 1, 2004.....	\$0.3950	\$3.7829
January 2, 2004 through July 1, 2004.....	\$0.4066	\$4.1895
July 2, 2004 through January 1, 2005.....	\$0.4186	\$4.6081
January 2, 2005 through July 1, 2005.....	\$0.4309	\$5.0390

</TABLE>

-----  
Projected Supplemental Redemption Amount = \$5.0390 per unit.

All prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for the information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those

documents; and

- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999



Merrill Lynch & Co., Inc.  
Top Ten Yield Market Index Target-Term Securities(R) due August 15, 2006

"MITTS(R) Securities"  
\$10 principal amount per unit

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, will use this prospectus when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>

<S>

- The MITTS Securities:
- o 100% principal protection at maturity
  - o No payments before the maturity date
  - o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
  - o Linked to the value of the Top Ten Yield Index
  - o The MITTS Securities are listed on the American Stock Exchange under the symbol "MTT"

<C>

- Payment at Maturity:
- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of each unit and an additional amount based on the percentage increase, if any, in the value of the index as described in this prospectus
  - o You will receive the principal amount of your MITTS Securities, plus an amount no less than \$2.40 per unit, representing a minimum yield-to-maturity of 2.16% per year

</TABLE>

Investing in the MITTS Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is           , 199 .

"MITTS" and "Market Index Target-Term Securities" are registered service marks of Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
DESCRIPTION OF THE MITTS SECURITIES.....	9
THE INDEX.....	17
OTHER TERMS.....	21
WHERE YOU CAN FIND MORE INFORMATION.....	24
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	24
PLAN OF DISTRIBUTION.....	25
EXPERTS.....	25

## RISK FACTORS

You may not earn a return on your investment.

You may not earn a return on your investment. You should be aware that at maturity if the average value of the index over five trading days shortly before the maturity date does not exceed 100 by more than 24%, we will pay you no more than \$10 plus \$2.40 for each unit of your MITTS Securities. This will be true even if, at some time during the life of the MITTS Securities the value of the index exceeded 124.

Your yield may be lower than the yield on a standard debt security of comparable maturity.

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable Merrill Lynch & Co., Inc. debt security with the same maturity. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Your return will not reflect the return of owning the stocks included in the index.

While the index does reflect the payment of dividends on the stocks underlying the index as described in more detail below, the yield based on the index to the maturity of the MITTS Securities will not produce the same yield as if you purchased the underlying stocks and held them for a similar period. At the end of each calendar quarter, the dividends accrued on the stocks underlying the index will be incorporated into the index by adjusting the share multipliers of these stocks and these amounts will then be subject to the price movements of the stocks. In addition, as described in more detail below, at the end of each calendar quarter, an amount equal to 0.4375% of the current value of the index will be deducted from the value of the index, provided that

- o there was no deduction at the end of the calendar quarter ending in September 1996 and the deduction at the end of the calendar quarter ending in December 1996 was increased to reflect the quarterly rate of 0.4375% prorated for the period from the date of the issuance of the MITTS Securities through the end of the calendar quarter in December 1996, and
- o there will be a prorated amount deducted on July 31, 2006 equal to 0.1507% of the then current index value to reflect the quarterly rate of 0.4375% for the period from July 1, 2006 through July 31, 2006.

Although the index is based on stocks that are selected based on dividends paid, you will not receive any interest, periodic or otherwise, on the MITTS Securities before their maturity.

There may be an uncertain trading market for the MITTS Securities in the future.

Although the MITTS Securities are listed on the NYSE under the symbol "MITT," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

If the trading market for the MITTS Securities is limited and you do not wish to hold your investment until maturity, there may be a limited number of buyers for your MITTS Securities. This may affect the price you receive if you sell before maturity.

There are many factors affecting trading value of the MITTS.

We believe that the value of the index and by a number of other factors will affect the trading value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o The value of the index. We expect that the market value of the MITTS Securities will depend substantially on the amount by which the index exceeds the starting index value. If you choose to sell your MITTS

Securities when the value of the index exceeds the starting index value, you may receive substantially less than the amount that would be payable at maturity based on that index value because of the expectation that the index will continue to fluctuate until the ending index value is determined. If you choose to sell your MITTS Securities when the value of the index is below the starting index value, you may receive less than the \$10 principal amount per unit of MITTS Securities. In general, rising Japanese dividend rates, or dividends per share, may increase the value of the index while falling Japanese dividend rates may decrease the value of the index. Political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.

- o Interest rates. Because we will pay, at a minimum, the principal amount per unit of the MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will 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 MITTS Securities. Falling interest rates may increase the value of the index, and, thus may increase the trading value of the MITTS Securities.
- o Volatility of the index. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time remaining to maturity. We anticipate that before the maturity of the MITTS Securities, the MITTS Securities may trade at a value above that which would be expected based on 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 MITTS Securities. However, as the time remaining to maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend yields. If dividend yields on the stocks comprising the index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stocks comprising the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

We want you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any change in the trading value of the MITTS Securities attributable to another factor, such as an increase in the index value.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities except that we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

Amounts payable on the MITTS Securities may be limited by state law

New York State laws govern the indenture under which the MITTS Securities are issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or

Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the MITTS holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return

We and our affiliates may from time to time buy or sell the stocks underlying the index for our own accounts for business reasons or in connection with hedging our obligations under the MITTS. These transactions could affect the price of these stocks and the value of the index in a manner that be adverse to your investment in the MITTS Securities.

Potential conflicts of interest

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated, or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the Index; Market Disruption Events" and "--Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

Other Considerations

You should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult with your tax adviser.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center,

North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On August 26, 1996, ML&Co. issued \$35,000,000 aggregate principal amount, or 3,500,000 units of the MITTS Securities.

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on August 15, 2006.

While at maturity a beneficial owner of a MITTS Security will receive the principal amount of each MITTS Security plus the Supplemental Redemption Amount described below, if any, ML&Co. will make no other payment of interest, periodic or otherwise. See "- Payment at Maturity" below.

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before to maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

#### Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus a supplemental redemption amount as provided below. If the ending index value does not exceed the starting index value by more than 24%, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities and the minimum supplemental redemption amount.

The "Index" is the Top Ten Yield Index, described more fully on pages 15-19.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

Principal Amount X  $\frac{\text{Ending Index Value} - \text{Starting Index Value}}{\text{-----}}$

## Starting Index Value

provided, however, that in no event will the Supplemental Redemption Amount be less than \$2.40 per \$10 principal amount of the MITTS Securities.

The "Starting Index Value" was set at 100.

The "Minimum Supplemental Redemption Amount" is equivalent to a rate of return of 2.16% per annum calculated on a semi-annual bond equivalent basis.

The "Ending Index Value" will be determined by the calculation agent and will equal the average or 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, or arithmetic mean, of the closing values of the Index on these Calculation Days, and if there is only one Calculation Day, then the Ending Index Value will equal the closing value of the Index on that Calculation Day. If no Calculation Days occur during the Calculation Period, 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 that 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.

An "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the index or any successor index, as defined on page 11 below, 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 ML&Co. and beneficial owners of the MITTS Securities.

## Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Index Values:

- o the percentage change from the Starting Index Value to the Ending Index Value;
- o the total amount payable per unit of MITTS Securities;
- o the total rate of return on the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of an investment in the stocks underlying the Index, as adjusted from time to time, that experience the same price changes and dividend payments necessary to produce the indicated hypothetical ending index value, which reflects a deduction from the value of the Index at the end of each calendar quarter equal to 0.4375% of the then current Index value.

The pretax annualized rate of return of the stocks underlying the Index illustrated below is intended to reflect the return that might be earned by an investor who seeks to replicate the Index return by trading in the actual stocks underlying the Index and differs from the pretax annualized rate of return on the MITTS Securities because of the percentage deducted from the value of the Index each calendar quarter equal to 0.4375% of the then current Index value. Investors seeking to replicate the Index return by trading in the actual underlying stocks would not incur this periodic deduction although they might incur commissions and other transaction-related costs.

<TABLE>  
<CAPTION>

Total

Pretax

Pretax Annualized

Hypothetical Ending Index Value -----	Percentage Change Over the Starting Index Value -----	Amount Payable at Maturity -----	Annualized Rate of Return on the MITTS Securities(1) -----	Rate of Return of Stock Underlying Index(1) (2) -----
<S>	<C>	<C>	<C>	<C>
50	-50%	\$ 12.40	2.16%	-5.09%
60	-40%	\$ 12.40	2.16%	-3.31%
70	-30%	\$ 12.40	2.16%	-1.80%
80	-20%	\$ 12.40	2.16%	-0.47%
90	-10%	\$ 12.40	2.16%	0.70%
100 (3)	0%	\$ 12.40	2.16%	1.75%
110	10%	\$ 12.40	2.16%	2.71%
120	20%	\$ 12.40	2.16%	3.59%
130	30%	\$ 13.00	2.64%	4.41%
140	40%	\$ 14.00	3.39%	5.16%
150	50%	\$ 15.00	4.10%	5.87%
160	60%	\$ 16.00	4.76%	6.53%
170	70%	\$ 17.00	5.38%	7.15%
180	80%	\$ 18.00	5.97%	7.74%
190	90%	\$ 19.00	6.52%	8.30%
200	100%	\$ 20.00	7.05%	8.84%
210	110%	\$ 21.00	7.56%	9.35%
220	120%	\$ 22.00	8.04%	9.83%
230	130%	\$ 23.00	8.50%	10.30%
240	140%	\$ 24.00	8.94%	10.74%
250	150%	\$ 25.00	9.37%	11.17%
260	160%	\$ 26.00	9.78%	11.58%
270	170%	\$ 27.00	10.17%	11.98%
280	180%	\$ 28.00	10.56%	12.37%
290	190%	\$ 29.00	10.93%	12.74%
300	200%	\$ 30.00	11.28%	13.10%
310	210%	\$ 31.00	11.63%	13.44%
320	220%	\$ 32.00	11.97%	13.78%
330	230%	\$ 33.00	12.29%	14.11%
340	240%	\$ 34.00	12.61%	14.43%
350	250%	\$ 35.00	12.92%	14.74%
360	260%	\$ 36.00	13.22%	15.04%
370	270%	\$ 37.00	13.51%	15.33%
380	280%	\$ 38.00	13.80%	15.62%
390	290%	\$ 39.00	14.07%	15.90%
400	300%	\$ 40.00	14.34%	16.17%

</TABLE>

- 
- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
- (2) This rate of return assumes, in addition to the price changes and dividend payments described above:
- an initial investment of a fixed amount in the Top Ten Yield Stocks with the allocation of this amount reflecting an equal dollar-weighted portfolio of the stocks in the Index;
  - a reconstruction of this portfolio investment on each Anniversary Date so as to be an equal-dollar weighted portfolio of the ten common stocks in the DJIA having the highest Dividend Yield on the second scheduled Index Business Day prior to each Anniversary Date,
  - a compounded quarterly rate of return on the stocks which is greater than the compounded quarterly return on the Index by 0.4375%, the amount of the quarterly deduction applied to the Index, with dividends being reinvested on a quarterly basis
  - no transaction fees or expenses;
  - an investment term equal to the term of the securities; and
  - a final Index value equal to the Ending Index Value. (3) The Starting Index Value.

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 in this prospectus. Historical data regarding the Index is included in this prospectus under "The Index--Historical Data on the Index".

#### Adjustments to the Index; Market Disruption Events

If at any time the AMEX changes its method of calculating the Index, or the Index's value changes in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the

calculation agent, fairly represent the value of the Index had these changes or modifications not been made, then, from and after that 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 any 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 any changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified, for example, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified, for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- (a) the suspension or material limitation on trading for more than two hours of trading or during the period one-half hour prior to the close of trading, or
- (b) 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
  - (1) futures contracts related to the Index, or options on futures contracts, which traded on any major U.S. exchange, or
  - (2) Option contracts related to the Index which are traded on any major U.S. exchange.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

In some 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 a subsidiary of ML&Co.

#### Discontinuance of the Index

If the AMEX discontinues publication of the Index and the AMEX or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (that index being referred to as a "Successor Index"), then, upon the calculation agent's notification of its determination to the Trustee, as defined below, and ML&Co., the calculation agent will substitute the Successor Index as calculated by the AMEX or 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, ML&Co. shall cause notice thereof to be given to Holders of the MITTS Securities.

If the AMEX 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 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 discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, that 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 AMEX 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 that time, then on each Business Day until the earlier to occur of:

- (a) the determination of the Ending Index Value, and
- (b) 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 that day were a Calculation Day. The calculation agent will



cause notice of each value to be published not less often than once each month in The Wall Street Journal, or another newspaper of general circulation, (the "WSJ"), and arrange for information with respect to these values to be made available by telephone. Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

If an event of default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the principal amount per unit and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "- Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 7.76% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC, together with any successor, (being a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the Trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

All payments of principal and the Supplemental Redemption Amount, if any, will be made by ML&Co. in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

### THE INDEX

#### Top Ten Yield Index

AMEX will calculate and disseminate the value of the Index on any Index Business Day; the Index will equal the Top Ten Yield Portfolio Value plus the Current Quarter Dividends (as defined below) as of that Index Business Day. The Top Ten Yield Portfolio Value will equal the sum of the products of the most recently available market price and the applicable Share Multiplier for each Top Ten Yield Stock. The AMEX will generally calculate and disseminate the value of the Index based on the most recently reported prices of the stocks underlying the Index, as reported by the exchange or trading system on which the underlying stocks are listed or traded, at approximately 15-second intervals during the AMEX's business hours and the end of each Index Business Day via the Consolidated Tape Association's Network B. The Index is reported on the AMEX and Bloomberg under the symbol "XMT" and on Reuters under the symbol ".XMT".

The "Dividend Yield" for each common stock is determined by the AMEX by annualizing the last quarterly or semi-annual ordinary cash dividend for which the ex-dividend date has occurred, excluding any extraordinary dividend as determined by the AMEX in its sole discretion, and dividing the result by the last available sale price for each stock on its primary exchange on the date the Dividend Yield is to be determined.

#### Annual Top Ten Yield Portfolio Reconstitution

As of the close of business on each Anniversary Date, as defined below, through the applicable Anniversary Date in 2005, the content of the Top Ten Yield Portfolio shall be reconstituted to include the ten common stocks in the DJIA having the highest Dividend Yield (the "New Stocks") on the second scheduled Index Business Day prior to the Anniversary Date (the "Annual Determination Date"), provided, however, that the AMEX will only add a stock having characteristics as of the Annual Determination Date that will permit the Index to remain within the criteria specified in the AMEX rules and within the applicable rules of the Securities and Exchange Commission. These criteria and rules will apply only on an Annual Determination Date to exclude a proposed New Stock. If a proposed New Stock does not meet these criteria or rules, the AMEX will replace it with the common stock in the DJIA with the next highest Dividend Yield which does meet these criteria and rules. These criteria currently provide, among other things:

- o that each component stock must have a minimum market value of at least \$75 million, except that up to 10% of the component securities in the

Index may have a market value of \$50 million;

- o that each component stock must have an average monthly trading volume in the preceding six months of not less than 1,000,000 shares, except that up to 10% of the component stocks in the Index may have an average monthly trading volume of 500,000 shares or more in the last six months;
- o 90% of the Index's numerical Index value and at least 80% of the total number of component stocks will meet the then current criteria for standardized option trading set forth in the rules of the AMEX; and
- o all component stocks will either be listed on the AMEX, the NYSE, or traded through the facilities of the National Association of Securities Dealers Automated Quotation System and reported as National Market System securities.

The AMEX will determine the Share Multiplier for each New Stock and will indicate the number of shares of each New Stock, given the closing market price of the New Stock on the Anniversary Date, required to be included in the calculation of the Top Ten Yield Portfolio Value so that each New Stock represents approximately an equal percentage of a value equal to the Index in effect at the close of business on the Anniversary Date. As an example, if the Index in effect at the close of business on an Anniversary Date equaled 200, then each of the ten New Stocks relating to the Anniversary Date would be allocated a portion of the value of the Index equal to 20 and if the closing market price of one the New Stock on the Anniversary Date was 40, the applicable Share Multiplier would be 0.5. If the Index equaled 80, then each of the ten New Stocks would be allocated a portion of the value of the Index equal to 8 and if the closing market price of one New Stock on the Anniversary Date was 40, the applicable Share Multiplier would be 0.2. The last Anniversary Date on which this reconstitution will occur will be the Anniversary Date in 2005, which will be approximately one year prior to the maturity date of the MITTS Securities. "Anniversary Date" shall mean the anniversary date of the date the MITTS Securities are initially issued; provided, however, that if this date is not an Index Business Day or a Market Disruption Event occurs on that date, then the Anniversary Date for that year shall mean the immediately succeeding Index Business Day on which a Market Disruption Event does not occur. "Top Ten Yield Stock" at any time shall mean the stocks contained in the Top Ten Yield Portfolio at that time.

#### Dow Jones Industrial Average

The DJIA is comprised of 30 common stocks chosen by the editors of the WSJ as representative of the broad market of American industry generally. The companies are major factors in their industries and their stocks are typically widely held by individuals and institutional investors. Changes in the composition of the DJIA are made entirely by the editors of the WSJ without consultation with the companies, the stock exchange or any official agency or ML&Co. For the sake of continuity, changes are made infrequently. Most substitutions have result from mergers, but from time to time, changes may be made to achieve a better representation. The components of the DJIA may be changed at any time for any reason. Dow Jones & Company, Inc., publisher of the WSJ, is not affiliated with ML&Co, has not participated in any way in the creation of the MITTS Securities or in the selection of stocks to be included in the Top Ten Yield Portfolio and has not reviewed or approved any information included in this prospectus.

The first DJIA, consisting of 12 stocks, was published in the WSJ in 1896. The list grew to 20 stocks in 1916 and to 30 stocks on October 1, 1928. For two periods of 17 consecutive years each, there were no changes to the list; March 15, 1939-July 2, 1956 and June 2, 1959-August 8, 1976.

ML&Co or its affiliates may presently or from time to time engage in business with one or more of the issuers of the Top Ten Yield Portfolio stocks, including extending loans to, or making equity investments in, these issuers or providing advisory services to these issuers, including merger and acquisition advisory services. In the course of this business, ML&Co or its affiliates may acquire non-public information with respect to these issuers and, in addition, one or more affiliates of ML&Co may publish research reports with respect to these issuers. ML&Co does not make any representation to any purchaser of MITTS Securities with respect to any matters whatsoever relating to these issuers. Any prospective purchaser of MITTS Securities should undertake an independent investigation of the issuers of the Top Ten Yield Portfolio stocks as in its judgment is appropriate to make an informed decision with respect to an investment in the MITTS Securities. The composition of the Index does not reflect any investment or sell recommendations of ML&Co or its affiliates.

## Cash Dividends

### Current Quarter Dividend

As described above, the value of the Index will include an amount reflecting Current Quarter Dividends. "Current Quarter Dividends" for any day will be determined by the AMEX and will equal the sum of the Dividend Payment for each Top Ten Yield Stock. The "Dividend Payment" with respect to a Top Ten Yield Stock for any day will equal the sum of the products of:

- o each dividend paid by the issuer of that Top Ten Yield Stock on one share of that Top Ten Yield Stock during the Current Quarter, not including any reinvestment thereof, multiplied by
- o the Share Multiplier applicable to that Top Ten Yield Stock at the time each dividend is paid. A dividend will be considered paid by an issuer at the open of business on the ex-dividend date, generally, the trading day on which the market price of the stock reflects the payment of the dividend. "Current Quarter" shall mean the period from and including August 9, 1996 through December 31, 1996, and after December 31, 1996, from and including the first day of the then current calendar quarter containing the day on which the applicable Dividend Payment is being determined to and including the day on which the applicable Dividend Payment is being determined.

### Quarterly Stock Dividend

As of the first day of the start of each calendar quarter, the AMEX will allocate the Current Quarter Dividends as of the end of the immediately preceding calendar quarter to each then outstanding Top Ten Yield Stock. The amount of the Current Quarter Dividends allocated to each Top Ten Yield Stock will equal the percentage of the value of that Top Ten Yield Stock contained in the Top Ten Yield Portfolio relative to the value of the entire Top Ten Yield Portfolio based on the closing market price on the last Index Business Day in the immediately preceding calendar quarter. The AMEX will increase the Share Multiplier of each outstanding Top Ten Yield Stock to reflect the number of shares, or portion of a share, that the amount of the Current Quarter Dividend allocated to that Top Ten Yield Stock can purchase of each Top Ten Yield Stock based on the closing market price on the last Index Business Day in the immediately preceding calendar quarter.

### Quarterly Deduction

At the end of each calendar quarter, the Index will be reduced by a value equal to 0.4375% of the then current Index, provided that:

- o there will be no deduction at the end of the calendar quarter ending in September 1996 and the deduction at the end of the calendar quarter ending in December 1996 will be increased to reflect the quarterly rate of 0.4375% prorated for the period from the date of the issuance of the MITTS Securities through the end of the calendar quarter in December 1996, and
- o the Index will be reduced at the close of business on July 31, 2006 by a value equal to 0.1507% of the closing value of the Index on that date. With respect to the period ending December 31, 1996, the quarterly rate of 0.4375% will be prorated by multiplying it by a factor equal to the result of dividing the number of days in the period from the date the MITTS Securities are issued through the calendar quarter ending in December 1996 by 90

### Adjustments to the Share Multiplier and Top Ten Yield Portfolio

The Share Multiplier with respect to any Top Ten Yield Stock and the Top Ten Yield Portfolio will be adjusted as follows:

1. If a Top Ten Yield Stock is subject to a stock split or reverse stock split, then once the split has become effective, the Share Multiplier relating to that Top Ten Yield Stock will be adjusted to equal the product of the number of shares issued with respect to one share of that Top Ten Yield Stock and the prior multiplier.

2. If a Top Ten Yield Stock is subject to a stock dividend, defined as an issuance of additional shares of the Top Ten Yield Stock, that is given

equally to all holders of shares of the issuer of that Top Ten Yield Stock, then once the dividend has become effective and that Top Ten Yield Stock is trading ex-dividend, AMEX will adjust the Share Multiplier so that the new Share Multiplier shall equal the former Share Multiplier plus the product of the number of shares of that Top Ten Yield Stock issued with respect to one share of that Top Ten Yield Stock and the prior multiplier.

3. If the issuer of a Top Ten Yield Stock is being liquidated or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law, that Top Ten Yield Stock will continue to be included in the Top Ten Yield Portfolio so long as a Market Price for that Top Ten Yield Stock is available. If a market price is no longer available for a Top Ten Yield Stock for whatever reason, including the liquidation of the issuer of Top Ten Yield Stock or the subjection of the issuer of that Top Ten Yield Stock to a proceeding under any applicable bankruptcy, insolvency or other similar law, then the value of that Top Ten Yield Stock will equal zero in connection with calculating the Top Ten Yield Portfolio Value for so long as no market price is available, and no attempt will be made to immediately find a replacement stock or increase the value of the Top Ten Yield Portfolio to compensate for the deletion of that Top Ten Yield Stock. If a market price is no longer available for a Top Ten Yield Stock as described above, the Top Ten Yield Portfolio Value will be computed based on the remaining Top Ten Yield Stocks for which market prices are available and no new stock will be added to the Top Ten Yield Portfolio until the annual reconstitution of the Top Ten Yield Portfolio. As a result, there may be periods during which the Top Ten Yield Portfolio contains fewer than ten Top Ten Yield Stocks.

4. If the issuer of a Top Ten Yield Stock has been subject to a merger or consolidation and is not the surviving entity or is nationalized, then a value for that Top Ten Yield Stock will be determined at the time the issuer is merged or consolidated or nationalized and will equal the last available market price for that Top Ten Yield Stock and that value will be constant until the Top Ten Yield Portfolio is reconstituted. At that time, no adjustment will be made to the Share Multiplier of that Top Ten Yield Stock.

5. If the issuer of a Top Ten Yield Stock issues to all of its shareholders equity securities that are publicly traded of an issuer other than the issuer of the Top Ten Yield Stock, then the new equity securities will be added to the Top Ten Yield Portfolio as a new Top Ten Yield Stock. The Share Multiplier for that new Top Ten Yield Stock will equal the product of the original Share Multiplier with respect to the Top Ten Yield Stock for which the new Top Ten Yield Stock is being issued (the "Original Top Ten Yield Stock") and the number of shares of the new Top Ten Yield Stock issued with respect to one share of the Original Top Ten Yield Stock.

No adjustments of any Share Multiplier of a Top Ten Yield Stock will be required unless the adjustment would require a change of at least 1% in the Share Multiplier then in effect. The Share Multiplier resulting from any of the adjustments specified above will be rounded to the nearest ten-thousandth with five hundred-thousandths being rounded upward.

The AMEX expects that no adjustments to the Share Multiplier of any Top Ten Yield Stock or to the Top Ten Yield Portfolio will be made other than those specified above, however, the AMEX may at its discretion make adjustments to maintain the value of the Index if events would otherwise alter the value of the Index despite no change in the market prices of the Top Ten Yield Stocks.

#### Historical Performance of the Index

You should review the historical performance of the Index. The historical performance of the Index should not be taken as an indication of future performance, and no assurance can be given that the Index will increase sufficiently to cause the beneficial owners of the MITTS Securities to receive an amount in excess of the principal amount at the maturity of the MITTS Securities.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under

the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and

- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any



declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;

- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

PROSPECTUS

Merrill Lynch & Co., Inc.  
Stock Market Annual Reset Term(SM) Notes due December 31, 1999  
(Series A)  
"SMART Notes(SM) "

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the SMART Notes.

The SMART Notes:

- o 100% principal protection at maturity
- o Interest payment on each June 30 and December 30
- o We will pay interest on the SMART Notes at a rate equal to the product of 65% and the percentage increase, if any, in the S&P MidCap 400 Composite Stock Price Index.
- o For each \$1,000 principal amount of the SMART Notes that you own, on the maturity date, you will receive not less than \$30 and not more than \$100
- o The SMART Notes are listed on the New York Stock Exchange under the symbol "MERIQ99"

Investing in the SMART Notes involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is \_\_\_\_\_, 199\_.

"SMART Notes" and "Stock Market Annual Reset Term" are registered service marks of Merrill Lynch & Co., Inc.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	6
RATIO OF EARNINGS TO FIXED CHARGES.....	7
DESCRIPTION OF THE SMART NOTES.....	8
THE STANDARD & POOR'S MIDCAP 400 COMPOSITE STOCK PRICE INDEX.....	15
OTHER TERMS.....	17
WHERE YOU CAN FIND MORE INFORMATION.....	21
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	22
PLAN OF DISTRIBUTION.....	22
EXPERTS.....	23

RISK FACTORS

You may not earn a return on your investment.

If the closing value of the S&P MidCap 400 Composite Stock Price Index applicable to a December payment date as described in this prospectus does not exceed the starting value of the index applicable to that December payment date as described in this prospectus by more than approximately 4.62%, you will receive only \$30 for each \$1,000 principal amount of your SMART Notes on that December payment date. This will be true even if at some point during the time the calculation agent determines the interest payable on the SMART Notes for each December payment date, the value of the S&P MidCap 400 Composite Stock Price Index for that year exceeded the starting value of the S&P MidCap 400

Stock Price Index for that year by more than 4.62%. The amount we will pay you annually on the SMART Notes is limited to the product of 65% and the percentage increase in S&P MidCap Composite Stock Price Index during the period between the date of the determination of the starting value of the index for that year and the date of the determination of the applicable closing value of the index for that year, and in no event will that amount exceed only \$100 for each \$1,000 principal amount of your SMART Notes. If the closing value of the index for a December payment date exceeds the starting value for that December payment date by more than approximately 15.38%, you would receive no more than \$100 for each \$1,000 principal amount of your SMART Notes for that payment period.

You will receive no less than the \$30 for each \$1,000 principal amount of your SMART Notes, and we will repay you 100% of the principal amount of the SMART Notes at maturity. Therefore, the amount that we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. The payment of additional amounts on the SMART Notes is subject to the conditions described under "Description of Notes--Interest Payments". Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

The amount payable on the SMART Notes based on the S&P MidCap 400 Composite Stock Price Index will not produce the same return as if you purchased the stocks underlying the S&P MidCap 400 Composite Stock Price Index and held them for a similar period because of the following:

- o the S&P MidCap 400 Composite Stock Price Index does not reflect the payment of dividends on the stocks underlying the index,
- o the annual amount we will pay you on the SMART Notes reflects only the change in the S&P MidCap 400 Composite Stock Price Index for the period between the determination of the starting value and the closing value of the S&P Midcap 400 Composite Stock Price Index applicable to each December payment date, and
- o the annual amount we will pay you is limited to 65% of the percentage increase, if any, in the S&P MidCap Composite Stock Price 400 Index during any relevant period, but will not be less than \$30 per \$1,000 principal amount of the SMART Notes or more than \$100 per \$1,000 principal amount of the SMART Notes.

There may be an uncertain trading market for the SMART Notes in the future

The SMART Notes are listed on the New York Stock Exchange under the symbol "MERIQ 99". We expect that the secondary market for the SMART Notes, including prices in that market, will likely be affected by our creditworthiness and by a number of other factors. It is possible to view the SMART Notes as the economic equivalent of a debt obligation plus a series of cash settlement options; however, the SMART Notes may trade in the secondary market at a discount from the aggregate value of these economic components, if these economic components were valued and capable of being traded separately.

The trading values of the SMART Notes may be affected by a number of interrelated factors, including those listed below. The following is the expected theoretical effect on the trading value of the SMART Notes of each of the factors listed below. The following discussion of each separate factor generally assumes that all other factors are held constant, although the actual interrelationship between some of these factors is complex.

- o Relative Level of the S&P MidCap 400 Index. We expect that the trading value of the SMART Notes will depend significantly on the extent of the excess of the expected average of the closing value of the S&P MidCap Composite Stock Price Index for a calendar year over the closing value of the S&P MidCap 400 Composite Stock Price Index on the last business day of the preceding calendar year. If, however, you sell your SMART Notes at a time this excess exists, the sale price may nevertheless be at a discount from the amount expected to be payable if this excess were to prevail until the next December payment date. Furthermore, the price at which you will be able to sell SMART Notes before a December payment date may be at a discount, which could be substantial, from the principal amount of your SMART Notes, if, at that time, the S&P MidCap 400 Composite Stock Price Index is below, equal to or not sufficiently above the closing value of the S&P MidCap 400 Composite Stock Price Index on the last business day of the immediately preceding calendar year before that December payment date. The value of the SMART Notes may also be affected by the fact that the maximum interest payment for any year is \$100 for each \$1,000 principal amount of the SMART Notes.
- o Volatility of the S&P MidCap 400 Composite Stock Price Index. If the volatility of S&P MidCap 400 Composite Stock Price Index increases, we expect the trading value of the SMART Notes to increase. If the volatility of the S&P MidCap 400 Composite Stock Price Index decreases, we expect the trading value of the SMART Notes to

decrease.

- o U.S. Interest Rates. In general, if U.S. interest rates increase, we expect the value of the SMART Notes to decrease. If U.S. interest rates decrease, we expect the value of the Notes to increase. Interest rates may also affect the U.S. economy, and, in turn, the level of the S&P MidCap 400 Composite Stock Price Index. Rising interest rates may lower the level of the S&P MidCap 400 Composite Stock Price Index and, thus, the value of the SMART Notes. Falling interest rates may increase the level of the S&P MidCap 400 Composite Stock Price Index and, thus, may increase the value of the SMART Notes.
- o Time Remaining to December Payment Dates. We anticipate that before each December payment date, the SMART Notes may trade at a value above that which may be inferred from the level of U.S. interest rates and the S&P MidCap 400 Composite Stock Price Index. This difference will reflect a "time premium" due to expectations concerning the level of the S&P MidCap 400 Composite Stock Price Index during the period before each December payment date. As the time remaining to each December payment date decreases, however, this time premium may decrease, thus decreasing the trading value of the SMART Notes.
- o Time Remaining to Maturity. As the number of remaining December payment dates decreases, the cumulative value of all the annual rights to receive an amount that reflects participation in the payments in excess of the minimum annual interest payment of \$30 per \$1,000 principal amount will decrease, thus decreasing the value of the SMART Notes. Furthermore, as the time to maturity decreases, the value of the right to receive the Minimum Annual Payment and the principal amount is expected to increase, thus increasing the value of the Note.
- o Dividend Rates. A number of complex relationships between the relative values of the SMART Notes and dividend rates are likely to exist. If dividend rates on the stocks comprising the S&P MidCap 400 Composite Stock Price Index increase, the value of the annual right to receive an amount that reflects participation in the appreciation of the S&P MidCap 400 Index above the Starting Annual Value is expected to decrease, and consequently we expect the value of the SMART Notes to decrease. Conversely, if dividend rates on the stocks comprising the S&P MidCap 400 Composite Stock Price Index decrease, the value of the annual right to receive this amount is expected to increase and, therefore, the value of the SMART Notes is expected to increase. In general, however, rising U.S. corporate dividend rates may increase the S&P MidCap 400 Composite Stock Price Index and, in turn, increase the value of the SMART Notes. Conversely, falling U.S. dividend rates may decrease the S&P MidCap 400 Composite Stock Price Index and, in turn, decrease the value of the SMART Notes.

Amounts payable on the MITTS Securities may be limited by state law

The indenture under which the SMART Notes are issued is governed by New York State law. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the SMART Notes. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the holders of the SMART Notes, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

#### Other Considerations

We suggest that you should reach an investment decision only after carefully considering the suitability of the SMART Notes in the light of your particular circumstances.

You should also consider the tax consequences of investing in the SMART Notes and should consult your tax adviser.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the SMART Notes described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges (a).....	1.2	1.2	1.2	1.2	1.1

- -----  
(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

DESCRIPTION OF THE SMART NOTES

The SMART Notes were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The SMART Notes will mature, and the principal of the SMART Notes will be repayable at par, on December 31, 1999.

The SMART Notes are not subject to redemption before maturity by ML&Co. or at the option of any beneficial owner. Upon the occurrence of an Event of Default with respect to the SMART Notes, however, beneficial owners of the SMART Notes or the trustee may accelerate the maturity of the SMART Notes, as described under "Description of Notes--Events of Default and Acceleration" and "Other Terms--Events of Default" in this prospectus.

The SMART Notes were issued in denominations of \$1,000 and integral multiples of \$1,000.

Interest Payments

For each full calendar year, ML&Co. will pay interest in an amount equal to the following for each \$1,000 principal amount of SMART Notes:

\$1,000 X Annual Percent Appreciation X Participation Rate

provided, however, that the per annum amount payable as a result of the foregoing on the SMART Notes will not be less than the Minimum Annual Payment or greater than the Maximum Annual Payment. The table below specifies the Minimum Annual Payment and the Maximum Annual Payment on a per annum basis or 2% per annum per \$1,000 principal amount of SMART Notes as well as the Participation Rate.

Minimum Annual Payment.....	\$30	(3%)
Maximum Annual Payment.....	\$100	(10%)
Participation Rate.....		65%

The "Annual Percent Appreciation" applicable to the determination of the amount payable in any year will equal:

- o the Ending Annual Value minus the Starting Annual Value, divided by
- o the Starting Annual Value.

The "Starting Annual Value" applicable to the determination of the amount payable in a calendar year will equal the closing value of the S&P MidCap 400 Composite Stock Price Index on the first NYSE Business Day in that year on which a Market Disruption Event has not occurred as determined by State Street Bank and Trust Company, the calculation agent; provided, however, that if a Market Disruption Event shall have occurred on each of the first ten NYSE Business Days in any year, then, the "Starting Annual Value" applicable to the determination of the amount payable in that year will equal the closing value of the S&P MidCap 400 Composite Stock Price Index on the tenth NYSE Business Day regardless of whether a Market Disruption Event occurs on that day.

The "Ending Annual Value" applicable to the determination of the amount payable in a calendar year will equal the closing value of the S&P MidCap 400 Composite Stock Price Index on the seventh scheduled NYSE Business Day preceding the end of that year, including December 31 if it is a scheduled NYSE Business Day, as determined by the calculation agent, unless a Market Disruption Event has occurred on that day. In the event that a Market Disruption Event has occurred on the seventh scheduled NYSE Business Day preceding the end of that year, the "Ending Annual Value" applicable to the determination of the amount payable in that year will equal the closing value of the S&P MidCap 400 Composite Stock Price Index on the sixth scheduled NYSE Business Day preceding the end of that year regardless of whether that day is a NYSE Business Day or a Market Disruption Event occurs on that day. The calculation agent will determine the seventh scheduled NYSE Business Day, and, if necessary, the sixth scheduled NYSE Business Day before each December payment date.

If the Ending Annual Value applicable to that December payment date does not exceed the Starting Annual Value applicable to that December payment date by more than approximately 4.62%, beneficial owners of the SMART Notes will receive only the Minimum Annual Payment on that December payment date, even if the value of the S&P MidCap 400 Index at some point between the determination of the applicable Starting Annual Value and the determination of the applicable Ending Annual Value exceeded that Starting Annual Value by more than

approximately 4.62%. If the Ending Annual Value applicable to a December payment date exceeds the Starting Annual Value applicable to that December payment date by more than approximately 15.38%, the beneficial owners of the SMART Notes would receive only the Maximum Annual Payment for the applicable payment period.

"Calculation Day" is any day on which a Starting Annual Value or an Ending Annual Value is required to be calculated .

A "NYSE Business Day" is a day on which The New York Stock Exchange is open for trading. All determinations made by the calculation agent shall be at the sole discretion of the calculation agent and, in the absence of manifest error, shall be conclusive for all purposes and binding on ML&Co. and beneficial owners of the SMART Notes.

All percentages resulting from any calculation on the SMART Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward, e.g., 9.876545%, or .09876545, would be rounded to 9.87655%, or, .0987655, and all dollar amounts used in or resulting from that calculation will be rounded to the nearest cent with one-half cent being rounded upwards.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- (a) the suspension or material limitation 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 80 or more of the securities included in the S&P MidCap 400 Index, or
- (b) the suspension or material limitation, in each case for more than two hours of trading in
  - (1) futures contracts related to the S&P MidCap 400 Composite Stock Price Index which are traded on the Chicago Mercantile Exchange or
  - (2) option contracts related to the S&P MidCap 400 Composite Stock Price Index which are traded on the American Stock Exchange.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

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.

#### Interest Payment Dates

ML&Co. will make semiannual interest payments on the SMART Notes on June 30 and December 31 of each year ("June Payment Dates" and "December Payment Dates", respectively), except as described in this prospectus, to the persons in whose names the SMART Notes are registered on the next preceding June 29 or December 30. For each SMART Note, ML&Co. will pay half of the Minimum Annual Payment for each calendar year on the June Payment Date, and will pay the balance of the annual amount payable on each SMART Note for that year on the December Payment Date.

Notwithstanding the foregoing, if it is known at least three Business Days before December 31 that December 31 will not be a Business Day, the amount payable by ML&Co. with respect to a December Payment Date for Series A SMART Notes will be made on the Business Day immediately preceding that December 31 to the persons in whose names the SMART Notes are registered on the second Business Day immediately preceding that December 31.

#### S&P MidCap 400 Index

The following table illustrates hypothetical annual payments on the SMART Notes using assumed changes in the S&P MidCap 400 Composite Stock Price Index. The numbers below are shown for illustrative purposes only and are not intended to predict either the future levels of the S&P MidCap 400 Index or the payments to be received on the SMART Notes.

#### Hypothetical SMART Note Payments

<TABLE>  
<CAPTION>



Year	Hypothetical Starting Annual Value (1)	Hypothetical Ending Annual Value (2)	Index Percent Change	Participation Rate	Hypothetical Annualized SMART Note Payment Rate (3)
<S>	<C>	<C>	<C>	<C>	<C>
1 .....	163	180	10.43%	65%	6.78%
2 .....	178	206	15.73%	65%	10.00%**
3 .....	208	174	-16.35%	65%	3.00%*
4 .....	174	218	25.29%	65%	10.00%**
5 .....	217	216	-0.46%	65%	3.00%*
6 .....	219	284	29.68%	65%	10.00%**
7 .....	283	310	9.54%	65%	6.20%

</TABLE>

- (1) Assumed closing value of the S&P MidCap 400 Index on the first NYSE Business Day of each year.
- (2) Assumed closing value of the S&P MidCap 400 Index on the seventh scheduled NYSE Business Day before the end of each year.
- (3) Simple interest basis.

\* Minimum Annual Payment, \$30 per \$1,000 principal amount (3% per annum).  
 \*\* Maximum Annual Payment, \$100 per \$1,000 principal amount (10% per annum).

The above figures are for purposes of illustration only. The actual amount payable in any year on the SMART Notes will depend entirely on the Starting Annual Value and Ending Annual Value applicable to that year determined by the calculation agent as provided in this prospectus and the Minimum Annual Payment, Maximum Annual Payment and Participation Rate.

You should review the historical performance of the S&P MidCap 400 Composite Stock Price Index. The historical performance of the S&P MidCap 400 Composite Stock Price Index should not be taken as an indication of future performance, and no assurance can be given that the S&P MidCap 400 Composite Stock Price Index will increase sufficiently during any calendar year to cause the beneficial owners of the SMART Notes to receive an amount in excess of the Minimum Annual Payment during any that calendar year.

#### Discontinuance of the S&P MidCap 400 Composite Stock Price Index

If S&P discontinues publication of the S&P MidCap 400 Index and S&P or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the S&P MidCap 400 Composite Stock Price Index (that index being referred to in this prospectus as a "Successor Index"), then, upon the calculation agent's notification of its determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by S&P or that other entity for the S&P MidCap 400 Composite Stock Price Index and calculate the Starting Annual Value and/or the Ending Annual Value as described above. Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be published in The Wall Street Journal or another newspaper of general circulation within three Business Days of that selection.

If the S&P MidCap 400 Composite Stock Price Index is unavailable or S&P discontinues publication of the S&P MidCap 400 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 S&P MidCap 400 Composite Stock Price Index for that Calculation Day used to calculate the Starting Annual Value or Ending Annual Value, as the case may be, will be calculated as described below.

If a Successor Index is selected or the calculation agent calculates a value as a substitute for the S&P MidCap 400 Composite Stock Price Index as described below, the Successor Index or value shall be substituted for the S&P MidCap 400 Composite Stock Price Index for all purposes.

If at any time the method of calculating the S&P MidCap 400 Composite Stock Price Index, or its value, is changed in a material respect, or if the S&P MidCap 400 Composite Stock Price Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the S&P MidCap 400 Composite Stock Price Index had the changes or modifications not been made, then, from and after that time, the calculation agent shall, at the close of business in New York, New York, on each Calculation Date, make any 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 S&P MidCap 400 Composite Stock Price Index as if the changes or modifications had not been made, and calculate the closing value with reference to the S&P MidCap 400 Composite Stock Price Index, as adjusted. Accordingly, if the method of calculating the S&P MidCap 400 Composite Stock Price Index is modified so that the value of the 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 the

Index in order to arrive at a value of the S&P MidCap 400 Composite Stock Price Index as if it had not been modified, e.g., as if the split had not occurred.

If the S&P MidCap 400 Composite Stock Price Index is unavailable or the publication of the S&P MidCap 400 Composite Stock Price Index is discontinued and S&P or another entity does not publish a Successor Index on any of the Calculation Days, the value to be substituted for the S&P MidCap 400 Composite Stock Price Index for any Calculation Day will be the value computed by the calculation agent for each that Calculation Day in accordance with the following procedures:

(c) (a) identifying the component stocks of the S&P MidCap 400 Composite Stock Price Index or any Successor Index as of the last date on which either of the indices was calculated by S&P or another entity and published by S&P or that other entity (each component stock is a "Last Component Stock");

(d) (b) for each Last Component Stock, calculating as of each that NYSE Business Day the product of the market price per share and the number of the then outstanding shares (that product referred to as the "Market Value" of that stock), by reference to

- o the closing market price per share of that Last Component Stock as quoted by the New York Stock Exchange or the American Stock Exchange or any other registered national securities exchange that is the primary market for that Last Component Stock, or if no quotation is available, then the closing market price as quoted by any other registered national securities exchange or the National Association of Securities Dealers Automated Quotation National Market System, or if no price is quoted, then the market price from the best available source as determined by the calculation agent and

- o the most recent publicly available statement of the number of outstanding shares of that Last Component Stock;

(e) (c) aggregating the Market Values obtained in clause (b) for all Last Component Stocks;

(f) (d) ascertaining the Base Value, as defined below under "The Standard & Poor's MidCap 400 Index--Computation of the S&P MidCap 400 Index", in effect as of the last day on which either the S&P MidCap 400 Index or any Successor Index was published by S&P or another entity, adjusted as described below;

(g) (e) dividing the aggregate Market Value of all Last Component Stocks by the Base Value, adjusted as described above;

(h) (f) multiplying the resulting quotient, expressed in decimals, by 100.

If any Last Component Stock is no longer publicly traded on any registered national securities exchange or in the over-the-counter market, the last available market price per share for that Last Component Stock as quoted by any registered national securities exchange or in the over-the-counter market, and the number of outstanding shares at that time, will be used in computing the last available Market Value of that Last Component Stock. That Market Value will be used in all computations of the S&P MidCap 400 Index thereafter.

If a company that has issued a Last Component Stock and another company that has issued a Last Component Stock are consolidated to form a new company, the common stock of the new company will be considered a Last Component Stock and the common stocks of the constituent companies will no longer be considered Last Component Stocks. If any company that has issued a Last Component Stock merges with, or acquires, a company that has not issued a Last Component Stock, the common stock of the surviving corporation will, upon the effectiveness of that merger or acquisition, be considered a Last Component Stock. In each that case, the Base Value will be adjusted so that the Base Value immediately after that consolidation, merger or acquisition will equal:

- o the Base Value immediately before that event, multiplied by
- o the quotient of the aggregate Market Value of all Last Component Stocks immediately after that event, divided by the aggregate Market Value for all Last Component Stocks immediately before that event.

If a company that has issued a Last Component Stock issues a stock dividend, declares a stock split or issues new shares pursuant to the acquisition of another company, then, in each case, the Base Value will be adjusted in accordance with the formula described below so that the Base Value immediately after the time the particular Last Component Stock commences trading ex-dividend, the effectiveness of the stock split or the time new shares of that Last Component Stock commence trading equals:

- o the Base Value immediately before that event, multiplied by
- o the quotient of the aggregate Market Value for all Last Component

Stocks immediately after that event, divided by the aggregate Market Value of all Last Component Stocks immediately before that event.

The Base Value used by the calculation agent to calculate the value described above will not necessarily be adjusted in all cases in which S&P, in its discretion, might adjust the Base Value, as described below under "The Standard & Poor's MidCap 400 Composite Stock Price Index--Computation of the S&P MidCap 400 Composite Stock Price Index".

If S&P discontinues publication of the S&P MidCap 400 Composite Stock Price Index before the period during which the amount payable with respect to any year is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each NYSE Business Day until the earlier to occur of

- o the determination of the amount payable with respect to that year or
- o 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 amount payable with respect to that year by reference to the method set forth in clauses (a) through (f) in the fourth preceding paragraph above as if that day were a Calculation Day. The calculation agent will cause notice of each 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 these values to be made available by telephone. Notwithstanding these alternative arrangements, discontinuance of the publication of the S&P MidCap 400 Composite Stock Price Index may adversely affect trading in the SMART Notes.

#### Events of Default and Acceleration

In case an Event of Default with respect to any SMART Notes has occurred and is continuing, the amount payable to a beneficial owner of a SMART Note upon any acceleration permitted by the SMART Notes, will equal:

- o the principal amount of the SMART Note, plus
- o an additional amount, if any, of interest calculated as though the date of early repayment were a December payment date and prorated through that date of early repayment based on the ratio of the number of days from and including the date the Starting Annual Value applicable to that year is determined to but excluding the date of early repayment, computed on the basis of a year consisting of 360 days of twelve 30-day months, divided by 360.

If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a Note may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the Note plus an additional amount, if any, of contingent interest calculated as though the date of the commencement of the proceeding were the maturity date of the Notes.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the SMART Notes may not receive physical delivery of the securities nor may they be entitled to have the securities registered in their names. The SMART Notes are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor, being a "depository"), as depository, registered in the name of Cede & Co, DTC's partnership nominee. Unless and until it is exchanged in whole or in part for SMART Notes in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to that depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 SMART Notes represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the securities represented by a global security are not entitled to have the SMART Notes represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the SMART Notes in definitive form and are not considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands

that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take action, and those participants would authorize beneficial owners owning through those participants to give or take 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the securities. The securities have been issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities have been issued for the SMART Notes in the aggregate principal amount of that issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of securities under DTC's system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities; DTC's records reflect only the identity of the direct participants to whose accounts the securities are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the securities are credited on the record date.

Principal, premium, if any, and/or interest, if any, payments on the SMART Notes will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of that participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect

from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of these payments to direct participants is the responsibility of DTC, and disbursement of these payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable , and
- (c) an Event of Default under the 1983 Indenture 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 \$1,000 and integral multiples of \$1,000. The definitive securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that these instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, SMART Notes in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### THE STANDARD & POOR'S MIDCAP 400 COMPOSITE STOCK PRICE INDEX

All disclosure contained in this prospectus regarding the S&P MidCap 400 Composite Stock Price Index, including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information prepared by S&P as of April 16, 1993. Neither ML&Co. nor MLPF&S take any responsibility for that information.

The S&P MidCap 400 Composite Stock Price Index is published by S&P and is intended to provide an indication of the pattern of price movements of common stocks of corporations having mid-market capitalization. The calculation of the value of the S&P MidCap 400 Composite Stock Price Index is based on the relative value of the aggregate Market Value of the common stocks of 400 companies as of a particular time as compared to the aggregate average Market Value of the common stocks of 400 substantially similar companies on December 31, 1990.

The 400 companies are not the largest companies listed on The New York Stock Exchange.

S&P chooses companies for inclusion in the S&P MidCap 400 Composite Stock Price Index with the aim of achieving for companies of mid-market capitalization a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the NYSE, which S&P uses as an assumed model for the composition of the total market with respect to these mid-market corporations. Relevant criteria employed by S&P in selecting companies for the S&P MidCap 400 Composite Stock Price Index include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the Market Value and trading activity of the common stock of that company.

The value of the S&P MidCap 400 Composite Stock Price Index is available through S&P's website located at <http://www.spglobal.com>.

#### Computation of the S&P MidCap 400 Composite Stock Price Index

As of April 16, 1993, S&P computed the S&P MidCap 400 Composite Stock Price Index as of a particular time as follows:

- (c) (a) the Market Value of each component stock is determined as of that time;
- (d) (b) the Market Values of all component stocks as of that time, as determined under clause (1) above, are aggregated;
- (e) (c) the Market Values as of December 31, 1990 (the "Base Period") of

the common stock of each company in a group of 400 substantially similar companies is determined;

- (f) (d) the Market Values of all common stocks as of the Base Period, as determined under clause (c) above, are aggregated, the aggregate amount being referred to as the "Base Value";
- (g) (e) the aggregate Market Value of all component stocks as of that time, as determined under clause (b) above, is divided by the Base Value; and
- (h) (f) the resulting quotient or expressed in decimals is multiplied by 100.

While S&P currently employs the above methodology to calculate the S&P MidCap 400 Composite Stock Price Index, no assurance can be given that S&P will not modify or change the methodology in a manner that may affect the amounts payable on any December Payment Date to beneficial owners of the SMART Notes.

S&P adjusts the foregoing formula to negate the effect of changes in the Market Value of a component stock that are determined by S&P to be arbitrary or not due to true market fluctuations. These changes may result from events including the issuance of stock dividends, the granting to shareholders of rights to purchase additional shares of stock, the purchase of additional shares of stock by employees pursuant to employee benefit plans, certain consolidations and acquisitions, the granting to shareholders of rights to purchase other securities of ML&Co., the substitution by S&P of particular component stocks in the S&P MidCap 400 Composite Stock Price Index and other reasons. In all these cases, S&P first recalculates the aggregate Market Value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares of that component stock or both, as the case may be, and then determines the New Base Value in accordance with the following formula:

$$\text{Old Base Value} \quad \times \quad \frac{\text{New Market Value}}{\text{Old Market Value}} \quad = \quad \text{New Base Value}$$

The result is that the Base Value is adjusted in proportion to any change in the aggregate Market Value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the S&P MidCap 400 Composite Stock Price Index.

You should review the historical performance of the S&P MidCap 400 Composite Stock Price Index. The historical performance of the S&P MidCap 400 Composite Stock Price Index should not be taken as an indication of future performance, and no assurance can be given that the S&P MidCap 400 Composite Stock Price Index will increase sufficiently to cause the beneficial owners of the SMART Notes to receive an amount in excess of the principal amount at the maturity of the SMART Notes.

#### License Agreement

S&P and Merrill Lynch Capital Services, Inc. have entered into a non-exclusive license agreement providing for the license to Merrill Lynch Capital Services, Inc., in exchange for a fee, of the right to use indices owned and published by S&P in connection with certain securities, including the Notes, and ML&Co. is an authorized sub-licensee of S&P.

The license agreement between S&P and Merrill Lynch Capital Services, Inc. provides that the following language must be stated in this prospectus:

"The Notes are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the Holders of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the S&P MidCap 400 Index to track general stock market performance. S&P's only relationship to Merrill Lynch Capital Services, Inc. and ML&Co., other than transactions entered into in the ordinary course of business, is the licensing of certain service marks and trade names of S&P and of the S&P MidCap 400 Index which is determined, composed and calculated by S&P without regard to ML&Co. or the SMART Notes. S&P has no obligation to take the needs of ML&Co. or the Holders of the Notes into consideration in determining, composing or calculating the S&P MidCap 400 Composite Stock Price Index. S&P is not responsible for and has not participated in the determination or calculation of the equation by which the Notes are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Notes."

S&P does not guarantee the accuracy and/or the completeness of the S&P MidCap 400 Index or any data included in the S&P MidCap 400 Index. S&P makes no warranty, express or implied, as to results to be obtained by ML&Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, holders of the SMART Notes, or any

other person or entity from the use of the S&P MidCap 400 Index or any data included therein in connection with the rights licensed under the license agreement described herein or for any other use. S&P makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the S&P MidCap 400 Index or any data included in the S&P MidCap 400 Index without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages, including lost profits, even if notified of the possibility of such damages.

#### OTHER TERMS

ML&Co. issued the SMART Notes as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the SMART Notes of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the SMART Notes are governed by and are construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or

- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;



- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The SMART Notes and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the SMART Notes and other securities. For further information on ML&Co. and the SMART Notes, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and

- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the SMART Notes and is to be used by MLPF&S when making offers and sales related to market-making transactions in the SMART Notes.

MLPF&S may act as principal or agent in these market-making transactions.

The SMART Notes may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the SMART Notes will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

Merrill Lynch & Co., Inc.  
Equity Participation Securities with Minimum Return Protection  
due June 30, 1999

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the securities.

<TABLE>  
<CAPTION>

The Securities:

<S>

- o 100% principal protection at maturity
- o No payments before the maturity date
- o Not redeemable before maturity
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o Linked to the value of S&P 500 Index
- o The securities are listed on the New York Stock Exchange under the symbol "MERP ZR99".

</TABLE>

Payment at Maturity:

<C>

- o On the maturity date, for each \$1,000 principal amount of the securities you own, we will pay you an amount equal to the sum of \$1,000 and an additional amount based on the percentage increase, if any, in the value of the S&P 500 Index as described in this prospectus.
- o You will receive no less than \$1200 per \$1,000 principal amount of your securities.

Investing in the Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is \_\_\_\_\_, 199\_\_ .

TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	5
RATIO OF EARNINGS TO FIXED CHARGES.....	6
DESCRIPTION OF SECURITIES.....	7
THE INDEX.....	14
OTHER TERMS.....	17
WHERE YOU CAN FIND MORE INFORMATION.....	20
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	20
PLAN OF DISTRIBUTION.....	21
EXPERTS.....	21

RISK FACTORS

You may not earn a return on your investment.

In addition to the principal amount of your securities, we will pay you an amount at maturity based on the percentage increase, if any, in the value of the S&P 500 Index. We will determine this additional amount, if any, by calculating the final average value of the S&P 500 Index shortly before the

stated maturity date. You should be aware that if the final average value of the index, calculated as described in this prospectus, does not exceed 447.43, the closing value of the index on June 16, 1993, by more than approximately 15.63%, you will receive only the principal amount of your securities and an additional amount equal to \$200 for each \$1,000 principal amount of your securities. Therefore, the amount that we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

The S&P 500 Index does not reflect the payment of dividends on the stocks underlying it and therefore, in addition to the considerations regarding averaging discussed below, the yield based on the S&P 500 Index to the maturity of the securities will not produce the same yield as if you purchased those underlying stocks and held them for a similar period.

Because the final average value of the S&P 500 Index will be based upon average values of the S&P 500 Index during specified periods in three successive years, a significant increase in the S&P 500 Index as measured by the average values during the specified period in the final year, or in any single earlier year, may be substantially or entirely offset by the average values of the S&P 500 Index during the specified periods in the other two years.

There may be an uncertain trading market for the securities in the future.

The securities are listed on the NYSE under the symbol "MERP ZR99". We cannot predict whether the securities will continue to trade in the secondary market or whether any market will be liquid. We expect that the secondary market for the securities will be affected by our creditworthiness and by a number of other factors. Because the final average value of the S&P 500 Index is an average of the three values as described in this prospectus, the price at which you will be able to sell your securities in the secondary market may be at a discount if the first or second value is below 447.43, the initial value of the S&P 500 Index.

We expect that the trading value of the securities will depend primarily on the extent of the appreciation, if any, of the S&P 500 Index over its initial value of 447.43. If, however, you sell your securities before the maturity date at a time when the S&P 500 Index exceeds its initial value, the price you receive may be at a discount from the amount payable if that excess were to exist at maturity of the securities because of the possible fluctuation in the value of the S&P 500 Index between the time of that sale and the maturity date and the effect of the value of the S&P 500 Index on the days used to calculate the final average value of the S&P 500 Index, if any. Furthermore, the price at which you will be able to sell your securities before maturity may be at a discount, which could be substantial, from the principal amount of your securities, if, at that time, the S&P 500 Index is below, equal to, or not sufficiently above, the initial value of the S&P 500 Index and/or if the value of the S&P 500 Index on the days used to calculate the final average value, if any, was below, equal to or not sufficiently above the initial value. A discount could also result from rising interest rates.

The trading values of the securities may be affected by a number of interrelated factors, including our creditworthiness 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 and any additional amounts to be paid at maturity. Accordingly, you should be aware that factors other than the level of the S&P 500 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.** In general, if U.S. interest rates increase, we expect the value of the securities to decrease. If U.S. interest rates decrease, we expect the value of the securities to increase. Interest rates may also affect the U.S. economy, and, in turn, the value of the S&P 500 Index. Rising interest rates may lower the value of the S&P 500 Index and, thus, the securities. Falling interest rates may increase the value of the S&P 500 Index and, thus, may increase the value of the securities.

**Volatility of the S&P 500 Index.** If the volatility of the S&P 500 Index increases, we expect the trading value of the securities to increase. If the volatility of the S&P 500 Index decreases, we expect the trading value of the securities to decrease.

**Time Remaining to Maturity.** We anticipate that before their maturity, the securities may trade at a value above that which may be inferred from the level of interest rates and the S&P 500 Index. This difference will reflect a "time premium" due to expectations concerning the value of the S&P 500 Index during the period before 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 you may be able to sell

securities before maturity may be at a discount, which may be substantial, from the minimum expected value at maturity if one or more values of the S&P 500 Index used to calculate the final average value were below, equal to or not sufficiently above the initial value.

Dividend Rates. If dividend rates on the stocks comprising the S&P 500 Index increase, the value of the securities is expected to decrease. Conversely, if dividend rates on the stocks comprising the S&P 500 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 S&P 500 Index and, in turn, increase the value of the securities. Conversely, falling U.S. dividend rates may decrease the value of the S&P 500 Index and, in turn, decrease the value of the securities.

#### Other Considerations

You should reach an investment decision with regard to securities only after carefully considering the suitability of the securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the securities and should consult your tax advisors.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services ; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges (a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF SECURITIES

The securities were issued as a series of senior debt securities under the 1983 Indenture, which is more fully described under the section entitled "Other Terms" in this prospectus.

The securities will mature on June 30, 1999.

No periodic payments of interest will be payable with respect to the securities. See "Payment at Maturity", below.

The securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before 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" and "Other Terms--Events of Default" in this prospectus.

The securities are transferable in denominations of \$1,000 and integral multiples of \$1,000.

#### Payment at Maturity

At maturity, a beneficial owner of a security will be entitled to receive the principal amount of that security plus a Supplemental Redemption Amount, all as provided below. If the final average value, as defined below, of the S&P 500 Index does not exceed the initial value by more than approximately 15.63%, a beneficial owner of a security will be entitled to receive only the principal amount of that Security and the Minimum Supplemental Redemption Amount.

At maturity, a beneficial owner of a security will be entitled to receive, with respect to each security,

- o the principal amount of the security, and
- o the "Supplemental Redemption Amount" equal in amount to:

$$\text{principal amount} \times \frac{(\text{final average value} - \text{initial value})}{\text{initial value}} \times 128\%$$

provided, that the Supplemental Redemption Amount will not be less than the Minimum Supplemental Redemption Amount of \$200 per \$1,000 principal amount of securities.

The initial value equals 447.43, the closing value of the S&P 500 Index on June 16, 1993.

The final average value of the S&P 500 Index will be determined by State Street Bank and Trust Company or the calculation agent and will equal the arithmetic average or arithmetic mean of the Yearly Values, as defined below, for 1997, 1998 and 1999. The Yearly Value for any year will be calculated

during the Calculation Period for that year which will be from and including June 18 in 1997, June 18 in 1998 and June 17 in 1999 to and including the fifth scheduled Business Day after each date. The Yearly Value for each year will equal the arithmetic average or arithmetic mean of the closing values of the S&P 500 Index on the first day in the applicable Calculation Period, provided that a Market Disruption Event, as defined below, shall not have occurred on that day and on each succeeding Business Day, provided that a Market Disruption Event shall not have occurred on the applicable day up to and including the last Business Day in the applicable Calculation Period (each, a "Calculation Date") until the calculation agent has determined the closing values for five Business Days. If a Market Disruption Event occurs on two or more of the Business Days during a Calculation Period, the Yearly Value for the relevant year will equal the average of the values on Business Days on which a Market Disruption Event did not occur during the Calculation Period or, if there is only one Business Day, the value on that day. If Market Disruption Events occur on all of the Business Days during a Calculation Period, the Yearly Value for the relevant year shall equal the closing value of the S&P 500 Index on the last Business Day of the Calculation Period regardless of whether a Market Disruption Event shall have occurred on that day.

A "Business Day" is a day on which the NYSE is open for trading.

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 ML&Co. and beneficial owners of the securities.

If S&P discontinues publication of the S&P 500 Index and S&P or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the S&P 500 Index (a "Successor Index"), then, upon the calculation agent's notification of such determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by S&P or any other entity for the S&P 500 Index and calculate the final average value as described in the preceding paragraph. Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be published in The Wall Street Journal or another newspaper of general circulation within three Business Days of any selection.

If S&P discontinues publication of the S&P 500 Index and a Successor Index is not selected by the calculation agent or is no longer published on any of the Calculation Dates, the value to be substituted for the S&P 500 Index for any Calculation Date used to calculate the Supplemental Redemption Amount at maturity will be calculated as described below under "Discontinuance of the S&P 500 Index".

If a Successor Index is selected or the calculation agent calculates a value as a substitute for the S&P 500 Index as described below, the Successor Index or value shall be substituted for the S&P 500 Index for all purposes, including for purposes of determining whether a Market Disruption Event exists.

If at any time the method of calculating the S&P 500 Index, or its value, is changed in a material respect, or if the S&P 500 Index is in any other way modified so that it does not, in the opinion of the calculation agent, fairly represent the value of the S&P 500 Index had the 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 final average value is to be calculated, make any 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 S&P 500 Index as if the changes or modifications had not been made, and calculate the closing value with reference to the S&P 500 Index, as adjusted. Accordingly, if the method of calculating the S&P 500 Index is modified so that the value of the S&P 500 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 S&P 500 Index, then the calculation agent shall adjust such Index in order to arrive at a value of the S&P 500 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:

(a) the suspension or material limitation on trading for more than two hours of trading in 100 or more of the securities included in the S&P 500 Index, or

(b) 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

- o futures contracts related to the S&P 500 Index which are traded on the Chicago Mercantile Exchange or
- o option contracts related to the S&P 500 Index which are traded on the Chicago Board Options Exchange, Inc.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material". 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.

The following table illustrates, for a range of hypothetical final average values, the total amount payable at maturity for each \$1,000 principal amount of securities.

<TABLE>  
<CAPTION>

Hypothetical Final Average Value of the S&P 500 Index	Percentage Change Over Initial Value	Total Amount Payable at Maturity
-----	-----	-----
<S>	<C>	<C>
223.72	-50%	\$1,200
268.46	-40%	\$1,200
313.20	-30%	\$1,200
357.94	-20%	\$1,200
402.69	-10%	\$1,200
447.43(1)	0%	\$1,200
492.17	10%	\$1,200
536.92	20%	\$1,256
581.66	30%	\$1,384
626.40	40%	\$1,512
671.15	50%	\$1,640
715.89	60%	\$1,768
760.63	70%	\$1,896
805.37	80%	\$2,024
850.12	90%	\$2,152
894.86	100%	\$2,280
939.60	110%	\$2,408
984.35	120%	\$2,536

</TABLE>

(1) initial value.

The above figures are for purposes of illustration only. The actual Total Redemption Amount received by investors will depend entirely on the actual final average value determined by the calculation agent as provided herein. Because the final average value will be based upon average values of the S&P 500 Index during specified periods in three successive years, a significant increase or decrease in the S&P 500 Index as measured by the average values during the specified period in any year may be substantially or entirely offset by the average values of the S&P 500 Index during the specified periods in the other two years.

The 1983 Indenture provides that the securities are governed by and construed in accordance with the laws of the state of New York. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to securities in which \$2,500,000 or more has been invested. While ML&Co. believes that New York law would be given effect by a state or federal court sitting outside of New York, state laws frequently regulate the amount of interest that may be charged to and paid by a borrower, including, in some cases, corporate borrowers. It is suggested that prospective investors consult their personal advisors with respect to the applicability of these laws. ML&Co. will agree for the benefit of the beneficial owners of the securities, to the extent permitted by law, not to claim voluntarily the benefits of any laws concerning usurious rates of interest against a beneficial owner of the securities.

#### Discontinuance of the S&P 500 Index and Successor Index

If S&P discontinues publication of the S&P 500 Index and a Successor Index is available, then the amount payable at maturity or upon earlier acceleration will be determined by reference to the Successor Index, as provided above.

If the publication of the S&P 500 Index is discontinued and S&P or another entity does not publish a Successor Index on any of the Calculation Dates, the



value to be substituted for the S&P 500 Index for any Calculation Date used to calculate the Supplemental Redemption Amount at maturity will be the value computed by the calculation agent for each Calculation Date in accordance with the following procedures:

(a) identifying the component stocks of the S&P 500 Index or any Successor Index as of the last date on which either of the indices was calculated by S&P or another entity and published by S&P or any other entity (each component stock is a "Last Component Stock");

(b) for each Last Component Stock, calculating as of each Calculation Date the product of the market price per share and the number of the then outstanding shares (referred to as the "Market Value" of the stock), by reference to

- o the closing market price per share of the Last Component Stock as quoted by the NYSE or the American Stock Exchange or any other registered national securities exchange that is the primary market for the Last Component Stock, or if no such quotation is available, then the closing market price as quoted by any other registered national securities exchange or the National Association of securities Dealers Automated Quotation National Market System, or if no such price is quoted, then the market price from the best available source as determined by the calculation agent (collectively, the "Exchanges") and
- o the most recent publicly available statement of the number of outstanding shares of the Last Component Stock;

(c) aggregating the Market Values obtained in clause (b) for all Last Component Stocks;

(d) ascertaining the Base Value (as defined below under "The Standard & Poor's 500 Index--Computation of the Index") in effect as of the last day on which either the S&P 500 Index or any Successor Index was published by S&P or another entity, adjusted as described below;

(e) dividing the aggregate Market Value of all Last Component Stocks by the Base Value (adjusted as aforesaid);

(f) multiplying the resulting quotient (expressed in decimals) by ten.

If any Last Component Stock is no longer publicly traded on any registered national securities exchange or in the over-the-counter market, the last available market price per share for such Last Component Stock as quoted by any registered national securities exchange or in the over-the-counter market, and the number of outstanding shares thereof at such time, will be used in computing the last available Market Value of such Last Component Stock. This Market Value will be used in all computations of the S&P 500 Index thereafter.

If a company that has issued a Last Component Stock and another company that has issued a Last Component Stock are consolidated to form a new company, the common stock of such new company will be considered a Last Component Stock and the common stocks of the constituent companies will no longer be considered Last Component Stocks. If any company that has issued a Last Component Stock merges with, or acquires, a company that has not issued a Last Component Stock, the common stock of the surviving corporation will, upon the effectiveness of such merger or acquisition, be considered a Last Component Stock. In each case, the Base Value will be adjusted so that the Base Value immediately after such consolidation, merger or acquisition will equal:

(a) the Base Value immediately prior to the event, multiplied by

(b) the quotient of the aggregate Market Value of all Last Component Stocks immediately after the event, divided by the aggregate Market Value for all Last Component Stocks immediately prior to that event.

If a company that has issued a Last Component Stock issues a stock dividend, declares a stock split or issues new shares pursuant to the acquisition of another company, then, in each case, the Base Value will be adjusted in accordance with the formula described below so that the Base Value immediately after the time the particular Last Component Stock commences trading ex-dividend, the effectiveness of the stock split or the time new shares of the Last Component Stock commence trading equals

(a) the Base Value immediately prior to such event, multiplied by

(b) the quotient of the aggregate Market Value for all Last Component Stocks immediately after that event, divided by the aggregate Market Value of all Last Component Stocks immediately prior to that event. The Base Value used by the calculation agent to calculate the value described above will not necessarily be adjusted in all cases in which S&P, in its discretion, might adjust the Base Value as described below under "The Standard & Poor's 500 Index--Computation of the S&P 500 Index".

If S&P discontinues publication of the S&P 500 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

- o the determination of the final average value and
- o 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 by reference to the method set forth in clauses (a) through (f) in the fourth preceding paragraph above as if that day were a Calculation Date. 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 S&P 500 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 \$1,000 principal amount thereof, will be equal to:

(a) the initial issue price (\$1,000), plus

(b) an additional amount of contingent interest calculated as though the date of early repayment were the maturity date of the securities. The Calculation Period used to calculate the final Yearly Value of the Notes so accelerated will begin on the eighth scheduled Business Day next preceding the scheduled date for any early redemption. If the final Yearly Value is the only Yearly Value which shall have been calculated with respect to the Notes, the final Yearly Value will be the final average value. If one or two other Yearly Values shall have been calculated with respect to the Notes for prior years when the Notes shall have been outstanding, the average of the final Yearly Value and one other Yearly Value or two other Yearly Values, as the case may be, will be the final average value. The Minimum Supplemental Redemption Amount with respect to any early redemption date will be an amount equal to the interest which would have accrued on the securities from and including the date of original issuance to but excluding the date of early redemption at an annualized rate of 3.06%, calculated on a semiannual bond equivalent basis. See "Description of Securities--Payment at Maturity" in this prospectus.

If a bankruptcy proceeding is commenced in respect of ML&Co., 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 7% 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.

#### Global Securities

##### Description of the Global Securities.

Beneficial owners of the securities may not receive physical delivery of the securities nor may they be entitled to have the securities registered in their names. The securities are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). 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 the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any nominee to a successor of the Depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial

owners of the securities represented by a global security are not entitled to have the securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the securities in definitive form and are not considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 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 of DTC on the procedures of the participant through which such person owns its interest, to exercise any rights of a Holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. 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 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take action, and such participants would authorize beneficial owners owning through such participants to give or take 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the securities. The securities have been issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One or more fully registered global securities have been issued for the securities in the aggregate principal amount of such issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of securities under DTC's system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities; DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the securities are credited on the record date.

Principal, premium, if any, and/or interest, if any, payments on the securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is 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 participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable , and
- (c) an Event of Default under the 1983 Indenture 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 of \$10. The definitive securities will 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 the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Security in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### THE INDEX

All disclosures contained in this prospectus regarding the Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by S&P as of March 22, 1999. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

The S&P 500 Index is published by S&P, and is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of the Index, discussed below in further detail, is based on the relative value of the aggregate Market Value of the common stocks of 500 companies as of a particular time compared to the aggregate average Market Value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of March 22, 1999 the 500 companies included in the Index represented approximately 78% of the aggregate Market Value of common stocks traded on the NYSE; however, these 500 companies are not the 500 largest companies listed on the NYSE and not all of these 500 companies are listed on the exchange. As of March 22, 1999, the aggregate Market Value of the 500 companies included in the Index represented approximately 79% of the aggregate Market Value of United States domestic, public companies. S&P chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the NYSE, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include:

- o the viability of the particular company,
- o the extent to which that company represents the industry group to which it is assigned,
- o the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry, and

- o the Market Value and trading activity of the common stock of that company.

Four main groups of companies comprise the Index, with the number of companies currently included in each group indicated in parentheses: [Industrials (380), Utilities (39), Transportation (10) and Financial (71)]. S&P may from time to time, in its sole discretion, add companies to, or delete companies from, the Index to achieve the objectives stated above.

Computation of the Index

S&P currently computes the Index as of a particular time as follows:

- (a) the product of the market price per share and the number of then outstanding shares of each component stock is determined at a certain time (the "Market Value" of the stock);
- (b) the Market Value of all component stock as of that time are aggregated;
- (c) the mean average of the Market Values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;
- (d) the mean average Market Values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "Base Value");
- (e) the current aggregate Market Value of all component stocks is divided by the Base Value; and
- (f) the resulting quotient, expressed in decimals, is multiplied by ten.

While S&P currently employs the above methodology to calculate the Index, no assurance can be given that S&P will not modify or change this methodology in a manner that may affect the Supplemental Redemption Amount, if any, payable to beneficial owners of the securities upon maturity or otherwise.

S&P adjusts the foregoing formula to negate the effects of changes in the Market Value of a component stock that are determined by S&P to be arbitrary or not due to true market fluctuations. Changes may result from such causes as

- o the issuance of stock dividends,
- o the granting to shareholders of rights to purchase additional shares of stock,
- o the purchase of shares by employees pursuant to employee benefit plans,
- o certain consolidations and acquisitions,
- o the granting to shareholders of rights to purchase other securities of ML&Co.,
- o the substitution by S&P of particular component stocks in the Index, and
- o other reasons.

In these cases, S&P first recalculates the aggregate Market Value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares thereof or both, and then determines the New Base Value in accordance with the following formula:

$$\text{Old Base Value} \times \frac{\text{New Market Value}}{\text{Old Market Value}} = \text{New Base Value}$$

The result is that the Base Value is adjusted in proportion to any change in the aggregate Market Value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the Index.

Historical Data on the Index

The following table sets forth the value of the Index at the end of each

month, in the period from January 1990 through February 1999. These historical data on the Index are not necessarily indicative of the future performance of the Index or what the value of the MITTS Securities may be. Any historical upward or downward trend in the value 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 MITTS Securities.

<TABLE>  
<CAPTION>

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
January.....	329.08	343.93	408.78	438.78	481.61	470.42	636.02	786.16	980.28	
1,279.64										
February.....	331.89	367.07	412.70	443.38	467.14	487.39	640.43	790.82	1,049.34	
1,238.33										
March.....	339.94	375.22	403.69	451.67	445.77	500.71	645.50	757.12	1,101.75	
April.....	330.80	375.34	414.95	440.19	450.91	514.71	654.17	801.34	1,111.75	
May.....	361.23	389.83	415.35	450.19	456.51	533.40	669.12	848.28	1,090.82	
June.....	358.02	371.16	408.14	450.53	444.27	544.75	670.63	885.14	1,133.84	
July.....	356.15	387.81	424.22	448.13	458.26	562.06	639.95	954.29	1,120.67	
August.....	322.56	395.43	414.03	463.56	475.50	561.88	651.99	899.47	957.28	
September....	306.05	387.86	417.80	458.93	462.71	584.41	687.31	947.28	1,017.01	
October.....	304.00	392.45	418.68	467.83	472.35	581.50	705.27	914.62	1,098.67	
November.....	322.22	375.22	431.35	461.79	453.69	605.37	757.02	955.40	1,163.63	
December.....	330.22	417.09	435.71	466.45	459.27	615.93	740.74	970.43	1,229.23	

#### License Agreement

S&P and Merrill Lynch Capital Services, Inc. have entered into a non-exclusive license agreement providing for the license to Merrill Lynch Capital Services, Inc., in exchange for a fee, of the right to use indices owned and published by S&P in connection with certain securities, including the securities, and ML&Co. is an authorized sublicensee thereof.

The license agreement between S&P and Merrill Lynch Capital Services, Inc. provides that the following language must be stated in this prospectus:

"The securities are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the Holders of the securities or any member of the public regarding the advisability of investing in securities generally or in the securities particularly or the ability of the S&P 500 Index to track general stock market performance. S&P's only relationship to Merrill Lynch Capital Services, Inc. and ML&Co., other than transactions entered into in the ordinary course of business, is the licensing of certain servicemarks and trade names of S&P and of the S&P 500 Index which is determined, composed and calculated by S&P without regard to ML&Co. or the securities. S&P has no obligation to take the needs of ML&Co. or the Holders of the securities into consideration in determining, composing or calculating the S&P 500 Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the securities, prices at which the securities are to initially be sold, or quantities of the securities to be issued or in the determination or calculation of the equation by which the securities are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the securities.

Standard & Poor's Corporation ("S&P") does not guarantee the accuracy and/or the completeness of the S&P 500 Index or any data included in the S&P 500 Index. S&P makes no warranty, express or implied, as to results to be obtained by ML&Co., MLPF&S, holders of the securities, or any other person or entity from the use of the S&P 500 Index or any data included in the S&P 500 Index in connection with the rights licensed under the license agreement described in this prospectus or for any other use. S&P makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the S&P 500 Index or any data included in the S&P 500 Index without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages, including lost profits, even if notified of the possibility of such damages."

#### OTHER TERMS

The securities were issued as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

Series of senior debt securities may from time to time be issued under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of ML&Co. itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe of all of ML&Co.'s obligations under the 1983 Indenture, and

- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the Trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the Trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.



The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of any series of senior debt securities may waive an Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the Trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the securities offered by this prospectus and other securities. For further information on ML&Co. and the Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the securities.

MLPF&S may act as principal or agent in these market-making transactions.

The securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

#### PROSPECTUS

Merrill Lynch & Co., Inc.

Japan Index(SM)

Equity Participation Securities with Minimum Return Protection due January 31, 2000

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the securities.

<TABLE>  
<CAPTION>

<S>

The Securities:  
o 100% principal protection at maturity  
o No payments before the maturity date  
o Senior unsecured debt securities of Merrill Lynch & Co., Inc.

<C>

Payment at Maturity:  
o On the maturity date, for each security you own, we will pay you an amount equal to the sum of the principal amount of each security and an additional

- o Linked to the value of the Japan Index
- o The securities are listed on the American Stock Exchange under the symbol "MJP.A".

- amount based on the percentage increase, if any, in the value of the Japan Index as described in this prospectus.
- o You will receive no less than \$1,150 per \$1,000 principal amount of your securities.

</TABLE>

Investing in the Securities involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 1999.

(SM) "Japan Index" is a service mark of The American Stock Exchange.

#### TABLE OF CONTENTS

	Page
	----
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	6
RATIO OF EARNINGS TO FIXED CHARGES.....	7
DESCRIPTION OF SECURITIES.....	8
THE INDEX.....	17
OTHER TERMS.....	20
WHERE YOU CAN FIND MORE INFORMATION.....	24
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	24
PLAN OF DISTRIBUTION.....	25
EXPERTS.....	25

#### RISK FACTORS

Your investment in the securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the securities is suitable for you.

You may not earn a return on your investment

In addition to the principal amount of your securities, we will pay you an amount at maturity based on the percentage increase, if any, in the value of the Japan Index. We will determine this additional amount, if any, by calculating the final average value of the Japan Index shortly before the stated maturity date. You should be aware that if the final average value of the Japan Index, calculated as described in this prospectus, does not exceed 195.46, the closing value of the Japan Index on January 20, 1994, by more than approximately 13.04%, you will receive only the principal amount of your

securities and an additional amount equal to \$150 for each \$1,000 principal amount of your securities. Therefore, the amount that we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

The Japan Index does not reflect the payment of dividends on the stocks underlying it and therefore, in addition to the considerations regarding averaging discussed below, the yield based on the Japan Index to the maturity of the securities will not produce the same yield as if you purchased those underlying stocks and held them for a similar period.

Because the final average value of the Japan Index will be based upon average values of the Japan Index during specified periods in three successive years, a significant increase in the Japan Index as measured by the average values during the specified period in the final year, or in any single earlier year, may be substantially or entirely offset by the average values of the Japan Index during the specified periods in the other two years.

The index used to calculate any additional amounts payable to you on the maturity date will initially be the Japan Index, which is currently calculated and published by the AMEX. Upon the occurrence of certain events described under "Description of Securities--Substitution of the Index", a New Japan Index which will also relate to the trading of equity securities in Japan, will be substituted for the Japan Index. The required characteristics of the New Japan Index are described in this prospectus; however, the New Japan Index does not currently exist, and the New Japan Index may be calculated and published by a United States stock exchange other than the AMEX. In the event that a New Japan Index is substituted for the Japan Index, no assurance can be given as to whether any additional amounts payable to you on the maturity date calculated on the basis of any New Japan Index will be more than or less than or equal to the additional amount which would have been payable had any substitution not occurred.

Your return may be affected by factors affecting the value of Japanese stocks

Because the underlying stocks included in the Japan Index have been issued by Japanese companies, the return on your securities will be affected by risks relating to an investment in Japanese equity securities. The Japanese securities markets may be more volatile than U.S. or other securities markets and may be affected by market developments in different ways than U.S. or other securities markets. Direct or indirect government intervention to stabilize the Japanese securities markets and cross-shareholdings in Japanese companies on those markets may affect prices and volume of trading on those markets. Also, there is generally less publicly available information about Japanese companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and Japanese companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Securities prices in Japan are subject to political, economic, financial and social factors that apply in Japan. In addition, recent or future changes in the Japanese government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other Japanese laws or restrictions applicable to Japanese companies or investments in Japanese equity securities and fluctuations in the rate of exchange between currencies may negatively affect the Japanese securities markets. Moreover, the Japanese economy may differ favorably or unfavorably from the U.S. economy in economic factors such as growth in gross national product, rates of inflation, capital reinvestment, resources and self-sufficiency.

There are many factors affecting the trading value of the securities

The securities are listed on the AMEX. We expect that the secondary market for the securities will be affected by our creditworthiness and by a number of other factors. Because the final average value is an average of the three values as described below, the price at which you will be able to sell your securities in the secondary market may be at a discount if the first or second value of the Japan Index is below the initial value.

We expect that the trading value of the securities will depend primarily on the extent of the appreciation, if any, of the Japan Index over its initial value of 195.46. If, however, you sell your securities before the maturity date at a time when the Japan Index exceeds its initial value, the price you receive may be at a discount from the amount payable if that excess were to exist at maturity of the securities because of the possible fluctuation in the value of the Japan Index between the time of that sale and the maturity date and the effect of the value of the Japan Index on the days used to calculate the final average value of the Japan Index, if any. Furthermore, the price at which you will be able to sell your securities before maturity may be at a discount, which could be substantial, from the principal amount of your securities, if, at that time, the Japan Index is below, equal to, or not sufficiently above, the initial value of the Japan Index and/or if the value

of the Japan Index on the days used to calculate the final average value, if any, was below, equal to or not sufficiently above the initial value. A discount could also result from rising interest rates in the U.S.

The trading values of the securities may be affected by a number of interrelated factors, including our creditworthiness 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 and any additional amounts to be paid at maturity. Accordingly, you should be aware that factors other than the level of the Japan 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:

- o Interest Rates. In general, if U.S. interest rates increase, we expect the value of the securities to decrease. If U.S. interest rates decrease, we expect the value of the securities to increase. In general, if Japanese interest rates increase, we expect the value of the securities to increase. If Japanese interest rates decrease, we expect the value of the securities to decrease. Interest rates may also affect the Japanese economy, and, in turn, the value of the Japan Index. Rising interest rates may lower the value of the index and, thus, the securities. Falling interest rates may increase the value of the Japan Index and, thus, may increase the value of the securities.
- o Volatility of the Japan Index. If the volatility of the Japan Index increases, we expect the trading value of the securities to increase. If the volatility of the Japan Index decreases, we expect the trading value of the securities to decrease.
- o Time Remaining to Maturity. We anticipate that before their 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 Japan Index during the period before the 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 you may be able to sell your securities before maturity may be at a discount, which may be substantial, from the minimum expected value at maturity if one or more values of the Japan Index used to calculate any additional amounts payable at maturity were below, equal to or not sufficiently above the initial value.
- o Dividend Rates in Japan. If dividend rates on the stocks comprising the Japan Index increase, we expect the value of the securities to decrease. Conversely, if dividend rates on the stocks comprising the Japan Index decrease, we expect the value of the securities to increase. However, in general, rising Japanese corporate dividend rates may increase the value of the Japan Index and, in turn, increase the value of the securities. Conversely, falling Japanese dividend rates may decrease the value of the Japan Index and, in turn, decrease the value of the securities.

Although the stocks comprising the Japan Index are traded in Japanese yen and the securities are denominated in U.S. dollars, any additional amounts payable at the maturity date will not be adjusted for the currency exchange rate in effect at the maturity of the securities. This additional amount is based upon the percentage increase in the Japan Index. The Japan Index is calculated using a constant U.S.\$/Japanese Yen exchange rate. The value of the securities should not, therefore, be directly affected by the currency exchange rate. For example, if the Japan Index were to increase by 25% from its initial value to the final average value, you would receive \$287.50 per \$1,000 principal amount of your securities at maturity regardless of the U.S.\$/Japanese Yen exchange rate prevailing at maturity. Changes in the exchange rate, however, may reflect changes in the Japanese economy which, of course, would affect the value of the index and the securities.

Amounts payable on the MITTS Securities may be limited by state law

New York State laws govern the 1983 Indenture under which the securities were issued. New York has certain usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the securities holders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Other Considerations

You should reach an investment decision with regard to the securities only after carefully considering the suitability of the securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the securities and should consult your tax advisors.

MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the Securities described in this prospectus.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
	----	----	----	----	----
Ratio of earnings to fixed charges(a) .....	1.2	1.2	1.2	1.2	1.1
- -----					

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF SECURITIES

The securities were issued as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, which is more fully described in this prospectus.

The securities will mature on January 31, 2000.

While at maturity a beneficial owner of a security will receive the principal amount of that security plus the Supplemental Redemption Amount, there will be no payment of interest, periodic or otherwise. See "Payment at Maturity", below.

The securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before 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" and "Other Terms--Events of Default" in this prospectus.

The securities were issued in denominations of \$1,000 and integral multiples of \$1,000.

#### Payment at Maturity

At maturity, a beneficial owner of a security will be entitled to receive the principal amount of each security plus a Supplemental Redemption Amount, if any, all as provided below. If the Final Average Value of the index does not exceed the Initial Value by more than approximately 13.04% a beneficial owner of a Security will be entitled to receive only the principal amount of each security and the Minimum Supplemental Redemption Amount. Although the index will initially be the Japan Index, under certain circumstances described herein a New Japan Index may be substituted for the Japan Index.

At maturity, a beneficial owner of a security will be entitled to receive, with respect to each security:

- o the principal amount , and
- o the "Supplemental Redemption Amount" equal in amount to:

$$\text{principal amount} \times \frac{\text{Final Average Value}-\text{Initial Value}}{\text{Initial Value}} \times 115\%$$

provided, that the Supplemental Redemption Amount will not be less than the Minimum Supplemental Redemption Amount of \$150 per \$1,000 principal amount of securities.

The "Initial Value" equals 195.46, the closing value of the Japan Index on January 20, 1994; provided, however, that a new Initial Value will be calculated as described in this prospectus if a New Japan Index is substituted for the Japan Index.

The "Final Average Value" of the Japan Index will be determined by State Street Bank and Trust Company, the calculation agent and will equal the arithmetic average or the arithmetic mean of the Yearly Values, as defined below, for 1998, 1999 and 2000. The Yearly Value for any year will be calculated during the Calculation Period for that year which will be from and including January 22 in 1998, January 21 in 1999 and January 20 in 2000 to and including the fifth scheduled Business Day after each date. The Yearly Value for each year will equal the arithmetic average or arithmetic mean of the closing values of the index on the first Business Day in the applicable Calculation Period, provided that a Market Disruption Event shall not have occurred on that day and on each succeeding Business Day, provided that a Market Disruption Event shall not have occurred on the applicable day up to and including the last Business Day in the applicable Calculation Period (each, a "Calculation Date") until the calculation agent has so determined the closing values for five Business Days. If a Market Disruption Event occurs on two or more of the Business Days during a Calculation Period, the Yearly Value for the relevant year will equal the average of the values on Business Days on which a Market Disruption Event did not occur during the Calculation Period or, if there is only one Business Day, the value on such day. If a Market

Disruption Event occurs on all Business Days during a Calculation Period, the Yearly Value for the relevant year shall equal the closing value of the Index on the last Business Day of the Calculation Period regardless of whether a Market Disruption Event shall have occurred on that day. A Yearly Value may be restated if the Substitution Event occurs after the determination of the Yearly Value, see "Substitution of the Index".

A "Business Day", for purposes of determining the Final Average Value, is a day on which the Relevant Stock Exchange is open for trading.

"Relevant Stock Exchange" means the American Stock Exchange or, if a New Japan Index has been substituted for the Japan Index, the U.S. stock exchange that publishes such New Japan Index. 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 ML&Co. and beneficial owners of the securities.

The following table illustrates, for a range of hypothetical Final Average Values, the total amount payable at maturity for each \$1,000 principal amount of securities.

Hypothetical Final Average Value of the Japan Index	Percentage Change Over Initial Value	Total Amount Payable at Maturity
-----	-----	-----
97.73	-50%	\$1,150
117.28	-40%	\$1,150
136.82	-30%	\$1,150
156.37	-20%	\$1,150
175.91	-10%	\$1,150
195.46(1)	0%	\$1,150
215.01	10%	\$1,150
234.55	20%	\$1,230
254.10	30%	\$1,345
273.64	40%	\$1,460
293.19	50%	\$1,575
312.74	60%	\$1,690
332.28	70%	\$1,805
351.83	80%	\$1,920
371.37	90%	\$2,035
390.92	100%	\$2,150
410.47	110%	\$2,265
430.01	120%	\$2,380

(1) The Initial Value.

The above figures are for purposes of illustration only. The actual total redemption amount received by investors will depend entirely on the actual Final Average Value determined by the calculation agent as provided herein. Because the Final Average Value will be based upon average values of the index which may be a New Japan Index substituted for the Japan Index, during specified periods in three successive years, a significant increase or decrease in the index as measured by the average values during the specified period in any year may be substantially or entirely offset by the average values of the Index during the specified periods in the other two years.

You should review the historical performance of the Japan Index. The historical performance of the Japan Index should not be taken as an indication of future performance, and no assurance can be given that the Japan Index will increase sufficiently to cause the beneficial owners of the securities to receive an amount in excess of the principal amount and the Minimum Supplemental Redemption Amount at the maturity of the securities.

#### Adjustments to the Index; Market Disruption Event

If at any time the method of calculating the index, or its value, is changed in a material respect, or if the index is in any other way modified so that the index does not, in the opinion of the calculation agent, fairly represent the value of the index had these changes or modifications not been made, then, from and after that 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 Final Average Value is to be calculated, make any 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 no changes or modifications had been made, and calculate the closing value with reference to the index, as adjusted. Accordingly, if the method of calculating the index is modified so that the value of the 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 the index in order to arrive at a value of the index as if it had not been modified, e.g., as if the split had not occurred.

"Market Disruption Event" means either of the following events on a Business Day during a Calculation Period, as determined by the calculation agent:

- (a) a suspension or absence of trading on the TSE of 20% or more of the Underlying Stocks which then comprise the index or a Successor Index during the one-half hour period preceding the close of trading on the TSE; or
- (b) the suspension or material limitation on the Singapore International Monetary Exchange Ltd. (the "SIMEX"), Osaka Securities Exchange (the "OSE") or the Relevant Stock Exchange or any other major securities market of trading in futures or options contracts related to the index during the one-half hour period preceding the close of trading on the applicable exchange.

For purposes of determining whether a Market Disruption Event has occurred:

- o a limitation on the hours 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,
- o a decision to permanently discontinue trading in the relevant contract will not constitute a Market Disruption Event,
- o a suspension of trading in a futures or options contract on the index by the Relevant Stock Exchange or other major securities market by reason of
  - o a price change exceeding limits set by the Relevant Stock Exchange or securities market,
  - o an imbalance of orders relating to any contracts or
  - o a disparity in bid and ask quotes relating to any contracts will constitute a suspension or material limitation of trading in futures or options contracts related to the index and
- o an "absence of trading" on the SIMEX, OSE, the Relevant Stock Exchange or a major securities market on which futures or options contracts related to the index are traded will not include any time when the SIMEX, OSE, the Relevant Stock Exchange or such securities market, as the case may be, itself is closed for trading under ordinary circumstances.

#### Substitution of the Index

Movements in the Japan Index correspond generally to movements in the Nikkei 225 Index published by Nihon Keizai Shimbun, Inc. ("NKS"), which is currently the most widely utilized index relating to Japanese equity securities, as measured by trading volume and open interest relating to the futures contract on the index or also known as the "Nikkei 225 Futures Contract". In October of 1993, NKS commenced the calculation and publication of a new broad-based, capitalization-weighted index referred to as the Nikkei 300 Index or also known as the "Nikkei 300 Index". Unlike the Nikkei 225 Index, which is a price-weighted index of 225 Japanese companies listed in the First Section of the TSE, the Nikkei 300 Index is a capitalization-weighted index of 300 Japanese companies listed in the First Section of the TSE. See "The Index--The New Japan Index" for a description of the Nikkei 300 Index. The OSE announced that, if a broad-based, capitalization-weighted index were introduced on the TSE, the OSE expected to establish a new futures contract on that index. Although the OSE has not as of the date of this prospectus introduced a new futures contract on the Nikkei 300 Index, any such contract which it may introduce at some future date is referred to in this prospectus as the "Nikkei 300 Futures Contract".

If the Nikkei 300 Futures Contract is introduced and publicly traded on an exchange in Japan, and such contract develops trading volume and open interest exceeding that of the Nikkei 225 Futures Contract, ML&Co. believes this would indicate that the Nikkei 300 Futures Contract will have become more widely utilized than the Nikkei 225 Futures Contract. Therefore, in the event that a Nikkei 300 Futures Contract is publicly traded at some future date on an exchange in Japan and each of the additional conditions described below are fulfilled, a New Japan Index will be substituted for the Japan Index. From and after that time, the index used to determine the Supplemental Redemption Amount with respect to the securities will be the New Japan Index. Upon the substitution of the New Japan Index for the Japan Index, ML&Co. will cause notice thereof to be given to holders of the securities. Such notice will also

state that, for purposes of calculating the Supplemental Redemption Amount, an adjusted Initial Value will be substituted for the original Initial Value. The adjusted Initial Value will be calculated as follows:

$$\frac{\text{Initial Value of Japan Index}}{\text{current value of Japan Index}} \times \text{current value of New Japan Index}$$

where the current values of the Japan Index and of the New Japan Index will equal their respective levels reported by the relevant exchange at the close of business on the day that the calculation agent substitutes the New Japan Index for the Japan Index. If the Substitution Event occurs after the determination of a Yearly Value, the Yearly Value will be restated in terms of the New Japan Index under the following formula:

$$\frac{\text{Yearly Value prior to restatement}}{\text{original Initial Value}} \times \text{adjusted Initial Value}$$

The Supplemental Redemption Amount will then be calculated using the restated Yearly Value.

A "Substitution Event" will have occurred if, as determined by the calculation agent, whose opinion shall be conclusive and binding on ML&Co. and on the holders of the Securities, the following conditions are fulfilled:

- (a) Nikkei 300 Futures Contracts shall be introduced and publicly traded on an exchange in Japan; and
- (b) The AMEX or another United States securities exchange publishes on a basis not less regularly than each day on which such exchange and the TSE are open for trading an index (the "New Japan Index") which:
  - o for a period of 90 days immediately preceding the date of the Substitution Event has a correlation based on daily, closing value to closing value, percentage changes of not less than 90% with the Nikkei 300 Index; and
  - o an option, warrant or other security which has payments determined by reference to the New Japan Index has been approved to be listed on a national securities exchange by the SEC; and
- (c) Either of the following has occurred:
  - o the Nikkei 225 Index is no longer published and/or the Nikkei 225 Futures have been delisted from trading on the OSE; or
  - o the Nikkei 300 Futures Contracts publicly traded on exchanges in Japan have
    - o greater average daily volume and
    - o greater average daily open interest than the Nikkei 225 Futures Contracts which trade on the OSE, each for any three-month period before the date of the Substitution Event, commencing on a futures expiration date on the OSE and ending on the following futures expiration date; and
- (d) To the extent required, ML&Co. shall have obtained any license necessary to use the New Japan Index as described in this prospectus. ML&Co. has agreed in the securities to use its reasonable efforts to obtain any such license.

Notwithstanding the above, unless the Nikkei 225 Index is no longer published and/or the Nikkei 225 Futures Contracts shall have been delisted from trading on the OSE, a Substitution Event will not be deemed to have occurred on any of the 180 days next preceding the maturity date of the securities.

All disclosure contained in this prospectus regarding the Nikkei 225 Index, Nikkei 225 Futures Contract, Nikkei 300 Index, Nikkei 300 Futures Contract, or their publisher, NKS, is derived from publicly available information as of January 20, 1994. NKS has no relationship with ML&Co. or the securities; it does not sponsor, endorse, authorize, sell or promote the securities, and has no obligation or liability in connection with the administration, marketing or trading of the securities.

If the AMEX discontinues publication of the Japan Index or, if a New Japan Index has been substituted for the Japan Index, publication of the New Japan Index has been discontinued and the AMEX or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the index (a "Successor Index"), then, upon the calculation agent's notification of any determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by the American Stock Exchange or any other entity for the Japan Index or the New Japan Index, as the case may be, and calculate the Final Average Value as described above under "Payment at Maturity". Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the securities.

If the AMS discontinues publication of the Japan Index or, if a New Japan Index has been substituted for the Japan Index, publication of the New Japan Index has been discontinued and a Successor Index is not selected by the calculation agent or is no longer published on any of the Calculation Dates, the value to be substituted for the index for any Calculation Date used to calculate the Supplemental Redemption Amount at maturity will be a value computed by the calculation agent for each Calculation Date in accordance with the procedures last used to calculate the index before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the index as described below, the 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 AMEX discontinues publication of the Japan Index or, if a New Japan Index has been substituted for the Japan Index, publication of the New Japan Index has been discontinued, before 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

- o the determination of the Final Average Value; and
- o 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 that day were a Calculation Date. The calculation agent will cause notice of each 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 these 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 will be equal to:

- o the principal amount , plus
- o an additional amount of contingent interest calculated as though the date of early repayment were the maturity date of the Securities.

The Calculation Period used to calculate the final Yearly Value of the securities so accelerated will begin on the eighth scheduled Business Day next preceding the scheduled date for early redemption. If the final Yearly Value is the only Yearly Value which shall have been calculated with respect to the securities, the final Yearly Value will be the Final Average Value. If one or two other Yearly Values shall have been calculated with respect to the securities for prior years when the securities shall have been outstanding, the average (arithmetic mean) of the final Yearly Value and one other Yearly Value or two other Yearly Values, as the case may be, will be the Final Average Value. The Minimum Supplemental Redemption Amount with respect to any early redemption date will be an amount equal to the interest which would have accrued on the Securities from and including the date of original issuance to but excluding the date of early redemption at an annualized rate of 2.33%, calculated on a semiannual bond equivalent basis. See "Description of Securities--Payment at Maturity" in this prospectus.

If a bankruptcy proceeding is commenced in respect of ML&Co., 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 their beneficial owners, at the rate of 5.5% 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 this amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the securities may not receive physical delivery of the securities nor may they be entitled to have the securities registered in their names. The securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). 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 the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any such nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the securities represented by a global security will not be entitled to have the securities represented by the global security 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 under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the securities. The securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the securities in the aggregate principal amount of the securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of securities under DTC's system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities; DTC's records reflect only the identity of the direct participants to whose accounts the securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture 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 of \$10. The definitive securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the Depository. In that event, Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

All payments of principal and the Supplemental Redemption Amount, if any, will be made by ML&Co. in immediately available funds so long as the securities are maintained in book-entry form.

## THE INDEX

### The Japan Index

The index for purposes of calculating the Supplemental Redemption Amount will initially be the Japan Index. This information reflects the policies of the American Stock Exchange; such policies are subject to change in the discretion of the American Stock Exchange.

The Japan Index is a stock index calculated, published and disseminated by the American Stock Exchange that measures the composite price performance of selected Japanese stocks. The Japan Index is based on highly capitalized Underlying Stocks trading on the TSE representing a broad cross-section of Japanese industries. All the Underlying Stocks are stocks listed in the First Section of the TSE. Stocks listed in the First Section are among the most actively traded stocks on the Tokyo Stock Exchange. Options contracts on the Japan Index are traded on the American Stock Exchange.

The level of the Japan Index is disseminated via the Consolidated Tape Authority Network-B, commonly referred to as the "American Stock Exchange Tape". The American Stock Exchange Tape symbol for the Japan Index is "JPN". The level of the Japan Index is calculated once per day using last sale prices only, i.e., not "special bid quotes" or "special ask quotes" which are used in connection with other stock indices, for transactions in Underlying Stock on the TSE.

The Japan Index is a modified, price-weighted index, i.e., an Underlying Stock's weight in the index is based on its price per share rather than the total market capitalization of the issuer, which is calculated by

- o multiplying the per share price of each Underlying Stock by the corresponding weighing factor for such Underlying Stock (a "Weight Factor"),
- o calculating the sum of all these products, and
- o dividing such sums by a divisor.

The divisor, initially set in September 1990 at 9,799,460, was 9,608,946 as of January 20, 1994, and is subject to periodic adjustments as set forth below. Each Weight Factor is computed by dividing Y50 by the par value of the relevant Underlying Stock and multiplying the result by 100, so that the share price of each Underlying Stock when multiplied by its Weight Factor corresponds to a share price based on a uniform par value of Y50. Each Weight Factor represents the number of shares of the related Underlying Stock which are included in one trading unit of the Japan Index.

In order to maintain continuity in the level of the Japan Index in the event of certain changes due to non-market factors affecting the Underlying Stocks, such as the addition or deletion of stocks, substitution of stocks, stock dividends, stock splits or distributions of assets to stockholders, the divisor used in calculating the Japan Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the Japan Index. Thereafter, the divisor remains at the new value until a further adjustment is necessary as the result of another change. As a result of each change affecting any Underlying Stock, the divisor is adjusted in such a way that the sum of all share prices immediately after such change multiplied by the applicable Weight Factor and divided by the new divisor, i.e., the level of the Japan Index immediately after such change, will equal the level of the Japan Index immediately before the change.

Underlying Stocks may be deleted or added by the AMEX. However, to maintain continuity in the Japan Index, the policy of the AMEX is generally not to alter the composition of the Underlying Stocks except when an Underlying Stock is deleted due to

- o bankruptcy of the issuer,
- o merger of the issuer with, or acquisition of the issuer by, another company,
- o delisting of such stock, or
- o failure of such stock to meet, upon periodic review by the AMEX, market value and trading volume criteria established by the AMEX (as such may change from time to time).

Upon deletion of a stock from the Underlying Stocks, the AMEX may select a suitable replacement for the deleted Underlying Stock. The policy of the AMEX is to announce any change in advance via distribution of an information

circular.

The AMEX is under no obligation to continue the calculation and dissemination of the Japan Index. The securities are not sponsored, endorsed, sold or promoted by the AMEX. No inference should be drawn from the information contained in this prospectus that the AMEX makes any representation or warranty, implied or express, to ML&Co., beneficial owners of the 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 Japan Index to track general stock market performance. The AMEX has no obligation to take the needs of ML&Co. or beneficial owners of the securities into consideration in determining, composing or calculating the Japan Index. The AMEX is not responsible for, and has not participated in the determination or calculation of the equation by which the Supplemental Redemption Amount with respect to the securities will be determined. The AMEX has no obligation or liability in connection with the administration, marketing or trading of the securities.

The use of and reference to the Japan Index in connection with the Securities has been consented to by the AMEX, the publisher of the Japan Index. "Japan Index" is a service mark of the AMEX.

None of ML&Co., the calculation agent and MLPF&S accepts any responsibility for the calculation, maintenance or publication of the Japan Index or any Successor Index. The AMEX disclaims all responsibility for any errors or omissions in the calculation and dissemination of the Japan Index or the manner in which such index is applied in determining the Supplemental Redemption Amount with respect to the securities.

You should review the historical performance of the index. The historical performance of the index should not be taken as an indication of future performance, and no assurance can be given that the index will increase sufficiently to cause the beneficial owners of the securities to receive an amount in excess of the principal amount and the Minimum Supplemental Redemption Amount at the maturity of the securities.

#### The Tokyo Stock Exchange

The TSE is one of the world's largest securities exchanges in terms of market capitalization. Trading hours are from 9:00 A.M. to 11:00 A.M. and from 12:30 P.M. to 3:00 P.M., Tokyo time, Monday through Friday.

Due to the time zone difference, on any normal trading day the TSE will close prior to the opening of business in New York City on the same calendar day. Therefore, the closing level of the Japan Index on such trading day will generally be available in the United States by the opening of business on the same calendar day.

The TSE has adopted measures intended to prevent any extreme short-term price fluctuation resulting from order imbalances. These include daily price floors and ceilings intended to prevent extreme fluctuations in individual stock prices. Any stock listed on the TSE cannot be traded at a price outside of these limits which are stated in absolute Japanese yen, and not percentage, limits from the closing price of the stock on the previous day. In addition, when there is a major order imbalance in a listed stock, the TSE posts a "special bid quote" or a "special asked quote" for that stock at a specified higher or lower price level than the stock's last sale price in order to solicit counter orders and balance supply and demand for the stock. You should also be aware that the TSE may suspend the trading of individual stocks in certain limited and extraordinary circumstances including, for example, unusual trading activity in that stock. As a result, variations in the Japan Index may be limited by price limitations on, or by suspension of trading in, individual stocks which comprise the Japan Index which may, in turn, adversely affect the value of the securities or result in a Market Disruption Event. See "Description of Securities--Adjustments to the Index; Market Disruption Event".

#### The New Japan Index

Under certain circumstances, a New Japan Index may be substituted for the Japan Index for purposes of calculating the Supplemental Redemption Amount. The New Japan Index would be an index published by the AMEX or another United States securities exchange with a high correlation to the Nikkei Stock Index 300. See "Substitution of the Index".

The Nikkei Stock Index 300 is an index calculated, published and disseminated by NKS, that measures the composite price performance of stocks of 300 Japanese companies. All 300 stocks are listed in the First Section of the TSE. Stocks listed in the First Section are among the most actively traded stocks on the TSE. Publication of the Nikkei Stock Index 300 began on October

8, 1993.

The Nikkei Stock Index 300 is a market capitalization-weighted index which is calculated by

- o multiplying the per share price of each stock included in the Nikkei Stock Index 300 by the number of outstanding shares, excluding shares held by the Japanese Government,
- o calculating the sum of all these products, such sum being hereinafter referred to as the "Aggregate Market Price",
- o dividing the Aggregate Market Price by the Base Aggregate Market Price, i.e. the Aggregate Market Price as of October 1, 1982, and
- o multiplying the result by 100. Larger companies' shares have a larger effect on moving the entire index than smaller companies' shares.

Although the Nikkei Stock Index 300 was first published in October 1993, NKS has calculated values for the Nikkei Stock Index 300 for the period from October 1, 1982 through October 8, 1993. The stocks included in the Nikkei Stock Index 300, such stocks being hereinafter referred to as the "Underlying Stocks", were selected from a reference group of stocks which were selected by excluding stocks listed in the First Section of the TSE that have relatively low market liquidity or extremely poor financial results. The Underlying Stocks were selected from this reference group by

- o selecting from the remaining stocks in this reference group the stocks with the largest aggregate market value in each of 36 industrial sectors and
- o selecting additional stocks, with priority within each industrial sector given to the stock with the largest aggregate market value, so that the selection ratios, i.e. the ratio of the aggregate market value of the included stocks to that of the stocks in the reference group, with respect to all 36 industry sectors will be as nearly equal as possible and the total number of companies with stocks included in the Nikkei Stock Index 300 will be 300.

In order to maintain continuity in the level of the Nikkei Stock Index 300, the Nikkei Stock Index 300 will be reviewed annually by NKS and the Underlying Stocks may be replaced, if necessary, in accordance with the "deletion/addition rule". The "deletion/addition" rule provides generally for the deletion of a stock from the Nikkei Stock Index 300 if such stock is no longer included in the reference group or if the aggregate market value of such stock is low relative to other stocks in the relevant industry sector. Stocks deleted pursuant to the "deletion/addition" rule will be replaced by stocks included in the reference group which have relatively high aggregate market values. In addition, stocks may be added or deleted from time to time for extraordinary reasons.

All disclosure contained in this prospectus regarding the Nikkei 225 Index, Nikkei 225 Futures Contract, Nikkei Stock Index 300, Nikkei 300 Futures Contract, or their publisher, NKS, is derived from information publicly available as of January 20, 1994. NKS has no relationship with ML&Co. or the securities; it does not sponsor, endorse, authorize, sell or promote the securities, and has no obligation or liability in connection with the administration, marketing or trading of the securities.

#### OTHER TERMS

The securities were issued as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the securities of which this prospectus is a part. The following summaries of certain provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

Series of senior debt securities may from time to time be issued under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the securities are governed by and construed in accordance with the laws of the State of New York.



ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of ML&Co. itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities ; and
  - o perform and observe of all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of any series of senior debt securities may waive an Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any Indenture which

cannot be modified under the terms of that Indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the securities and other securities. For further information on ML&Co. and the securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the securities.

MLPF&S may act as principal or agent in these market-making transactions.

The securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

This information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

PROSPECTUS

Merrill Lynch & Co., Inc.

AMEX Oil Index(SM)  
Stock Market Annual Reset Term(SM) Notes due December 29, 2000  
"SMART Notes(SM) "

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the SMART Notes.

The SMART Notes:

- o 100% principal protection at maturity
- o Interest payment on each June 30 and December 30
- o We will pay interest on the SMART Notes at a rate equal to the product of 85% and the percentage increase, if any, in the AMEX Oil Index
- o For each \$1,000 principal amount of the SMART Notes that you own, you will receive not less than \$20 per year
- o The SMART Notes are listed on the American Stock

Exchange under the symbol "MOI.F"

Investing in the SMART Notes involves risks.  
See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 199 .

(SM) "SMART Notes" and "Stock Market Annual Reset Term" are service marks of Merrill Lynch & Co., Inc. (SM) "Oil Index" is a registered service mark of the American Stock Exchange, Inc.

#### TABLE OF CONTENTS

	Page
RISK FACTORS.....	3
MERRILL LYNCH & CO.....	6
RATIO OF EARNINGS TO FIXED CHARGES.....	7
DESCRIPTION OF THE SMART NOTES.....	8
THE AMEX OIL INDEX.....	15
OTHER TERMS.....	17
WHERE YOU CAN FIND MORE INFORMATION.....	21
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	21
PLAN OF DISTRIBUTION.....	22
EXPERTS.....	22

#### RISK FACTORS

You may not earn a return on your investment

If the arithmetic mean of the quarterly closing values of the AMEX Oil Index applicable to each December payment date, determined in the manner set forth in this prospectus, does not exceed the closing value of the AMEX Oil Index on the last business day of the immediately preceding calendar year by more than approximately 2.35%, at maturity you receive no more than \$20 for each \$1,000 principal amount of your SMART Notes on that December payment date. This will be true even if at some point during the time the calculation agent determines the interest payable on the SMART Notes for each December payment date, the arithmetic mean of the quarterly closing values of the AMEX Oil Index for that year exceeded the closing value of the AMEX Oil Index on the last business day of the immediately preceding calendar year by more than 2.35%.

You will receive no less than \$20 for each \$1,000 principal amount of your SMART Notes and we will repay you 100% of the principal amount of your SMART Notes at maturity. Therefore, the amount that we pay you at maturity may

be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a senior non-callable debt security of Merrill Lynch & Co., Inc. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

The amount payable on the SMART Notes based on the AMEX Oil Index will not produce the same return as if you purchased the stocks underlying the AMEX Oil Index and held them for a similar period because of the following:

- o the AMEX Oil Index does not reflect the payment of dividends on the stocks underlying it,
- o the annual amount payable is limited to 85% multiplied by the percentage increase in the AMEX Oil Index during any relevant period, but will not be less than \$20 per \$1,000 principal amount of the SMART Notes,
- o the arithmetic mean of the quarterly closing values of the AMEX Oil Index for each calendar year may not reflect the full percentage increase in the AMEX Oil Index during any relevant period because it is an average of the AMEX Oil Index at various points in time, and
- o the amounts payable on the SMART Notes do not reflect changes in the AMEX Oil Index for the period between the determination of the arithmetic mean of the quarterly closing values of the AMEX Oil Index applicable to each December payment date and the determination of the closing value of the AMEX Oil Index on the last business day of the preceding calendar year for the next December payment date.

There may be an uncertain trading market for the SMART Notes in the future

The SMART Notes are listed on the AMEX under the symbol "MOI.F". We expect that the secondary market for the SMART Notes, including prices in that market will likely be affected by our creditworthiness and by a number of other factors. It is possible to view the SMART Notes as the economic equivalent of a debt obligation plus a series of cash settlement options; however, the SMART Notes may trade in the secondary market at a discount from the aggregate value of these economic components, if these economic components were valued and capable of being traded separately.

The trading values of the SMART Notes may be affected by a number of interrelated factors, including those listed below. The following is the expected theoretical effect on the trading value of the SMART Notes of each of the factors listed below. The following discussion of each separate factor generally assumes that all other factors are held constant, although the actual interrelationship between certain of such factors is complex.

- o Relative Level of the AMEX Oil Index. We expect that the trading value of the SMART Notes will depend significantly on the extent of the excess of the expected average of the quarterly closing values of the AMEX Oil Index for a calendar year over the closing value of the AMEX Oil Index on the last business day of the preceding calendar year. If, however, you sell your SMART Notes at a time when this excess exists, the price you receive may nevertheless be at a discount from the amount expected to be payable if this excess were to prevail until the next December payment date. Furthermore, the price at which you will be able to sell SMART Notes before a December payment date may be at a discount, which could be substantial, from the principal amount of your SMART Notes, if, at that time, the AMEX Oil Index is below, equal to or not sufficiently above the closing value of the AMEX Oil Index on the last business day of the immediately preceding calendar year before that December payment date. The level of the AMEX Oil Index will depend on the prices of the stocks underlying the AMEX Oil Index which, in turn, will be affected by factors affecting the oil industry, see "The AMEX Oil Index--Oil Industry Sector".
- o Volatility of the AMEX Oil Index. If the volatility of the AMEX Oil Index increases, we expect the trading value of the SMART Notes to increase. If the volatility of the AMEX Oil Index decreases, we expect the trading value of the SMART Notes to decrease.
- o U.S. Interest Rates. In general, if U.S. interest rates increase, we expect the value of the SMART Notes to decrease. If U.S. interest rates decrease, we expect the value of the SMART Notes to increase. Interest rates may also affect the U.S. economy, and, in turn, the level of the AMEX Oil Index. Rising interest rates may lower the level of the AMEX Oil Index and, thus, the value of the SMART Notes. Falling interest rates may increase the level of the AMEX Oil Index and, thus, may increase the value of the SMART Notes.
- o Time Remaining to December Payment Dates. We anticipate that before each December payment date, the SMART Notes may trade at a value above which may be inferred from the level of U.S. interest rates and the AMEX Oil Index. This difference will reflect a "time

premium" due to expectations concerning the level of the AMEX Oil Index during the period before each December payment date. As the time remaining to each December payment date decreases, however, this time premium may decrease, thus decreasing the trading value of the SMART Notes.

- o Time Remaining to Maturity. As the number of remaining December payment dates decreases, the cumulative value of all the annual rights to receive an amount that reflects participation in the payments in excess of the minimum annual interest payment of \$20 per \$1,000 principal amount will decrease, thus decreasing the value of the SMART Notes.
- o Dividend Rates. A number of complex relationships between the relative values of the SMART Notes and dividend rates are likely to exist. If dividend rates on the stocks comprising the AMEX Oil Index increase, the value of the annual right to receive an amount that reflects participation in the average appreciation of the AMEX Oil Index above the annual starting value is expected to decrease, and consequently, we expect the value of the SMART Notes to decrease. Conversely, if dividend rates on the stocks comprising the AMEX Oil Index decrease, the value of the annual right to receive such an amount is expected to increase and, therefore, the value of the SMART Notes is expected to increase. In general, however, because the majority of issuers of stocks underlying the AMEX Oil Index are organized in the United States, rising U.S. corporate dividend rates may increase the AMEX Oil Index and, in turn, increase the value of the SMART Notes. Conversely, falling U.S. dividend rates may decrease the AMEX Oil Index and, in turn, decrease the value of the SMART Notes.

Amounts payable on the MITTS Securities may be limited by state law

The indenture under which the SMART Notes are issued is governed by New York State law. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the SMART Notes. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the holders of the SMART Notes, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

#### Other Considerations

You should reach an investment decision with regard to the SMART Notes only after carefully considering the suitability of the SMART Notes in light of your particular circumstances.

You should also consider the tax consequences of investing in the SMART Notes and should consult your tax advisors.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;

- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the SMART Notes described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges (a)	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE SMART NOTES

The SMART Notes were issued as a series of Senior Debt Securities under the 1983 Indenture which is more fully described this prospectus.

The SMART Notes will mature, and the principal of the SMART Notes will be repayable at par, on December 29, 2000.

The SMART Notes are not subject to redemption before maturity by ML&Co. or at the option of any beneficial owner. Upon the occurrence of an Event of Default with respect to the SMART Notes, however, beneficial owners of the SMART Notes or the Trustee may accelerate the maturity of the SMART Notes, as described under "Description of SMART Notes--Events of Default and Acceleration" and "Other Terms--Events of Default" in this prospectus.

The SMART Notes are transferable in denominations of \$1,000 and integral multiples of \$1,000.

#### Interest Payments

For each full calendar year, ML&Co. will pay interest in an amount equal to the following for each \$1,000 principal amount of SMART Notes:

$\$1,000 \times \text{Average Percent Change} \times \text{Participation Rate}$

provided, however, that the per annum amount payable as a result of the foregoing on the SMART Notes will not be less than the Minimum Annual Payment



of \$20 per \$1,000 principal amount of SMART Notes on a per annum basis or 2% per annum.

The "Participation Rate" equals 85%.

The "Average Percent Change" applicable to the determination of the amount payable in any calendar year will equal:

$$\frac{\text{Ending Average Value} - \text{Starting Annual Value}}{\text{Starting Annual Value}}$$

The "Starting Annual Value" applicable to the determination of the amount payable in a calendar year will equal the closing value of the AMEX Oil Index on the last AMEX Business Day in the immediately preceding calendar year as determined by State Street Bank and Trust Company or the calculation agent.

The "Ending Average Value" applicable to the determination of the amount payable in a calendar year will equal the arithmetic average or arithmetic mean of the Quarterly Values of the AMEX Oil Index for each calendar quarter during such year as determined by the calculation agent.

The "Quarterly Value" for any of the first three calendar quarters in a calendar year will be the closing value of the AMEX Oil Index on the last scheduled AMEX Business Day in any such calendar quarter; provided, however, that if a Market Disruption Event has occurred on the last scheduled AMEX Business Day in that calendar quarter, the Quarterly Value for that calendar quarter will be the closing value of the AMEX Oil Index on the next succeeding scheduled AMEX Business Day regardless of whether a Market Disruption Event occurs on that day.

The "Quarterly Value" for the fourth calendar quarter in a calendar year will be the closing value of the AMEX Oil Index on the seventh scheduled AMEX Business Day preceding the end of that calendar quarter; provided, however, that if a Market Disruption Event has occurred on the seventh scheduled AMEX Business Day, the Quarterly Value for that calendar quarter will be the closing value of the AMEX Oil Index on the sixth scheduled AMEX Business Day preceding the end of that calendar quarter regardless of whether a Market Disruption Event occurs on that day. The calculation agent will determine scheduled AMEX Business Days.

If the Ending Average Value applicable to the applicable December payment date does not exceed the Annual Starting Value by more than approximately 2.35%, beneficial owners of the SMART Notes will receive only the Minimum Annual Payment on that December payment date, even if the value of the AMEX Oil Index at some point between the determination of the applicable Starting Annual Value and the determination of the applicable Ending Average Value exceeded that Starting Annual Value by more than approximately 2.35%.

"Calculation Day" is any day on which a Starting Annual Value or a closing value of the AMEX Oil Index for a calendar quarter is required to be calculated.

An "AMEX Business Day" is a day on which the AMEX is open for trading. All determinations made by the calculation agent shall be at the sole discretion of the calculation agent and, in the absence of manifest error, shall be conclusive for all purposes and binding on ML&Co. and beneficial owners of the SMART Notes.

All percentages resulting from any calculation on the SMART Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upwards, e.g., 9.876545% or .09876545 would be rounded to 9.87655% or .0987655, and all dollar amounts used in or resulting from any calculation will be rounded to the nearest cent with one-half cent being rounded upwards.

#### Adjustments to the Index; Market Disruption Event

If at any time the method of calculating the AMEX Oil Index, or its value, is changed in a material respect, or if the AMEX Oil Index is in any other way modified so that the index does not, in the opinion of the calculation agent, fairly represent the value of the AMEX Oil Index had no changes or modifications been made, then, from and after that time, the calculation agent shall, at the close of business in New York, New York, on each Calculation Day, make any 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 AMEX Oil Index as if no changes or modifications had been made, and calculate the closing value with reference to the AMEX Oil Index, as adjusted. Accordingly, if the method of calculating the AMEX Oil Index is modified so that the value of the 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 the index in order to

arrive at a value of the AMEX Oil Index as if it had not been modified, e.g., as if a split had not occurred.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- (a) the suspension or material limitation on trading during the last half hour of trading in any of the component stocks, or depository receipts representing those stocks, included in the AMEX Oil Index on any national securities exchange in the United States, or
- (b) the suspension or material limitation, in each case during the last half hour of trading whether by reason of movements in price exceeding levels permitted by the relevant exchange or otherwise, in
  - o futures contracts related to the AMEX Oil Index which are traded on any exchange or board of trade in the United States or
  - o option contracts related to the AMEX Oil Index which are traded on the AMEX.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE, the AMEX or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

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.

#### Interest Payment Dates

ML&Co. will make semiannual interest payments on the SMART Notes on June 30 of each year ("June Payment Dates") and December 31 of each year and at maturity ("December Payment Dates"), except as described in this prospectus, to the persons in whose names the SMART Notes are registered on the immediately preceding June 29 or December 30, and, at maturity, to the person to whom the principal is payable. For each Note, ML&Co. will pay half of the Minimum Annual Payment for each calendar year on the June Payment Date, and will pay the balance of the annual amount payable on each Note for that year on the December Payment Date.

Notwithstanding the foregoing, if it is known at least three Business Days before December 31 that December 31 will not be a Business Day, the amount payable by ML&Co. with respect to a December Payment Date for the SMART Notes will be made on the Business Day immediately preceding that December 31 to the persons in whose names the SMART Notes are registered on the second Business Day immediately preceding that December 31.

#### Discontinuance of the AMEX Oil Index

If the AMEX discontinues publication of the AMEX Oil Index and the AMEX or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the AMEX Oil Index (a "Successor Index"), then, upon the calculation agent's notification of any determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by the AMEX or any other entity for the AMEX Oil Index and calculate the annual amount payable as described above under "Interest Payments". Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the SMART Notes.

If the AMEX discontinues publication of the AMEX Oil 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 AMEX Oil Index for any Calculation Day used to calculate the annual amount payable will be a value computed by the calculation agent for each Calculation Day in accordance with the procedures last used to calculate the AMEX Oil Index before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the AMEX Oil Index the Successor Index or value shall be substituted for the AMEX Oil Index for all purposes, including for purposes of determining whether a Market Disruption Event exists.

If the AMEX discontinues publication of the AMEX Oil Index before the period during which the amount payable with respect to any year is to be determined and the calculation agent determines that no Successor Index is

available at that time, then on each AMEX Business Day until the earlier to occur of

- (a) the determination of the amount payable with respect to that year or
- (b) 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 amount payable with respect to that year as described in the preceding paragraph as if that 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 these values to be made available by telephone. Notwithstanding these alternative arrangements, discontinuance of the publication of the AMEX Oil Index may adversely affect trading in the SMART Notes.

#### Events of Default and Acceleration

In case an Event of Default with respect to any SMART Notes shall have occurred and be continuing, the amount payable to a beneficial owner of a Note upon any acceleration permitted by the SMART Notes, will equal:

- (a) the principal amount of each SMART Note, plus
- (b) an additional amount, if any, of interest calculated as though the date of early repayment were a December Payment Date and prorated through the date of early repayment on the basis of a year consisting of 360 days of twelve 30-day months.

If Quarterly Values have been calculated before the early redemption date for the calendar year in which any early redemption date occurs, these Quarterly Values shall be averaged with the value of the AMEX Oil Index determined with respect to that date of early redemption. If no Quarterly Values have been calculated before the early redemption date for the calendar year in which the early redemption date occurs, the Ending Average Value for that calendar year will be the value of the AMEX Oil Index determined with respect to the date of early redemption. The Minimum Supplemental Redemption Amount with respect to any early redemption date will be an amount equal to the interest which would have accrued on the SMART Notes from and including January 1 in the calendar year in which the early redemption date occurs, to but excluding the date of early redemption at an annualized rate of 2%, calculated on a semiannual bond equivalent basis.

If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a Note may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the Note plus an additional amount, if any, of contingent interest calculated as though the date of the commencement of the proceeding were the maturity date of the SMART Notes.

In case of default in payment at the maturity date of the SMART Notes whether at their stated maturity or upon acceleration, from and after the maturity date the SMART Notes shall bear interest, payable upon demand of the holders, at the rate of 7% per annum to the extent that payment of interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the SMART Notes to the date payment of that amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities.

Beneficial owners of the SMART Notes may not receive physical delivery of the securities nor may they be entitled to have the securities registered in their names. The SMART Notes are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for SMART Notes in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to such depository or another nominee of the depository or by the depository or any nominee to a successor of such depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 SMART Notes represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the securities represented by a global security are not entitled to have the SMART Notes represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the

SMART Notes in definitive form and are not considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a Holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take action, and those participants would authorize beneficial owners owning through those participants to give or take 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the securities. The securities have been issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One or more fully registered global securities have been issued for the SMART Notes in the aggregate principal amount of that issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of securities under DTC's system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities; DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the securities are credited on the record date.

Principal, premium, if any, and/or interest, if any, payments on the SMART Notes will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in

accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on such date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is 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 participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, and
- (c) an Event of Default under the 1983 Indenture 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 \$1,000 and integral multiples of \$1,000. The definitive securities will 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 the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, SMART Notes in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### THE AMEX OIL INDEX

The AMEX Oil Index is a price-weighted stock index, i.e., an Underlying Stock's weight in the index is based on its price per share rather than the total market capitalization of the issuer, calculated, published and disseminated by the AMEX that measures the composite price performance of selected common stocks of widely-held corporations involved in various segments of the oil industry. The AMEX Oil Index was originally published by the AMEX as the Oil and Gas Index. In September 1984, the AMEX changed the Oil and Gas Index from a market-weighted index to a price-weighted index and deleted all companies engaged exclusively in gas exploration and production activities. The Oil and Gas Index was then renamed the Oil Index. At March 24, 1994, the calculation of the value of the AMEX Oil Index was based on the relative value of the aggregate market price of the common stocks of sixteen companies engaged in various segments of the oil industry.

The AMEX may from time to time, with approval of the SEC, add companies to, or delete companies from, the AMEX Oil Index to fulfill the above-stated intention of providing an indication of price movements of common stock of corporations engaged in various segments of the oil industry. The level of the AMEX Oil Index is calculated once per day using last sale prices only, i.e., not special "bid quotes" or special "ask quotes" which are used in connection with other stock indices.

The level of the AMEX Oil Index is disseminated via the Consolidated Tape Authority Network-B, also known as the "AMEX Tape". The AMEX Tape Symbol for the AMEX Oil Index is "XOI".

#### Computation of the AMEX Oil Index

At March 24, 1994, the AMEX computed the AMEX Oil Index as of a particular time as follows:

- (a) the market price of one share of each component stock is determined as of such time;
- (b) the market prices of all component stocks as of such time (as determined under clause (a) above) are aggregated;

- (c) the aggregate amount (as determined under clause (b) above) is divided by 3.47874.

While the AMEX employed the above methodology to calculate the AMEX Oil Index at March 24, 1994, no assurance can be given that the AMEX will not modify or change such methodology in a manner that may affect the amounts payable on any December Payment Date to beneficial owners of the SMART Notes.

In order to maintain continuity in the level of the AMEX Oil Index in the event of certain changes due to non-market factors affecting the Underlying Stocks, such as the addition or deletion of stocks, substitution of stocks, stock dividends, stock splits or distributions of assets to stockholders, the divisor used in calculating the AMEX Oil Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the AMEX Oil Index. Thereafter, the divisor remains at the new value until a further adjustment is necessary as the result of another change. As a result of each such change affecting any component stock, the divisor is adjusted in such a way that the level of the AMEX Oil Index immediately after any change will equal the level of the AMEX Oil Index immediately prior to the change.

Component stocks may be deleted or added by the AMEX with approval of the SEC. However, to maintain continuity in the AMEX Oil Index, the policy of the AMEX is generally not to alter the composition of the component stocks except when a component stock is deleted due to

- (a) bankruptcy of the issuer,
- (b) merger of the issuer with, or acquisition of the issuer by, another company,
- (c) delisting of such stock, or
- (d) failure of such stock to meet, upon periodic review by the AMEX, market value and trading volume criteria established by the AMEX (as such may change from time to time).

Upon deletion of a stock from the component stocks, the AMEX may select a suitable replacement for such deleted component stock. The policy of the AMEX is to announce any such change in advance via distribution of an information circular.

The use of and reference to the AMEX Oil Index in connection with the SMART Notes has been consented to by the AMEX, the publisher of the AMEX Oil Index and, in connection with that consent, the AMEX has requested that the following information appear in this prospectus. The AMEX is under no obligation to continue the calculation and dissemination of the AMEX Oil Index. The SMART Notes are not sponsored, endorsed, sold or promoted by the AMEX. No inference should be drawn from the information contained in this prospectus that the AMEX makes any representation or warranty, implied or express, to ML&Co., beneficial owners of the SMART Notes or any member of the public regarding the advisability of investing in securities generally or in the SMART Notes in particular or the ability of the AMEX Oil Index to track general stock market performance. The AMEX has no obligation to take the needs of ML&Co. or beneficial owners of the SMART Notes into consideration in determining, composing or calculating the AMEX Oil Index. The AMEX is not responsible for, and has not participated, in the determination or calculation of the equation by which the SMART Notes with respect to the annual payments will be determined. The AMEX has no obligation or liability in connection with the administration, marketing or trading of the SMART Notes. The AMEX disclaims all responsibility for any errors or omissions in the calculation and dissemination of the AMEX Oil Index or the manner in which the index is applied in determining the annual payments with respect to the SMART Notes.

None of ML&Co., the calculation agent, MLPF&S nor the trustee accepts any responsibility for the calculation, maintenance or publication of the AMEX Oil Index or any Successor Index.

You should review the historical prices of the securities underlying the Amex Oil Index. The historical prices of the securities should not be taken as an indication of future performance, and no assurance can be given that the prices of the securities will increase sufficiently to cause the beneficial owners of the SMART Notes to receive an amount in excess of the Minimum Annual Payment on any December Payment Date and at the maturity of the SMART Notes.

#### Oil Industry Sector

The oil industry is subject to varying degrees of regulatory, political and economic risk which may affect the price of the stocks of the companies in the industry. These risks depend on a number of factors including the

countries in which a particular company conducts its activities, evolving levels of governmental regulation, and litigation with respect to environmental and other matters. All segments of the oil industry are competitive, including manufacturing, distribution and marketing of petroleum products and petrochemicals. In addition, the oil industry competes with other industries in supplying the energy needs of various types of consumers. Refining margins or the difference between the price of products and the price of crude oil, and marketing margins or the difference between the wholesale and retail price of petroleum products, also affect companies engaged in the oil industry.

The profitability of companies engaged in the oil industry is directly affected by the worldwide price of oil and related petroleum products which, in turn, depends upon the worldwide demand for oil and related petroleum products.

Environmental regulation is a significant factor affecting profitability of companies engaged in the oil industry. In the U.S., companies engaged in the oil industry are subject to substantial environmental regulation by federal, state, and local authorities. Federal regulations include the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended or also known as CERCLA or Superfund, the Superfund Amendments and Reauthorizations Act of 1986, and the Resource Conservation Recovery Act of 1976.

In the United States and elsewhere, various laws and regulations are either now in force, in standby status or under consideration, with respect to such matters as price controls, crude oil and refined product allocations, refined product specifications, environmental, health and safety regulations, retroactive and prospective tax increases, cancellation of contract rights, expropriation of property, divestiture of certain operations, foreign exchange rate restrictions as to the convertibility of currencies, tariffs and other international trade restrictions. Other regulations such as the U.S. Federal Clean Air Act Amendments of 1990 may have a substantial impact on companies engaged in the oil industry despite the fact that they do not impose direct regulations. Finally, regional regulations like those proposed by California's South Coast Air Quality Management District may have substantial effects on the oil industry as well.

#### OTHER TERMS

The SMART Notes were issued as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the SMART Notes of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

Series of senior debt securities may from time to time be issued under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the SMART Notes are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of ML&Co. itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens

specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities ; and
  - o perform and observe of all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption , or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;



- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of any series of senior debt securities may waive an Event of Default for that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the Holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The SMART Notes and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the SMART Notes and other securities. For further information on ML&Co. and the SMART Notes, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the SMART Notes and is to be used by MLPF&S when making offers and sales related to market-making transactions in the SMART Notes.

MLPF&S may act as principal or agent in these market-making transactions.

The SMART Notes may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the SMART Notes will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

#### P R O S P E C T U S

Merrill Lynch & Co., Inc.

6% Structured Yield Product Exchangeable for Stock SM due June 1, 1999  
"STRYPES SM"  
Payable with Shares of Class A Common Stock of Cox Communications, Inc.  
or cash with an equal value

-----

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, will use this prospectus when making offers and sales related to market-making transactions in the STRYPES.

The issue price of each STRYPES was \$22.875, which was the last sale price of the class A common stock, par value \$1.00 per share, of Cox, on May 22, 1996, as reported on the New York Stock Exchange. The STRYPES will mature on June 1, 1999.

What you will receive before June 1, 1999:

- o On each March 1, June 1, September 1 and December 1, beginning September 1, 1996, we will pay you interest on the STRYPES in cash at the rate of 6% per year.
- o We may redeem the STRYPES, in whole but not in part, at any time after a tax event date at the tax event redemption price, which is more fully described in this prospectus.

What you will receive on June 1, 1999:

- o For each STRYPES you own, you will receive a number of shares of class A common stock of Cox or an equivalent amount in cash based on (1) the average closing price per share of the class A common stock of Cox during a certain number of trading days before the maturity date and (2) the fair market value of any dividends, distributions or other distributed assets for one share of class A common stock of Cox.

If the price on June 1, 1999 is:	You will receive:
(a) greater than \$27.91	.8196 shares of class A common
(b) less than \$27.91 but greater	stock a fractional share of

than \$22.875  
(c) less than \$22.875

class A common stock equal to  
\$22.875 one share of class A  
common stock

Investing in the STRYPES involves risks, including the risk that your investment may result in a loss. See "Risk Factors" beginning on page 3.

The STRYPES are listed on the NYSE under the symbol "CML".

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the STRYPES will be the prevailing price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 1999.

"STRYPES" and "Structured Yield Product Exchangeable for Stock" are registered service marks owned by ML&Co.

#### TABLE OF CONTENTS

RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
COX COMMUNICATIONS, INC.....	9
DESCRIPTION OF THE STRYPES.....	9
OTHER TERMS.....	20
CERTAIN ARRANGEMENTS WITH CEI.....	23
WHERE YOU CAN FIND MORE INFORMATION.....	24
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	24
PLAN OF DISTRIBUTION.....	25
EXPERTS.....	26

#### RISK FACTORS

Your investment in the STRYPES will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the STRYPES is suitable for you.

You may suffer a loss on your investment

You should be aware that at maturity the amount you will receive may be less than the amount you paid for the STRYPES, which was \$22.875 per STRYPES. If the maturity price of the class A common stock of Cox is less than \$22.875, the amount you will receive will be less than the amount you paid for the STRYPES and, therefore, your investment in the STRYPES will result in a loss to you. When you invest in the STRYPES, you assume the risk that the market value of the class A common stock of Cox may decline, and that the decline could be substantial.

Your investment in the STRYPES may differ from an investment in other debt securities

The terms of the STRYPES differ from those of ordinary debt securities because the maturity price of the class A common stock of Cox or the equivalent amount in cash that you will receive on the maturity date is not

fixed, but is based on the maturity price of the class A common stock of Cox. Please review the section entitled "Description of the STRYPES".

There may be a limited opportunity for equity appreciation

Your opportunity for equity appreciation may be greater if you made a direct investment in the class A common stock of Cox because the price of the class A common stock of Cox is subject to market fluctuations. The amount you will receive on the maturity date will only exceed the amount you paid for the STRYPES, which was \$22.875 per STRYPES, if the maturity price of the class A common stock of Cox exceeds the threshold appreciation price of \$27.91. The threshold appreciation price of \$27.91 represents an appreciation of 22% over the initial price of \$22.875. In addition, you will only be entitled to receive on the maturity date 81.96%, which is the percentage equal to the initial price of \$22.875 divided by the threshold appreciation price of \$27.91, of any appreciation of the value of the class A common stock of Cox in excess of the threshold appreciation price of \$27.91. Please review the section entitled "Description of the STRYPES".

There are many factors affecting the trading prices of the STRYPES

The trading prices of the STRYPES in the secondary market will be directly affected by the trading prices of the class A common stock of Cox in the secondary market. It is impossible to predict whether the price of the class A common stock of Cox will rise or fall because several factors may influence the trading prices of the class A common stock of Cox. These factors include:

- o Cox's operating results and prospects,
- o complex and interrelated political, economic, financial and other factors and market conditions that can affect (1) the capital markets generally, (2) the market segment of which Cox is a part, or (3) the NYSE, on which the class A common stock of Cox is traded, including the level of, and fluctuations in, the trading prices of stocks generally and sales of substantial amounts of the class A common stock of Cox in the market subsequent to the offering of the STRYPES or the perception that these sales could occur, and
- o other events that are difficult to predict and are beyond our control.

Investing in the STRYPES may affect the market for the class A common stock of Cox

Any market that develops for the STRYPES is likely to influence and be influenced by the market for the class A common stock of Cox. For example, the price of class A common stock of Cox could become more volatile and could be depressed by investors' anticipation of the potential distribution into the market of substantial amounts of class A common stock of Cox on the maturity date, by possible sales of class A common stock of Cox by investors who view the STRYPES as a more attractive means of equity participation in Cox, and by hedging or arbitrage trading activity that may develop involving the STRYPES and the class A common stock of Cox. In addition, Cox Enterprises, Inc. is not precluded from selling shares of class A common stock of Cox, either under Rule 144 of the Securities Act or by causing Cox to register shares of common stock. These activities could adversely affect the market price of the class A common stock of Cox and the STRYPES and could affect the payment rate formula.

There may be illiquidity of the STRYPES in the secondary market

It is not possible to predict how the STRYPES will trade in the secondary market or whether the secondary market for the STRYPES will be liquid or illiquid. The STRYPES are novel securities and there is currently no secondary market for the STRYPES. Although the STRYPES are listed on the NYSE under the symbol "CML", you cannot assume (a) that an active trading market for the STRYPES will develop, (b) that listing on the NYSE will provide you with liquidity of investment, (c) that the STRYPES will not later be delisted or (d) that trading of the STRYPES on the NYSE will not be suspended. If the NYSE delists the STRYPES or suspends the trading of the STRYPES, we will apply for listing of the STRYPES on another national securities exchange or for quotation on another trading market. If the STRYPES are not listed or traded on any securities exchange or trading market, or if trading of the STRYPES is suspended, pricing information for the STRYPES may be more difficult to obtain and the liquidity of the STRYPES may be adversely affected.

As a holder of STRYPES, you have no stockholder's rights with respect to the class A common stock of Cox

You will not be entitled to any rights, including voting rights and rights to receive any dividends or other distributions for the class A common stock of Cox, until we have delivered the shares of class A common stock of Cox on the maturity date or the redemption date. In addition, you will not be entitled to any rights if the applicable record date for the exercise of any rights occurs before the maturity date or the redemption date. For example, if an amendment is proposed to the certificate of incorporation of Cox and the

record date for determining the stockholders of record entitled to vote on the amendment occurs before we deliver the class A common stock of Cox, you, as a holder of the STRYPES, will not be entitled to vote on the proposed amendment.

Cox has no obligations with respect to the STRYPES

We are not affiliated with Cox. Cox has no obligations with respect to the STRYPES or amounts to be paid to you, including any obligation to take our needs or yours, as a holder of the STRYPES, into consideration for any reason. Cox will not receive any of the proceeds of this offering of the STRYPES. Cox is not responsible for, and has not participated in, the determination of the timing of, prices for or quantities of the STRYPES to be issued, or the determination or calculation of the amount you may receive on the maturity date or the redemption date. In addition, Cox is not involved with the administration or trading of the STRYPES.

There may be a dilution of common stock of Cox

The number of shares of class A common stock of Cox or the equivalent amount of cash that you are entitled to receive on the maturity date or the redemption date is subject to adjustment for events such as:

- o a merger or consolidation in which Cox is not the surviving or resulting corporation,
- o a sale or transfer of all or substantially all of the assets of Cox,
- o the liquidation, dissolution, winding up or bankruptcy of Cox,
- o stock splits and combinations, stock dividends, and
- o other actions of Cox that modify its capital structure.

Please review the section entitled "Description of the STRYPES--Dilution Adjustments" and "---Special Redemption Upon Tax Event".

The number of shares of class A common stock of Cox or the equivalent amount of cash that you may receive on the maturity date or redemption date will not be adjusted for other events, such as offerings of class A common stock of Cox for cash or in connection with acquisitions. Cox is not restricted from issuing additional shares of class A common stock during the term of the STRYPES and has no obligation to consider the interests of the holders of the STRYPES for any reason. Additional issuances may materially and adversely affect the price of the class A common stock of Cox. Because of the relationship of the number of shares of class A common stock of Cox or cash to be received on the maturity date or redemption date to the price of the class A common stock of Cox, other events may adversely affect the trading price of the STRYPES.

The tax treatment of STRYPES is uncertain

Because of an absence of authority as to the proper characterization of the STRYPES, their ultimate tax treatment is uncertain. Accordingly, you cannot assume that any particular characterization and treatment of the STRYPES will be accepted by the Internal Revenue Service or upheld by a court. However, it is the opinion of Brown & Wood LLP, counsel to ML&Co., that the characterization and tax treatment of the STRYPES described in this prospectus, while not the only reasonable characterization and tax treatment, is based on reasonable interpretations of law currently in effect and, even if successfully challenged by the IRS, will not result in the imposition of penalties.

Under the 1983 indenture, which is more fully described in this prospectus, if you are subject to U.S. Federal income tax, you are required to include currently in income, for U.S. Federal income tax purposes, payments denominated as interest that are made with respect to a STRYPES in accordance with your regular method of tax accounting. You, as a holder of the STRYPES, and ML&Co. are also required to treat each STRYPES for tax purposes as a unit consisting of

- o a debt instrument with a fixed principal amount unconditionally payable on the maturity date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES, and
- o a forward purchase contract under which you agree to use the principal payment due on the debt instrument to purchase on the maturity date or redemption date the class A common stock of Cox which ML&Co. is obligated to deliver at that time, subject to ML&Co.'s right to deliver cash instead of the class A common stock of Cox.

The 1983 indenture also requires that upon the acquisition of a STRYPES and upon your sale or other disposition of a STRYPES before the maturity date, the amount paid or realized be allocated between the debt instrument and the forward purchase contract based upon their relative fair market values, as determined on the date of acquisition or disposition. For these purposes, with

respect to acquisitions of STRYPES in connection with the original issuance thereof, ML&Co. and you agree to allocate \$22.555 of the entire initial purchase price of a STRYPES, which is the issue price of a STRYPES, to the debt instrument and to allocate the remaining \$.32 of the entire initial purchase price of a STRYPES to the forward purchase contract. As a result of this allocation, the debt instrument will be treated as having been issued with original issue discount for U.S. Federal income tax purposes.

The appropriate character and timing of income, gain or loss to be recognized on a STRYPES is uncertain. You should consult your own tax adviser concerning the application of the U.S. Federal income tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of the STRYPES arising under the laws of any other taxing jurisdiction.

Our holding company structure may affect your right to participate in any distribution of assets of any subsidiary

Since we are a holding company, our right and the right of our creditors, including you, as a holder of STRYPES, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent a bankruptcy court may recognize our claims as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to us are restricted by net capital requirements under the Exchange Act and under rules of exchanges and other regulatory bodies.

#### Other Considerations

We suggest that you reach an investment decision only after carefully considering the suitability of the STRYPES in the light of your particular circumstances.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the STRYPES described in this prospectus.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a)	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

COX COMMUNICATIONS, INC.

Cox is the fifth largest operator of cable television systems in the United States and is a fully integrated, diversified media and broadband communications company with operations and investments in three related areas: (1) U.S. broadband networks; (2) United Kingdom broadband networks; and (3) cable television programming.

Cox is subject to the informational requirements of the Exchange Act. Accordingly, Cox files reports, proxy and information statements and other information with the SEC. Copies of such material can be inspected and copied at the public reference facilities maintained by the SEC at the addresses specified under "Where You Can Find More Information". Reports, proxy and information statements and other information concerning Cox may also be inspected at the offices of the NYSE.

ML&Co. is not affiliated with Cox, and Cox has no obligations with respect to the STRYPES. This prospectus relates only to the STRYPES offered hereby and does not relate to the class A common stock of Cox. Cox has filed a registration statement on Form S-3 with the SEC covering the shares of class A common stock of Cox that may be received by a holder of STRYPES on the maturity date or upon redemption. The prospectus of Cox constituting a part of the registration statement includes information relating to Cox and its class A common stock, including important factors relevant to an investment in the class A common stock of Cox. The prospectus of Cox does not constitute a part of this prospectus, nor is it incorporated by reference herein or therein.

DESCRIPTION OF THE STRYPES

ML&Co. issued the STRYPES as a series of senior debt securities under the 1983 indenture, which is more fully described in this prospectus. The following summary of material provisions of the 1983 indenture does not purport to be complete and is qualified in its entirety by reference to the 1983 indenture. A copy of the 1983 indenture is filed as an exhibit to the registration statement of which this prospectus is a part.

Each STRYPE, which was issued at a price of \$22.875 (the "Initial Price"), bears interest at the rate of 6% of the issue price per annum, or \$1.37 per annum, from May 29, 1996, or from the most recent Interest Payment Date to which interest has been paid or provided for, until the maturity date or such earlier date on which the STRYPE is redeemed or the issue price of the STRYPE is repaid pursuant to the terms of the STRYPE. Interest on the STRYPE will be payable in cash quarterly in arrears on March 1, June 1, September 1 and December 1, beginning September 1, 1996, and on the maturity date (each, an "Interest Payment Date"), to the persons in whose names the STRYPES are registered at the close of business on the last day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date. Interest on the STRYPE will be computed on the basis of a 360-day year of twelve 30-day months. If an Interest Payment Date falls on a day that is not a Business Day, the interest payment to be made on such Interest Payment Date will be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, and no additional interest will accrue as a result of the delayed payment.



The maturity date of the STRYPES is June 1, 1999. On the maturity date, unless previously redeemed, ML&Co. will pay and discharge each STRYPES by delivering to the holder thereof a number of shares (the number of shares is referred to in this prospectus as the "Payment Rate") of class A common stock of Cox, subject to ML&Co.'s right to deliver, with respect to all, but not less than all, shares of class A common stock of Cox deliverable on the maturity date, cash with an equal value, as determined in accordance with the "Payment Rate Formula" described below. The Payment Rate Formula is subject to adjustment as a result of dilution events described in this prospectus.

- (a) If the Maturity Price (as defined below) per share of class A common stock of Cox is greater than or equal to the Threshold Appreciation Price, the holder of the STRYPES will receive .8196 shares of class A common stock of Cox per STRYPES;
- (b) If the Maturity Price is less than the Threshold Appreciation Price but is greater than the Initial Price, the holder of the STRYPES will receive a fractional share of class A common stock of Cox per STRYPES so that the value, which is determined based on the Maturity Price, is equal to the Initial Price; and
- (c) If the Maturity Price is less than or equal to the Initial Price, the holder of the STRYPES will receive one share of class A common stock of Cox per STRYPES.

Accordingly, you, as a holder of the STRYPES, cannot assume that the amount you will receive on the maturity date will be equal to or greater than the issue price of the STRYPES. If the Maturity Price of the class A common stock of Cox is less than the Initial Price, the amount you will receive on the maturity date will be less than the issue price you paid for the STRYPES, in which case an investment in STRYPES will result in a loss. The numbers of shares of class A common stock of Cox per STRYPES specified in clauses (a) and (c) of the Payment Rate Formula are referred to in this prospectus as the "Share Components".

Notwithstanding the foregoing, ML&Co. may, in lieu of delivering shares of class A common stock of Cox, deliver cash in an amount equal to the value of the number of shares of class A common stock of Cox at the Maturity Price, subject to ML&Co.'s agreement contained in the STRYPES Agreement (as defined below) to deliver on the maturity date the form of consideration that the ML&Co. Subsidiary (as defined below) receives from Cox Enterprises, Inc. ("CEI"). The right to deliver cash, if exercised by ML&Co., must be exercised with respect to all shares of class A common stock of Cox otherwise deliverable on the maturity date in payment of all outstanding STRYPES. On or before the sixth Business Day before the maturity date, ML&Co. will notify The Depository Trust Company and the trustee and publish a notice in The Wall Street Journal or another daily newspaper of national circulation stating whether the STRYPES will be paid and discharged with shares of class A common stock of Cox or cash. At the time the notice is published, the Maturity Price will not have been determined. If ML&Co. elects to deliver shares of class A common stock of Cox, holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon the subsequent sale of such stock.

The "Maturity Price" is defined as the sum of

- (A) the average Closing Price per share of class A common stock of Cox on the 20 Trading Days immediately before, but not including, the second Trading Day preceding the maturity date and
- (B) the fair market value, as determined by the Board of Directors of ML&Co., whose determination shall be conclusive and described in a resolution adopted with respect thereto, as of the third Trading Day preceding the maturity date of the Distributed Assets (as defined below) applicable to one share of class A common stock of Cox.

The "Closing Price" of any security on any date of determination means (1) the closing sale price or, if no closing price is reported, the last reported sale price of the security on the NYSE on the date of determination or, (2) if the security is not listed for trading on the NYSE on any date, as reported in the composite transactions for the principal United States securities exchange on which the security is so listed, or (3) if the security is not so listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, or (4) if the security is not so reported, the last quoted bid price for the security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or (5) if a bid price is not available, the market value of the security on the date of determination as determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co. In the event that the Payment Rate Formula is adjusted as described under "--Dilution Adjustments" below, each of the Closing Prices used in determining the Maturity Price will be similarly adjusted to derive, for purposes of determining which of clauses (a), (b) or (c) of the Payment Rate Formula will apply on the maturity date, a Maturity Price stated on a basis comparable to the Initial Price and the Threshold Appreciation Price.

A "Trading Day" is defined as a day on which the security the Closing Price of which is being determined (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the security.

For illustrative purposes only, the following table shows the number of shares of class A common stock of Cox or the amount of cash that a holder of STRYPES would receive for each STRYPES at various Maturity Prices. The table assumes that there will be no dilution adjustments to the Payment Rate Formula as described below. A holder of STRYPES cannot assume that the Maturity Price will be within the range set forth below. Given the Initial Price of \$22.875 and the Threshold Appreciation Price of \$27.91, a STRYPES holder would receive on the maturity date the following number of shares of class A common stock of Cox or, if ML&Co. elects to pay and discharge the STRYPES with cash, the amount of cash per STRYPES:

Maturity Price of Class A Common Stock of Cox	Number of Shares of Class A Common Stock of Cox	Amount of Cash
\$20.000	1.0000	\$20.000
22.875	1.0000	22.875
25.000	0.9150	22.875
27.910	0.8196	22.875
30.000	0.8196	24.588

#### Dilution Adjustments

The Payment Rate Formula is subject to adjustment if Cox shall:

- (1) pay a stock dividend or make a distribution with respect to the class A common stock of Cox in shares of such stock;
- (2) subdivide or split the outstanding shares of class A common stock of Cox into a greater number of shares;
- (3) combine the outstanding shares of class A common stock of Cox into a smaller number of shares;
- (4) issue by reclassification of shares of class A common stock of Cox any shares of class A common stock of Cox;
- (5) issue rights or warrants to all holders of class A common stock of Cox entitling them to subscribe for or purchase shares of class A common stock of Cox at a price per share less than the then current market price of the class A common stock of Cox, other than rights to purchase class A common stock of Cox pursuant to a plan for the reinvestment of dividends or interest; or
- (6) pay a dividend or make a distribution to all holders of class A common stock of Cox of evidences of its indebtedness or other assets, excluding any stock dividends or distributions referred to in clause (1) above or any cash dividends other than any Extraordinary Cash Dividend (as defined below), or issue to all holders of class A common stock of Cox rights or warrants to subscribe for or purchase any of its securities (other than those referred to in clause (5) above). Any of the foregoing are referred to in this prospectus as the "Distributed Assets". The effect of the foregoing is that there will not be any adjustments to the Payment Rate Formula for the issuance by Cox of options, warrants, stock purchase rights or securities in connection with Cox's employee benefit plans.

In the case of the events referred to in clauses (1), (2), (3) and (4) above, the Payment Rate Formula shall be adjusted so that each holder of any STRYPES shall thereafter be entitled to receive, upon payment and discharge or redemption of the STRYPES, the number of shares of class A common stock of Cox which a holder would have owned or been entitled to receive immediately following any event in clauses (1), (2), (3) and (4) had the STRYPES been paid and discharged or redeemed immediately before the event or any record date with respect to the event.

In the case of the event referred to in clause (5) above, the Payment Rate Formula shall be adjusted by multiplying each of the Share Components in the Payment Rate Formula in effect immediately before the date of issuance of the rights or warrants referred to in clause (5) above by a fraction, the numerator of which shall be the number of shares of class A common stock of Cox outstanding on the date of issuance of the rights or warrants, immediately before the issuance, plus the number of additional shares of class A common

stock of Cox offered for subscription or purchase pursuant to the rights or warrants, and the denominator of which shall be the number of shares of class A common stock of Cox outstanding on the date of issuance of the rights or warrants, immediately before the issuance, plus the number of additional shares of class A common stock of Cox which the aggregate offering price of the total number of shares of class A common stock of Cox so offered for subscription or purchase pursuant to the rights or warrants would purchase at the current market price, determined as the average Closing Price per share of class A common stock of Cox on the 20 Trading Days immediately before the date the rights or warrants are issued, subject to certain adjustments, which shall be determined by multiplying the total number of shares by the exercise price of the rights or warrants and dividing the product so obtained by the current market price. To the extent that shares of class A common stock of Cox are not delivered after the expiration of the rights or warrants, or if the rights or warrants are not issued, the Payment Rate Formula shall be readjusted to the Payment Rate Formula which would then be in effect had the adjustments for the issuance of the rights or warrants been made upon the basis of delivery of only the number of shares of class A common stock of Cox actually delivered.

In the case of the event referred to in clause (6) above, the Payment Rate Formula shall be adjusted by multiplying each of the Share Components in the Payment Rate Formula in effect on the record date by a fraction, (A) the numerator of which shall be the market price per share of the class A common stock of Cox, which shall be the average Closing Price per share of class A common stock of Cox on the 20 Trading Days immediately before such record date, subject to certain adjustments, on the record date for the determination of stockholders entitled to receive the dividend or distribution referred to in clause (6) above, and (B) the denominator of which shall be the market price per share of class A common stock of Cox less the fair market value, as determined by the Board of Directors of ML&Co., whose determination shall be conclusive, and described in a resolution adopted with respect thereto, as of the record date of the portion of the Distributed Assets so distributed applicable to one share of class A common stock of Cox; provided, however, that in the event that the then fair market value of the portion of the Distributed Assets so distributed applicable to one share of class A common stock of Cox is equal to or greater than the market price per share of class A common stock of Cox as of the record date, in lieu of the foregoing adjustment, ML&Co. shall reserve the Distributed Assets or, in the case of Distributed Assets of a kind described in (c) below, an amount in cash equal to the fair market value thereof, determined in the manner and as of the date described in clause (c) below, for delivery to the holders of the STRYPES on the maturity date and, on the maturity date, shall deliver to each holder, in addition to the shares of class A common stock of Cox or cash in lieu thereof to which the holder is otherwise entitled,

- (a) in respect of that portion, if any, of the Distributed Assets consisting of cash, the amount of the Distributed Assets consisting of cash which the holder would have received had each STRYPES held by the holder been paid and discharged immediately before the record date for the determination of stockholders entitled to receive the dividend or distribution or the rights or warrants, without interest, plus
- (b) in respect of that portion, if any, of the Distributed Assets consisting of securities for which there is an actual or when issued trading market ("marketable securities"), the amount of the Distributed Assets consisting of marketable securities which the holder would have received had each STRYPES held by the holder been paid and discharged immediately before the record date for the determination of stockholders entitled to receive the dividend or distribution or the rights or warrants, plus
- (c) in respect of that portion, if any, of the Distributed Assets which are of a kind other than that described in clause (a) or (b) above, an amount in cash equal to the fair market value, as determined by the Board of Directors of ML&Co., whose determination shall be conclusive, and described in a resolution adopted with respect thereto, as of the record date for determination of stockholders entitled to receive the dividend or distribution or the rights or warrants, of the Distributed Assets consisting of other assets which the holder would have received had each STRYPES held by the holder been paid and discharged immediately before the record date, without interest thereon.

An "Extraordinary Cash Dividend" means, with respect to any consecutive 12-month period, all cash dividends on the class A common stock of Cox during the period to the extent the dividends exceed on a per share basis 10% of the average Closing Price of the class A common stock of Cox over the period, less any dividends for which a prior adjustment to the Payment Rate Formula was previously made. All adjustments to the Payment Rate Formula will be calculated to the nearest 1/10,000th of a share of class A common stock of Cox or, if there is not a nearest 1/10,000th of a share, to the next lower 1/10,000th of a share. No adjustment in the Payment Rate Formula shall be required unless the adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of the foregoing are not required to be made shall be carried forward

and taken into account in any subsequent adjustment. If an adjustment is made to the Payment Rate Formula as described above, an adjustment will also be made to the Maturity Price solely to determine which of clauses (a), (b) or (c) of the Payment Rate Formula will apply on the maturity date. The required adjustment to the Maturity Price will be made by multiplying each of the Closing Prices used in determining the Maturity Price by a fraction, the numerator of which shall be the Share Component in clause (c) of the Payment Rate Formula immediately after the adjustment described above, and the denominator of which shall be the Share Component in clause (c) of the Payment Rate Formula immediately before the adjustment described above. Each the adjustment to the Payment Rate Formula shall be made successively.

In the event of a "Reorganization Event", which is

- (A) any consolidation or merger of Cox, or any surviving entity or subsequent surviving entity of Cox (a "Cox Successor"), with or into another entity (other than a merger or consolidation in which Cox is the continuing corporation and in which the class A common stock of Cox outstanding immediately before the merger or consolidation is not exchanged for cash, securities or other property of Cox or another corporation),
- (B) any sale, transfer, lease or conveyance to another corporation of the property of Cox or any Cox Successor as an entirety or substantially as an entirety,
- (C) any statutory exchange of securities of Cox or any Cox Successor with another corporation, other than in connection with a merger or acquisition, or
- (D) any liquidation, dissolution, winding up or bankruptcy of Cox or any Cox Successor,

the Payment Rate Formula used to determine the amount payable on the maturity date for each STRYPES will be adjusted to provide that each holder of STRYPES will receive on the maturity date for each STRYPES cash in an amount equal to (a) if the Transaction Value (as defined below) is greater than or equal to the Threshold Appreciation Price, .8196 multiplied by the Transaction Value, (b) if the Transaction Value is less than the Threshold Appreciation Price but greater than the Initial Price, the Initial Price and (c) if the Transaction Value is less than or equal to the Initial Price, the Transaction Value.

"Transaction Value" means

- (1) for any cash received in any Reorganization Event, the amount of cash received per share of class A common stock of Cox,
- (2) for any property other than cash or securities received in any Reorganization Event, an amount equal to the market value on the maturity date of the property received per share of class A common stock of Cox as determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co. and
- (3) for any securities received in any Reorganization Event, an amount equal to the average Closing Price per unit of the securities on the 20 Trading Days immediately before the second Trading Day preceding the maturity date multiplied by the number of the securities received for each share of class A common stock of Cox.

Notwithstanding the foregoing, in the event that property or securities, or a combination of cash, on the one hand, and property or securities, on the other, are received in a Reorganization Event, ML&Co. may, in lieu of delivering cash as described above, deliver the amount of cash, securities and other property received per share of class A common stock of Cox in the Reorganization Event determined in accordance with clause (1), (2) or (3) above, as applicable. If ML&Co. elects to deliver securities or other property, holders of the STRYPES will be responsible for the payment of any and all brokerage and other transaction costs upon any subsequent sale of the securities or other property. The kind and amount of securities with which the STRYPES shall be paid and discharged after consummation of the transaction shall be subject to adjustment as described above following the date of consummation of the transaction.

No adjustments will be made for other events, such as the offerings of class A common stock of Cox by Cox for cash or in connection with acquisitions. Likewise, no adjustments will be made for any sales of class A common stock of Cox by CEI.

ML&Co. is required, within ten Business Days following the occurrence of an event that requires an adjustment to the Payment Rate Formula, or, if ML&Co. is not aware of the occurrence of an event, as soon as practicable after becoming so aware, to provide written notice to the trustee and to the holders of the STRYPES of the occurrence of the event and a statement in reasonable detail setting forth the adjusted Payment Rate Formula and the method by which the adjustment to the Payment Rate Formula was determined; provided that, in respect of any adjustment to the Maturity Price, the notice

will only disclose the factor by which each of the Closing Prices used in determining the Maturity Price is to be multiplied in order to determine the Payment Rate on the maturity date. Until the maturity date, the Payment Rate itself cannot be determined.

#### Fractional Shares

No fractional shares of class A common stock of Cox will be delivered if ML&Co. pays and discharges the STRYPES by delivering shares of class A common stock of Cox. In lieu of any fractional share otherwise deliverable in respect of all STRYPES of any holder on the maturity date, the holder shall be entitled to receive an amount in cash equal to the value of the fractional share at the Maturity Price.

#### Special Redemption Upon Tax Event

The STRYPES will be redeemable at the option of ML&Co., in whole but not in part, at any time from and after the date (the "Tax Event Date") on which a Tax Event (as defined below) shall occur at a price per STRYPES (the "Tax Event Redemption Price") equal to (a) an amount of cash equal to the sum of (1) all accrued and unpaid interest on the STRYPES to the date fixed for redemption (the "Redemption Date"), (2) the sum of all interest payments on the STRYPES due after the Redemption Date and on or before the maturity date and (3) \$1.37, which is equal to the interest payable on such STRYPES for one year, plus (b) a number of shares of class A common stock of Cox determined in accordance with the Payment Rate Formula. The Redemption Date will be deemed to be the maturity date for purposes of calculating the Maturity Price.

A "Tax Event" means that CEI shall have delivered to ML&Co. an opinion (the "Tax Event Opinion") from independent tax counsel experienced in such matters to the effect that, as a result of

- (a) any amendment or proposed amendment to, or change, including any announced prospective change or proposed change in the laws or any regulations thereunder, of the United States or any taxing authority thereof or therein or
- (b) any amendment to, or change in, an interpretation or application of such laws or regulations by any legislative body, court, governmental agency or regulatory authority, enacted, promulgated, introduced, issued or announced or which interpretation is issued or announced or which action is taken, on or after the date of this Prospectus Supplement,

there is more than an insubstantial risk that a corporation that sells or otherwise disposes of stock in another corporation on a date that is after the date of this Prospectus Supplement and that is on or before the maturity date would not be permitted to specifically identify the stock sold or disposed of for purposes of determining the amount of such corporation's gain or loss on the stock sold or disposed of for United States Federal income tax purposes.

On March 19, 1996, the U.S. Treasury Department proposed a series of tax law changes as part of President Clinton's 1997 Budget proposal. These proposed tax law changes would, among other things, require taxpayers, including corporations, that sell or otherwise dispose of securities, which includes stock in a corporation, that are substantially identical to securities which they continue to hold to determine their tax basis in the substantially identical securities using the average basis of all of their holdings in the securities. The proposed tax law changes also would prevent the taxpayers from specifically identifying the securities sold or disposed of for purposes of determining the amount of their gain or loss on the securities sold or disposed of for United States Federal income tax purposes. As originally proposed, this "average cost basis" rule would apply to determinations, such as tax basis determinations made at the time of sale or disposition, made more than 30 days after the date on the which the proposal is enacted. Thus, if this "average cost basis" rule is ultimately adopted in its current form on a date that is 31 or more days before the maturity date, the enactment could result in a Tax Event. Furthermore, if there are future legislative developments which would result in more than an insubstantial risk that this "average cost basis" rule or a provision with similar effect will be adopted and effective for determinations made on or before the maturity date, the legislative developments could result in a Tax Event. ML&Co. cannot predict whether or not these proposed tax law changes will ultimately become law or whether or not any other future change or proposed change in the tax law will occur which could give rise to a Tax Event. Moreover, ML&Co. cannot predict whether CEI will elect to cause a Tax Event by delivering the Tax Event Opinion to ML&Co. in the event that a change or proposed change in the tax law occurs which could give rise to a Tax Event.

ML&Co. will provide notice of any call for redemption of STRYPES to holders of record of the STRYPES not less than 10 nor more than 30 calendar days before the related Redemption Date. The notice will state the following and may contain other information as ML&Co. deems advisable: (a) the Redemption Date; (b) the place or places where certificates for the STRYPES are to be surrendered for redemption; and (c) that interest will cease to accrue on the STRYPES on the Redemption Date, except as otherwise provided in

the 1983 indenture. The notice will be provided by mail, sent to each holder of record of STRYPES at the holder's address as it appears on the security register for the STRYPES, first class postage prepaid; provided, however, that failure to give notice or any defect therein shall not affect the validity of the proceeding for redemption of any STRYPES except as to the holder to whom ML&Co. has failed to give said notice or whose notice was defective. At or before the mailing of the notice of redemption, ML&Co. will publish a public announcement of redemption in The Wall Street Journal or another daily newspaper of national circulation.

ML&Co. will not be required to deliver any fractional share of class A common stock of Cox on the Redemption Date. ML&Co. will instead pay an amount in cash equal to the value of the fractional share of class A common stock of Cox based on the average Closing Price per share of class A common stock of Cox on the 20 Trading Days immediately before, but not including, the second Trading Day before the Redemption Date.

On and after the Redemption Date, all rights of a holder of STRYPES will terminate except the right to receive for each STRYPES so redeemed the Tax Event Redemption Price, unless there is a default on the payment of the Tax Event Redemption Price.

#### No Sinking Fund

The STRYPES do not contain sinking fund or other mandatory redemption provisions. The STRYPES are not subject to payment before the maturity date at the option of the holder.

#### Ranking

The STRYPES will be unsecured obligations and will rank pari passu with all other unsecured and unsubordinated indebtedness of ML&Co.

There are no contractual restrictions on the ability of ML&Co. or its subsidiaries to incur additional secured or unsecured debt. However, borrowings by certain subsidiaries, including MLPF&S, are restricted by net capital requirements under the Exchange Act and under rules of exchanges and other regulatory bodies.

#### Securities Depository

##### Description of the Global Securities

The STRYPES are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for STRYPES in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 STRYPES represented by a global security for all purposes under the 1983 indenture. Except as provided below, the beneficial owners of the STRYPES represented by a global security are not entitled to have the STRYPES represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the STRYPES in definitive form and are not considered the owners or holders under the 1983 indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee pursuant to the 1983 indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if the person is not a participant of DTC on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the 1983 indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the STRYPES. The STRYPES have been

issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One or more fully registered global securities have been issued for the STRYPES in the aggregate principal amount of such issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 1934 Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of STRYPES under DTC's system must be made by or through direct participants, which will receive a credit for the STRYPES on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfers of ownership interests in the STRYPES are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all STRYPES deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of STRYPES with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the STRYPES; DTC's records reflect only the identity of the direct participants to whose accounts such STRYPES are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the STRYPES. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the STRYPES are credited on the record date.

Principal, premium, if any, and/or interest, if any, payments on the STRYPES will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on such date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is 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 participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, and
- (c) an Event of Default under the 1983 indenture has occurred and is

continuing with respect to the STRYPES,

the global securities will be exchangeable for STRYPES in definitive form of like tenor and of an equal aggregate principal amount. The definitive STRYPES will 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 the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, STRYPES in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Governing Law

The 1983 indenture and the STRYPES will be governed by, and construed in accordance with, the laws of the State of New York.

#### Listing

The STRYPES have been listed on the NYSE under the symbol CML.

#### OTHER TERMS

ML&Co. issued the STRYPES as a series of senior debt securities under the 1983 indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 indenture is filed as an exhibit to the registration statement relating to the STRYPES of which this prospectus is a part. The following summaries of the material provisions of the 1983 indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 indenture, including the definitions of terms in the 1983 indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 indenture.

The 1983 indenture and the STRYPES are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its



Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 indenture and waive compliance by ML&Co. with provisions in the 1983 indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;

- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any indenture which cannot be modified under the terms of that indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 indenture. Before proceeding to exercise any right or power under the 1983 indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The STRYPES and other series of senior debt securities issued under the 1983 indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 indenture.

#### CERTAIN ARRANGEMENTS WITH CEI

Pursuant to an agreement (the "STRYPES Agreement"), CEI is obligated to deliver to Merrill Lynch Capital Services, Inc., a wholly-owned subsidiary of ML&Co. (the "ML&Co. Subsidiary"), immediately before the maturity date a number of shares of class A common stock of Cox equal to the number required by ML&Co. to pay and discharge all of the STRYPES. In lieu of delivering shares of class A common stock of Cox immediately before the maturity date, CEI has the right to satisfy its obligation under the STRYPES Agreement by delivering cash in an amount equal to the value of the number of shares of class A common stock of Cox at the Maturity Price. The right to deliver cash, if exercised by CEI, must be exercised with respect to all shares of class A common stock of Cox then deliverable pursuant to the STRYPES Agreement. Under the STRYPES Agreement, ML&Co. has agreed to pay and discharge the STRYPES by delivering to the holders thereof on the maturity date the form of consideration that the ML&Co. Subsidiary receives from CEI. CEI also has the option, exercisable on or after a Tax Event Date, to satisfy and discharge its obligations under the STRYPES Agreement by delivering to the ML&Co. Subsidiary, on a date fixed by CEI for early settlement, cash and shares of class A common stock of Cox in an amount and number, respectively, equal to the amount and number required by ML&Co. to redeem all of the STRYPES. Under the STRYPES Agreement, ML&Co. has agreed to redeem all of the STRYPES in the event that CEI exercises the option. The consideration paid by the ML&Co. Subsidiary under the STRYPES Agreement is \$188,572,500 in the aggregate, and was paid to CEI on May 29, 1996. No other consideration is payable by the ML&Co. Subsidiary to CEI in connection with its acquisition of the class A

common stock of Cox or the performance of the STRYPES Agreement by CEI. ML&Co. has agreed with CEI that, without the prior consent of CEI, it will not amend the 1983 indenture to increase the consideration that CEI is obligated to deliver pursuant to the STRYPES Agreement.

Until the time, if any, as CEI shall have delivered shares of class A common stock of Cox to the ML&Co. Subsidiary under the terms of the STRYPES Agreement, CEI will retain all ownership rights with respect to the class A common stock of Cox held by it. The ownership rights include, among others, voting rights and rights to receive any dividends or other distributions.

CEI has no obligations with respect to the STRYPES or amounts to be paid to holders thereof, including any obligation to take the needs of ML&Co. or holders of the STRYPES into consideration in determining whether to deliver shares of class A common stock of Cox or cash or for any other reason. The STRYPES Agreement between the ML&Co. Subsidiary and CEI is a commercial transaction and does not create any rights in, or for the benefit of, any third party, including any holder of STRYPES.

In the event CEI does not perform under the STRYPES Agreement, ML&Co. will be required to otherwise acquire shares of class A common stock of Cox for delivery to holders of the STRYPES on the maturity date or upon redemption, unless, in the case of shares deliverable on the maturity date, it elects to exercise its option to deliver cash with an equal value.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the STRYPES and other securities. For further information on ML&Co. and the STRYPES, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act :

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and

o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the STRYPES and is to be used by MLPF&S when making offers and sales related to market-making transactions in the STRYPES.

MLPF&S may act as principal or agent in these market-making transactions.

The STRYPES may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the STRYPES will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

#### Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

Merrill Lynch & Co., Inc.

7-1/4% STRUCTURED YIELD PRODUCT EXCHANGEABLE FOR STOCKSM

Due June 15, 1999

"STRYPES SM"

Payable with Shares of Common Stock of SunAmerica Inc.

or cash with an equal value

-----

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, will use this prospectus when making offers and sales related to market-making transactions in the STRYPES.

The issue price of each STRYPES was \$56.375, which was the last sale price of the common stock, par value \$1.00 per share, of SunAmerica on June 6,

1996, as reported on the New York Stock Exchange. The STRYPES will mature on June 15, 1999.

What you will receive before June 15, 1999:

- o On each March 15, June 15, September 15 and December 15, beginning September 15, 1996, we will pay you interest on the STRYPES in cash at the rate of 7 1/4% per year.
  
- o We may redeem the STRYPES at any time before June 15, 1999, in whole or in part. We will pay a redemption price either in (i) shares of common stock of SunAmerica or (ii) if we choose to pay in cash, an equivalent amount in cash. In addition, we will pay an amount in cash equal to accrued and unpaid interest on the STRYPES to but excluding the redemption date. If we choose to pay in cash, we must pay cash with respect to all of the STRYPES we redeem on any redemption date.

What you will receive on June 15, 1999:

- o For each STRYPES you own, you will receive one share of common stock of SunAmerica, which may be adjusted for the events described in this prospectus. If we choose to pay cash instead of shares of common stock of SunAmerica, you will receive cash equal to the current market price of the common stock of SunAmerica.

Investing in the STRYPES involves risks, including the risk that your investment may result in a loss. See "Risk Factors" beginning on page 3.

The STRYPES are listed on the New York Stock Exchange under the symbol "SAI".

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the STRYPES will be the prevailing price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 1999.

"STRYPES" and "Structured Yield Product Exchangeable for Stock" are registered service marks owned by ML&Co.

#### TABLE OF CONTENTS

RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	8
RATIO OF EARNINGS TO FIXED CHARGES.....	9
SUNAMERICA INC.....	10
DESCRIPTION OF THE STRYPES.....	10
OTHER TERMS.....	18
CERTAIN ARRANGEMENTS WITH THE SELLING STOCKHOLDER.....	21
WHERE YOU CAN FIND MORE INFORMATION.....	22
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	22
PLAN OF DISTRIBUTION.....	24
EXPERTS.....	24

Your investment in the STRYPES will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the STRYPES is suitable for you.

You may suffer a loss on your investment

You should be aware that at maturity the amount you will receive may be less than the amount you paid for the STRYPES because the price of the common stock of SunAmerica is subject to market fluctuations. If you receive less than the amount you paid, your investment in the STRYPES will result in a loss to you. When you invest in the STRYPES, you assume the risk that the market value of the common stock of SunAmerica may decline, and that the decline could be substantial.

The date or dates we calculate the current market price of the common stock of SunAmerica may affect the amount you receive on the maturity date or the redemption date

The notice date for the maturity date or the redemption date will occur at least 30 and up to 60 days before the maturity date or the redemption date, as the case may be. If we (1) elect to pay the STRYPES in cash at maturity or (2) elect to redeem the STRYPES and to pay the redemption price by delivering shares of common stock of SunAmerica, we will determine the amount of cash or the number of shares based on the current market price as of the second trading day before the notice date. Because the price of the common stock of SunAmerica is subject to market fluctuations, the amount of cash we deliver on the maturity date for each STRYPES may be more or less than the market value on the maturity date of the common stock of SunAmerica which you would otherwise have been entitled to receive. In addition, the market value on a redemption date of shares of common stock of SunAmerica we may deliver may be more or less than the redemption price.

The current market price we will use to determine the amount of cash which we may pay at maturity or the number of shares of common stock of SunAmerica which we may deliver upon redemption of the STRYPES will generally be equal to the average of the daily closing prices of the common stock of SunAmerica for the five consecutive trading days ending on and including the date of determination. However, if the closing price on the trading day following the five-day period is less than 95% of the five-day average closing price, then the current market price on the date of determination will be the closing price on the trading day following the five-day period. Because the price of the common stock of SunAmerica is subject to market fluctuations, it is possible that the closing price on the trading day following the five-day period could be significantly less than the five-day average. Please review the section "Description of the STRYPES--Certain Definitions".

There may be a limited opportunity for capital appreciation

Your opportunity for equity appreciation may be greater if you made a direct investment in the common stock of SunAmerica because the price of the common stock of SunAmerica is subject to market fluctuations and because we may redeem the STRYPES at any time before the maturity date at the redemption prices described in this prospectus. Although we are not obligated to redeem the STRYPES before the maturity date, we expect to redeem the STRYPES if the market price of the common stock of SunAmerica exceeds the redemption price. Therefore, you will receive less than one share of common stock of SunAmerica for each STRYPES or cash equal to the current market price of less than one share of common stock of SunAmerica). Please review "Description of the STRYPES--Optional Redemption".

If we elect to redeem the STRYPES, the capital appreciation, except for the accrued interest that you may realize on an investment in the STRYPES, will be limited to any excess of (1) the value of the common stock of SunAmerica or the amount of cash you receive as the redemption price, which declines from \$86.568 and to \$76.106, over (2) the price you paid for the STRYPES.

There are many factors affecting the trading prices of the STRYPES

The trading prices of the STRYPES in the secondary market will be directly affected by the trading prices of the common stock of SunAmerica in the secondary market. It is impossible to predict whether the price of the common stock of SunAmerica will rise or fall because several factors may influence the trading prices of the common stock of SunAmerica. These factors include:

- o SunAmerica's operating results and prospects,
- o complex and interrelated political, economic, financial and other factors and market conditions that can affect (1) the capital markets generally, (2) the market segment of which SunAmerica is a part, or (3) the NYSE, on which the common stock of SunAmerica is traded, including the level of, and fluctuations in, the trading prices of stocks generally and sales of substantial amounts of the common stock of SunAmerica in the market subsequent to the offering

of the STRYPES or the perception that these sales could occur, and

- o other events that are difficult to predict and are beyond our control.

Investing in the STRYPES may affect the market for the common stock of SunAmerica

Any market that develops for the STRYPES is likely to influence and be influenced by the market for the common stock of SunAmerica. For example, the price of common stock of SunAmerica could become more volatile and could be depressed

- o by investors' anticipation of the potential distribution into the market of substantial amounts of common stock of SunAmerica on the maturity date or upon redemption,
- o by possible sales of common stock of SunAmerica by investors who view the STRYPES as a more attractive means of equity participation in SunAmerica, and
- o by hedging or arbitrage trading activity that may develop involving the STRYPES and the common stock of SunAmerica.

In addition, Mr. Eli Broad, who is the selling Stockholder, is not precluded from selling common stock of SunAmerica. Any of these activities could adversely affect the market price of the common stock of SunAmerica and the STRYPES.

There may be illiquidity of the STRYPES in the secondary market

It is not possible to predict how the STRYPES will trade in the secondary market or whether the secondary market for the STRYPES will be liquid or illiquid. The STRYPES are novel securities and there is currently no secondary market for the STRYPES. Although the STRYPES are listed on the NYSE under the symbol "SAI", you cannot assume

- o that an active trading market for the STRYPES will develop,
- o that listing on the NYSE will provide you with liquidity of investment,
- o that the STRYPES will not later be delisted or
- o that trading of the STRYPES on the NYSE will not be suspended.

If the NYSE delists the STRYPES or suspends the trading of the STRYPES, we will apply for listing of the STRYPES on another national securities exchange or for quotation on another trading market. If the STRYPES are not listed or traded on any securities exchange or trading market, or if trading of the STRYPES is suspended, pricing information for the STRYPES may be more difficult to obtain and the liquidity of the STRYPES may be adversely affected.

As a holder of STRYPES, you have no stockholder's rights with respect to the common stock of SunAmerica

You will not be entitled to any rights, including voting rights and rights to receive any dividends or other distributions for the common stock of SunAmerica, until we have delivered the shares of common stock of SunAmerica on the maturity date or the redemption date. In addition, you will not be entitled to any rights if the applicable record date for the exercise of any rights occurs before the maturity date or the redemption date. For example, if an amendment is proposed to the certificate of incorporation of SunAmerica and the record date for determining the stockholders of record entitled to vote on the amendment occurs before we deliver the common stock of SunAmerica, you, as a holder of the STRYPES, will not be entitled to vote on the proposed amendment.

The selling stockholder has no obligations with respect to the STRYPES

We are not affiliated with the selling stockholder. The selling stockholder has no obligations with respect to the STRYPES or amounts to be paid to you, including any obligation to take our needs or yours, as a holder of the STRYPES, into consideration for any reason.

SunAmerica has no obligations with respect to the STRYPES

We are not affiliated with SunAmerica. SunAmerica has no obligations with respect to the STRYPES or amounts to be paid to you, including any obligation to take our needs or yours, as a holder of the STRYPES, into consideration for any reason. SunAmerica will not receive any of the proceeds of this offering of the STRYPES. SunAmerica is not responsible for, and has not participated in, the determination of the timing of, prices for or quantities of the STRYPES to be issued, or the determination or calculation of the amount you may receive on the maturity date or the redemption date. In addition,

SunAmerica is not involved with the administration or trading of the STRYPES.

There may be a dilution of common stock of SunAmerica

The number of shares of common stock of SunAmerica or the equivalent amount of cash that you are entitled to receive on the maturity date or the redemption date is subject to adjustment for events such as:

- o a merger or consolidation in which SunAmerica is not the surviving or resulting corporation,
- o a sale or transfer of all or substantially all of the assets of SunAmerica,
- o the liquidation, dissolution, winding up or bankruptcy of SunAmerica,
- o stock splits and combinations, stock dividends, and
- o other actions of SunAmerica that modify its capital structure.

Please review the section entitled "Description of the STRYPES--Dilution Adjustments".

The number of shares of common stock of SunAmerica or the equivalent amount of cash that you may receive on the maturity date or redemption date will not be adjusted for other events, such as offerings of common stock of SunAmerica for cash or in connection with acquisitions. SunAmerica is not restricted from issuing additional shares of common stock during the term of the STRYPES and has no obligation to consider the interests of the holders of the STRYPES for any reason. Additional issuances may materially and adversely affect the price of the common stock of SunAmerica.

The tax treatment of STRYPES is uncertain

Because of an absence of authority as to the proper characterization of the STRYPES, their ultimate tax treatment is uncertain. Accordingly, you cannot assume that any particular characterization and treatment of the STRYPES will be accepted by the Internal Revenue Service or upheld by a court. However, it is the opinion of Brown & Wood LLP, counsel to ML&Co., that the characterization and tax treatment of the STRYPES described in this prospectus, while not the only reasonable characterization and tax treatment, is based on reasonable interpretations of law currently in effect and, even if successfully challenged by the IRS, will not result in the imposition of penalties. Under the 1983 indenture, if you are subject to United States Federal income tax, you are required to include currently in income, for United States Federal income tax purposes, payments denominated as interest that are made with respect to a STRYPES in accordance with your regular method of tax accounting. In addition, ML&Co. and you, as a holder of the STRYPES are required to treat each STRYPES for tax purposes as a unit consisting of

- o a debt instrument with a fixed principal amount unconditionally payable on the maturity date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES and
- o a forward purchase contract pursuant to which you agree to use the principal payment due on the debt instrument or, in the event of redemption on or before the maturity date, the redemption price to purchase on the maturity date or upon redemption on or before the maturity date the common stock of SunAmerica which ML&Co. is obligated under the STRYPES to deliver at that time, subject to ML&Co.'s right to deliver cash in lieu of the common stock of SunAmerica.

The 1983 indenture also requires that upon the acquisition of a STRYPES and upon your sale or other disposition of a STRYPES before the maturity date or redemption of the STRYPES, the amount paid or realized be allocated by you between the debt instrument and the forward purchase contract based upon their relative fair market values, as determined on the date of acquisition or disposition. For these purposes, with respect to acquisitions of STRYPES in connection with the original issuance of the STRYPES, ML&Co. and you agree, pursuant to the terms of the 1983 indenture, to assign \$57.277 or 101.6% of the initial purchase price of a STRYPES to the debt instrument component and to assign \$.902 or 1.6% of the initial purchase price of a STRYPES to the forward purchase contract component.

The appropriate character and timing of income, gain or loss to be recognized on a STRYPES is uncertain. You should consult your own tax adviser concerning the application of the United States Federal income tax laws to your particular situation and any consequences of the purchase, ownership and disposition of the STRYPES arising under the laws of any other taxing jurisdiction.

Our holding company structure may affect your right to participate in any distribution of assets of any subsidiary



Since we are a holding company, our right and the right of our creditors, including you, as a holder of STRYPES, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent a bankruptcy court may recognize our claims as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to us are restricted by net capital requirements under the Exchange Act and under rules of exchanges and other regulatory bodies.

#### Other Considerations

We suggest that you reach an investment decision only after carefully considering the suitability of the STRYPES in the light of your particular circumstances.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the STRYPES described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges (a)	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported

for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### SUNAMERICA INC.

SunAmerica is a diversified financial services company specializing in retirement savings products and services.

SunAmerica is subject to the informational requirements of the Exchange Act. Accordingly, SunAmerica files reports, proxy and information statements and other information with the SEC. Copies of such material can be inspected and copied at the public reference facilities maintained by the SEC at the addresses specified under "Where You Can Find More Information". Reports, proxy and information statements and other information concerning SunAmerica may also be inspected at the offices of the NYSE.

ML&Co. is not affiliated with SunAmerica, and SunAmerica has no obligations with respect to the STRYPES. This prospectus relates only to the STRYPES offered hereby and does not relate to the common stock of SunAmerica. SunAmerica has filed a registration statement on Form S-3 with the SEC covering the shares of common stock of SunAmerica common stock that may be received by a holder of STRYPES on the maturity date or upon redemption. The prospectus of SunAmerica constituting a part of the registration statement includes information relating to SunAmerica and the common stock of SunAmerica. The prospectus of SunAmerica does not constitute a part of this prospectus, nor is it incorporated by reference in this prospectus.

#### DESCRIPTION OF THE STRYPES

ML&Co. issued the STRYPES as a series of senior debt securities under the 1983 indenture, which is more fully described in this prospectus. The following summary of material provisions of the 1983 indenture does not purport to be complete and is qualified in its entirety by reference to the 1983 indenture. A copy of the 1983 indenture is filed as an exhibit to the registration statement of which this prospectus is a part.

Each STRYPES, which was issued at the issue price of \$56.375, bears interest at the rate of 7 1/4% of the issue price per annum or \$4.0872 per annum from June 12, 1996, or from the most recent Interest Payment Date to which interest has been paid or provided for, until the maturity date or the earlier date on which the STRYPES is redeemed or the issue price of the STRYPES is repaid pursuant to the terms of the STRYPES. Interest on the STRYPES will be payable in cash quarterly in arrears on March 15, June 15, September 15 and December 15, beginning September 15, 1996, and on the maturity date (each, an "Interest Payment Date"), to the persons in whose names the STRYPES are registered at the close of business on the last day, whether or not a Business Day, of the calendar month immediately preceding the Interest Payment Date. Interest on the STRYPES will be computed on the basis of a 360-day year of twelve 30-day months. If an Interest Payment Date, maturity date or redemption date falls on a day that is not a Business Day, the payments to be made, including any shares of common stock of SunAmerica to be delivered, on the date will be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, maturity date or redemption date, and no additional interest will accrue as a result of the delayed payment.

#### Payments at Maturity

The STRYPES will mature on June 15, 1999. On the maturity date, unless redeemed on or before the date, ML&Co. will pay and discharge each STRYPES by delivering to the holder of the STRYPES a number of shares of common stock of SunAmerica equal to the Common Equivalent Rate (as described below) in effect on the maturity date, subject to ML&Co.'s right to deliver, with respect to all, but not less than all, of the STRYPES then outstanding, cash in an amount equal to the Current Market Price, determined as of the second Trading Day before the applicable Notice Date, of the common stock of SunAmerica which otherwise would have been delivered. The Common Equivalent Rate will initially be one share of Common Stock per STRYPES. The Common Equivalent Rate is subject to adjustment as described below under "--Dilution Adjustments." Because the price of the common stock of SunAmerica is subject to market fluctuations, the value of the common stock of SunAmerica or, at the option of ML&Co., the amount of cash received by a holder of STRYPES on the maturity date may be less than the amount paid for the STRYPES upon issuance, in which case an investment in the STRYPES will result in a loss. In addition, because of the market fluctuations and because the Current Market Price of the common stock of SunAmerica will be determined as of the second Trading Date before

the applicable Notice Date, which will be at least 30 and could be up to 60 days before the maturity date, it is likely that, if ML&Co. elects to pay the STRYPES in cash on the maturity date, the amount of cash payable per STRYPES will differ from the market value on the maturity date of the shares of common stock of SunAmerica which a holder would otherwise have received. See "Risk Factors".

In the 1983 indenture, ML&Co. will agree to deliver on the maturity date the form of consideration that the ML&Co. Subsidiary receives from the selling stockholder. ML&Co. will be required to mail a notice, at least 30 but not more than 60 days before the maturity date, to each holder of STRYPES at its registered address. The notice shall state whether the STRYPES will be paid and discharged with shares of common stock of SunAmerica or in cash and, if payable in cash, specifying the amount of cash payable for each STRYPES and the Current Market Price used to calculate the amount. If ML&Co. elects to deliver shares of common stock of SunAmerica, holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon the subsequent sale of the stock.

#### Optional Redemption

At any time or from time to time on or before the maturity date, ML&Co. may, at its option, redeem the outstanding STRYPES, in whole or in part, at a redemption price per STRYPES initially equal to \$86.568. The redemption price will decline by \$.00966 on each day following the Issue Date, computed on the basis of a 360-day year of twelve 30-day months, to \$76.686 on April 15, 1999, and equal to \$76.106 thereafter. The redemption price will be payable in either (1) a number of shares of common stock of SunAmerica equal to the redemption price on the applicable redemption date divided by the Current Market Price of the common stock of SunAmerica determined as of the second Trading Day preceding the applicable Notice Date or (2) at ML&Co.'s option, which may be exercised with respect to all, but not less than all, of the STRYPES to be redeemed on any redemption date, cash. In addition, the redemption price will also include in either case an amount in cash equal to accrued and unpaid interest on the STRYPES to but excluding the redemption date; provided that installments of interest which are due and payable on or before the redemption date shall be payable to the holders of STRYPES registered as the at the close of business on the relevant record dates. On and after the redemption date, interest will cease to accrue on the STRYPES called for redemption, unless ML&Co. defaults in the payment of the redemption price therefor. If ML&Co. elects to deliver shares of common stock of SunAmerica, holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon the subsequent sale of the stock.

Notice of redemption shall be mailed at least 30 days but not more than 60 days before the redemption date to each holder of STRYPES to be redeemed at its registered address. The notice shall specify whether ML&Co. will pay the redemption price by delivery of common stock of SunAmerica or in cash. If ML&Co. will pay the redemption price in common stock of SunAmerica, the notice will also specify the number of shares of common stock of SunAmerica to be delivered for each STRYPES and the Current Market Price used to calculate the number of shares. If only a portion of the STRYPES held by any registered holder are to be redeemed, the notice of redemption shall specify the number of STRYPES to be redeemed from the holder and, upon redemption, a new STRYPES certificate evidencing the unredeemed STRYPES will be issued in the name of the holder upon surrender for cancellation of the original certificate.

In the event that less than all of the STRYPES are to be redeemed at any time, selection of STRYPES for redemption will be made by the trustee by the method as the trustee shall deem fair and appropriate, subject to compliance with the requirements of the principal national securities exchange on which the STRYPES may be listed; provided, however, that the STRYPES shall not be redeemed except in units of one or more whole STRYPES.

The opportunity for capital appreciation afforded by an investment in the STRYPES is limited because ML&Co. may, at its option, redeem the STRYPES at any time on or before the maturity date at the redemption prices described above. Although not obligated to do so, ML&Co. may be expected to redeem the STRYPES on or before the maturity date if the market price of the common stock of SunAmerica exceeds the applicable redemption price, in which event holders of STRYPES will receive less than one share of common stock of SunAmerica for each STRYPES or, at the option of ML&Co., cash in an amount equal to the Current Market Price of less than one share of the common stock of SunAmerica. See "Risk Factors".

If ML&Co. exercises its option to redeem the STRYPES, in whole or in part, the Notice Date for the redemption will be at least 30 days and could be up to 60 days before the redemption date. If, as described above, ML&Co. elects to pay the redemption price by delivering shares of common stock of SunAmerica, the number of shares to be so delivered will be determined on the basis of the Current Market Price as of the second Trading Date before the Notice Date. The price of the common stock of SunAmerica is subject to market fluctuations and, as a result, the market value on the redemption date of the shares of common stock of SunAmerica delivered in respect of each STRYPES may be more or less than the applicable redemption price. See "Risk Factors".

## Certain Definitions

The "Closing Price" of any security on any day shall mean (1) the closing sales price regular way on the day or, in case no sale takes place on the day, the average of the reported closing bid and asked prices regular way on that day, in each case on the NYSE, or (2) if the security is not listed or admitted to trading on the NYSE, on the principal national securities exchange on which the security is listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices of the security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similarly generally accepted reporting service, or (3) if not so available in the manner, as furnished by any NYSE member firm selected from time to time by the Board of Directors of ML&Co. for that purpose.

The "Current Market Price" per share of the common stock of SunAmerica on any date of determination means the average of the daily Closing Prices for the five consecutive Trading Days ending on and including the date of determination, as appropriately adjusted to take into account the occurrence during the five-day period of any event that results in an adjustment of the Common Equivalent Rate; provided, however, that if the Closing Price of the common stock of SunAmerica on the Trading Day next following the five-day period (the "Next-Day Closing Price") is less than 95% of the five-day average, then the Current Market Price per share of common stock of SunAmerica on the date of determination will be the Next-Day Closing Price; and provided, further, that, for the purposes of calculating the Current Market Price in connection with the maturity date or any redemption of STRYPES or any determination of an amount in cash payable in lieu of a fractional share of common stock of SunAmerica, if any adjustment of the Common Equivalent Rate becomes effective as of any date during the period beginning on the first day of the five-day period and ending on the maturity date or the relevant redemption date, as the case may be, then the Current Market Price as determined pursuant to the foregoing will be appropriately adjusted to reflect the adjustment. Because the price of common stock of SunAmerica is subject to market fluctuations, it is possible that the Next-Day Closing Price could be significantly less than the five-day average. See "Risk Factors".

A "Notice Date" with respect to any notice given by ML&Co. in connection with the maturity date or any redemption of STRYPES means the commencement of the mailing of the notice to the holders of STRYPES in accordance with "--Payments at Maturity" or "--Optional Redemption," as the case may be, above.

A "Trading Day" is defined as a day on which the security, the Closing Price of which is being determined, (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the security; provided that, if the Closing Price of the security is to be determined by a NYSE member firm, then the term Trading Day shall mean, for purposes of determining the Closing Price, a day on which the NYSE is open for trading.

## Dilution Adjustments

The Common Equivalent Rate will initially be one share of common stock of SunAmerica for each STRYPES. The Common Equivalent Rate is subject to adjustment if SunAmerica shall:

- (1) pay a dividend or make a distribution with respect to common stock of SunAmerica in shares of common stock of SunAmerica;
- (2) subdivide or split the outstanding shares of common stock of SunAmerica into a greater number of shares;
- (3) combine the outstanding shares of common stock of SunAmerica into a smaller number of shares;
- (4) issue by reclassification of shares of common stock of SunAmerica any shares of common stock of SunAmerica;
- (5) issue certain rights or warrants to all holders of common stock of SunAmerica; or
- (6) pay a dividend or make a distribution to all holders of common stock of SunAmerica of evidences of its indebtedness or other assets, including shares of capital stock of SunAmerica but excluding any cash dividends and any stock dividends or distributions referred to in clause (1) above.

All adjustments to the Common Equivalent Rate will be calculated to the nearest 1/100th of a share of common stock of SunAmerica or, if there is not a nearest 1/100th of a share, to the next lower 1/100th of a share. No adjustment in the Common Equivalent Rate shall be required unless the adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of the

foregoing are not required to be made shall be carried forward and taken into account in any subsequent adjustment. Each the adjustment to the Common Equivalent Rate shall be made successively.

In the event of a "Reorganization Event", which is

- (A) any consolidation or merger of SunAmerica, or any surviving entity or subsequent surviving entity of SunAmerica (a "SunAmerica Successor"), with or into another entity, other than a merger or consolidation in which SunAmerica is the continuing corporation and in which the common stock of SunAmerica outstanding immediately before the merger or consolidation is not exchanged for cash, securities or other property of SunAmerica or another corporation,
- (B) any sale, transfer, lease or conveyance to another corporation of the property of SunAmerica or any SunAmerica Successor as an entirety or substantially as an entirety,
- (C) any statutory exchange of securities of SunAmerica or any SunAmerica Successor with another corporation (other than in connection with a merger or acquisition) or
- (D) any liquidation, dissolution, winding up or bankruptcy of SunAmerica or any SunAmerica Successor,

the Common Equivalent Rate will be adjusted to provide that each holder of STRYPES will receive on the maturity date or any redemption date for each STRYPES cash in an amount equal to the Transaction Value.

"Transaction Value" means

- (1) for any cash received in any the Reorganization Event, the amount of cash received per share of common stock of SunAmerica,
- (2) for any property other than cash or securities received in any Reorganization Event, an amount equal to the market value on the maturity date or any redemption date of the property received per share of common stock of SunAmerica as determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co. and
- (3) for any securities received in any Reorganization Event, an amount equal to the average Closing Price per unit of the securities on the five Trading Days immediately before the second Trading Day preceding the maturity date or any redemption date multiplied by the number of the securities received for each share of common stock of SunAmerica.

Notwithstanding the foregoing, in the event that property or securities, or a combination of cash, on the one hand, and property or securities, on the other, are received in the Reorganization Event, ML&Co. may, at its option, in lieu of delivering cash as described above, deliver the amount of cash, securities and other property received per share of common stock of SunAmerica in the Reorganization Event determined in accordance with clause (1), (2) or (3) above, as applicable. If ML&Co. elects to deliver securities or other property, holders of the STRYPES will be responsible for the payment of any and all brokerage and other transaction costs upon any subsequent sale of the securities or other property. The kind and amount of securities with which the STRYPES shall be paid and discharged after consummation of the transaction shall be subject to adjustment as described above following the date of consummation of the transaction.

No adjustments will be made for certain other events, such as offerings of common stock of SunAmerica by SunAmerica for cash or in connection with acquisitions. Likewise, no adjustments will be made for any sales of common stock of SunAmerica by the selling stockholder.

ML&Co. is required, within ten Business Days following the occurrence of an event that requires an adjustment to the Common Equivalent Rate or, if ML&Co. is not aware of the occurrence of an event, as soon as practicable after becoming so aware, to provide written notice to the trustee and to the holders of the STRYPES of the occurrence of the event and a statement in reasonable detail setting forth the adjusted Common Equivalent Rate and the method by which the adjustment to the Common Equivalent Rate was determined.

#### Certain Procedures in Connection with Maturity and Redemption

Each holder of STRYPES on the maturity date, and each holder of STRYPES called for redemption on any redemption date, must surrender the certificates evidencing the STRYPES at the office or agency of ML&Co. maintained for the purpose in order to receive the consideration payable on the date. If, on the maturity date or any redemption date, ML&Co. shall have deposited with the trustee or other agent under the 1983 indenture the consideration payable on the date in respect of all of the STRYPES then outstanding, in the case of the maturity date, or the STRYPES called for redemption, in the case of any redemption date, then, on the maturity date or redemption date, as the case

may be, all of the outstanding STRYPES or the STRYPES called for redemption, as the case may be, shall cease to bear interest and all rights of the holders thereof shall terminate, except for the right to receive the consideration payable in respect of the STRYPES on the date, notwithstanding that the certificates evidencing any of the STRYPES which are payable or subject to redemption on the date shall not have been surrendered to ML&Co.

#### Fractional Shares

No fractional shares of common stock of SunAmerica will be delivered if ML&Co. pays and discharges the STRYPES by delivering shares of common stock of SunAmerica on the maturity date or any redemption date. In lieu of any fractional share otherwise deliverable in respect of all STRYPES of any holder on the maturity date or any redemption date, the holder shall be entitled to receive an amount in cash equal to the value of the fractional share at the Current Market Price of the common stock of SunAmerica determined as of the second Trading Day immediately preceding the relevant Notice Date.

#### No Sinking Fund

The STRYPES do not contain sinking fund or other mandatory redemption provisions. The STRYPES are not subject to payment before the maturity date at the option of the holder.

#### Ranking

The STRYPES will be unsecured obligations and will rank equally with all other unsecured and unsubordinated indebtedness of ML&Co.

There are no contractual restrictions on the ability of ML&Co. or its subsidiaries to incur additional secured or unsecured debt. However, borrowings by certain subsidiaries, including MLPF&S, are restricted by net capital requirements under the Exchange Act and under rules of exchanges and other regulatory bodies.

#### Securities Depository

##### Description of the Global Securities

The STRYPES are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for STRYPES in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 STRYPES represented by a global security for all purposes under the 1983 indenture. Except as provided below, the beneficial owners of the STRYPES represented by a global security are not entitled to have the STRYPES represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the STRYPES in definitive form and are not considered the owners or holders under the 1983 indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee pursuant to the 1983 indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if the person is not a participant of DTC on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the 1983 indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the STRYPES. The STRYPES have been issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One or more fully registered global securities have been issued for the STRYPES in the aggregate principal amount of such issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 1934 Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of STRYPES under DTC's system must be made by or through direct participants, which will receive a credit for the STRYPES on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfers of ownership interests in the STRYPES are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all STRYPES deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of STRYPES with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the STRYPES; DTC's records reflect only the identity of the direct participants to whose accounts such STRYPES are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the STRYPES. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the STRYPES are credited on the record date.

Principal, premium, if any, and/or interest, if any, payments on the STRYPES will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on such date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is 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 participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, and
- (c) an Event of Default under the 1983 indenture has occurred and is continuing with respect to the STRYPES,

the global securities will be exchangeable for STRYPES in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10

and integral multiples of \$10. The definitive STRYPES will 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 the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, STRIPES in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Governing Law

The 1983 indenture and the STRYPES are governed by, and construed in accordance with, the laws of the State of New York.

#### Listing

The STRYPES have been listed on the NYSE under this symbol "SAI".

#### OTHER TERMS

ML&Co. issued the STRYPES as a series of senior debt securities under the 1983 indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 indenture is filed as an exhibit to the registration statement relating to the STRYPES of which this prospectus is a part. The following summaries of the material provisions of the 1983 indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 indenture, including the definitions of terms in the 1983 indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 indenture.

The 1983 indenture and the STRYPES are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.



"Controlled Subsidiary" is defined in the 1983 indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 indenture and waive compliance by ML&Co. with provisions in the 1983 indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;

- o default in the performance of any other obligation of ML&Co. contained in the 1983 indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any indenture which cannot be modified under the terms of that indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 indenture. Before proceeding to exercise any right or power under the 1983 indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The STRYPES and other series of senior debt securities issued under the 1983 indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 indenture.

#### CERTAIN ARRANGEMENTS WITH THE SELLING STOCKHOLDER

Pursuant to an agreement (the "Stock Agreement"), the selling stockholder is obligated to deliver to Merrill Lynch Capital Services, Inc., a wholly owned subsidiary of ML&Co. (the "ML&Co. Subsidiary"), on June 14, 1999, a specified number of shares of SunAmerica Class B Stock, subject to the selling stockholder's right to deliver cash in an amount equal to the Current Market Price, which will be determined as of the second Trading Day before the applicable Notice Date, of the common stock of SunAmerica underlying the SunAmerica Class B Stock that otherwise would have been delivered. At any time and from time to time through June 15, 1999, the selling stockholder may, at his option, redeem his obligations under the Stock Agreement in whole or in part, at declining redemption prices, payable in either (1) shares of SunAmerica Class B Stock representing common stock of SunAmerica having an aggregate Current Market Price, determined as of the second Trading Day before the date of the applicable notice of redemption, equal to the applicable redemption price or (2) at the selling stockholder's option, which may be exercised with respect to all, but not less than all, of the obligations to be redeemed, cash, plus in either case an amount in cash equal to accrued and unpaid interest on the Stock Agreement to but excluding the redemption date. The consideration paid by the ML&Co. Subsidiary to the selling stockholder under the Stock Agreement is approximately \$131 million, and was paid on June 12, 1996. In the 1983 indenture, ML&Co. has agreed to pay and discharge the STRYPES by delivering to the holders thereof on the maturity date or any redemption date the form of consideration that the ML&Co. Subsidiary receives from the selling stockholder and to redeem the STRYPES if and when the selling stockholder redeems his obligations under the Stock Agreement.

Shares of SunAmerica Class B Stock delivered by the selling stockholder

will convert automatically into shares of common stock of SunAmerica upon transfer to the ML&Co. Subsidiary. The selling stockholder has the right at any time to modify the Stock Agreement so that he may deliver shares of common stock of SunAmerica, or cash, instead of shares of SunAmerica Class B Stock, or cash. Until such time, if any, as the selling stockholder shall have delivered shares to the ML&Co. Subsidiary at maturity or upon redemption pursuant to the terms of the Stock Agreement, the selling stockholder will retain all ownership rights with respect to the shares held by him. The ownership rights include, among others, voting rights and rights to receive any dividends or other distributions in respect thereof.

The selling stockholder has no obligations with respect to the STRYPES or amounts to be paid to holders thereof including any obligation to take the needs of ML&Co. or holders of the STRYPES into consideration in determining whether or when to cause the redemption of the STRYPES or whether to deliver shares or cash at maturity or upon redemption, or for any other reason. The Stock Agreement is a commercial transaction among the parties thereto and does not create any rights in or for the benefit of, any third party, including any holder of STRYPES.

In the event the selling stockholder does not perform under the Stock Agreement, ML&Co. will be required to otherwise acquire shares of common stock of SunAmerica for delivery to holders of the STRYPES on the maturity date or upon redemption, unless it elects to exercise its option to deliver cash with an equal value.

Merrill Lynch Capital Corporation, a wholly owned subsidiary of ML&Co., entered into a secured loan agreement with the selling stockholder pursuant to which the selling stockholder borrowed approximately \$33 million for a term of three years.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the STRYPES and other securities. For further information on ML&Co. and the STRYPES, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act :

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the STRYPES and is to be used by MLPF&S when making offers and sales related to market-making transactions in the STRYPES.

MLPF&S may act as principal or agent in these market-making transactions.

The STRYPES may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the STRYPES will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

P R O S P E C T U S

Merrill Lynch & Co., Inc.

6-1/4% STRUCTURED YIELD PRODUCT EXCHANGEABLE FOR STOCK(SM) due July 1, 2001  
"STRYPES (SM)"

Payable with Shares of Common Stock of IMC Global Inc.

or an equivalent amount in cash

-----

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, will use this prospectus when making offers and sales related to market-making transactions in the STRYPES.

The issue price of each STRYPES was \$38.25, which was the last sale price of one share of common stock, par value \$1.00 per share, of IMC on July 2, 1996, as reported on the New York Stock Exchange. The STRYPES will mature on July 1, 2001.

What you will receive before July 1, 2001:

- o On each January 1, April 1, July 1 and October 1, beginning October 1, 1996, we will pay you interest on the STRYPES in cash at the rate of 6 1/4% per year.
- o We may not redeem the STRYPES at any time before July 1, 2001.

What you will receive on July 1, 2001:

- o For each STRYPES you own, you will receive a percentage of each type of reference property or an equivalent amount in cash. The reference property will initially be one share of common stock of IMC, which may be adjusted before July 1, 2001. The adjustments that may be made to the reference property are more fully described in this prospectus.

<TABLE>  
<CAPTION>

<S>	<C>
If the value of the reference property is:	You will receive:
(a) greater than or equal to \$46.28	82.65% of each type of reference property
(b) less than \$46.28 but greater than \$38.25	a percentage of each type of reference property equal to \$38.25
(c) less than or equal to \$38.25	100% of each type of reference property

</TABLE>

Investing in the STRYPES involves risks, including the risk that your investment may result in a loss. See "Risk Factors" beginning on page 3.

The STRYPES are listed on the NYSE under the symbol "IGL".

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the STRYPES will be the prevailing price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 199 .

"STRYPES" and "Structured Yield Product Exchangeable for Stock" are registered service marks owned by ML&Co.

TABLE CONTENTS

	PAGE
RISK FACTORS.....	4
MERRILL LYNCH & CO., INC.....	8
RATIO OF EARNINGS TO FIXED CHARGES.....	8

IMC GLOBAL INC.....	10
DESCRIPTION OF THE STRYPES.....	10
OTHER TERMS.....	18
CERTAIN ARRANGEMENTS WITH GVI.....	21
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	22
PLAN OF DISTRIBUTION.....	23
EXPERTS.....	23

#### RISK FACTORS

Your investment in the STRYPES will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the STRYPES is suitable for you.

You may suffer a loss on your investment

You should be aware that at maturity the amount you will receive may be less than the amount you paid for the STRYPES, which was \$38.25 per STRYPES. If the value of the reference property is less than \$38.25, the amount you will receive will be less than the amount you paid for the STRYPES and, therefore, your investment in the STRYPES will result in a loss to you. When you invest in the STRYPES, you assume the risk that the market value of the reference property may decline, and that the decline could be substantial. You should review the prospectus of IMC, which is attached to this prospectus. The prospectus of IMC describes the shares of common stock of IMC, including the preferred stock purchase rights associated with the shares, that you may receive as a holder of the STRYPES on the maturity date.

Your investment in the STRYPES may differ from an investment in other debt securities

The terms of the STRYPES differ from those of ordinary debt securities because the value of the reference property or the equivalent amount in cash that you will receive on the maturity date is not fixed, but is based on the value of the reference property. Please review the section entitled "Description of the STRYPES".

There may be a limited opportunity for equity appreciation

Your opportunity for equity appreciation may be greater if you made a direct investment in the common stock of IMC because the value of the reference property is subject to market fluctuations. The amount you will receive on the maturity date will only exceed the amount you paid for the STRYPES, which was \$38.25 per STRYPES, if the value of the reference property exceeds the threshold appreciation price of \$46.28. The threshold appreciation price of \$46.28 represents an appreciation of 21% over the initial price of \$38.25. In addition, you will only be entitled to receive on the maturity date 82.65%, which is the percentage equal to the initial price of \$38.25 divided by the threshold appreciation price of \$46.28, of any appreciation of the value of the reference property in excess of the threshold appreciation price of \$46.28. Please review the section entitled "Description of the STRYPES".

There are many factors affecting the trading prices of the STRYPES

The trading prices of the STRYPES in the secondary market will be directly affected by the trading prices of the common stock of IMC in the secondary market. It is impossible to predict whether the price of the common stock of IMC will rise or fall because several factors may influence the trading prices of the common stock of IMC. These factors include:

- o IMC's operating results and prospects;
- o complex and interrelated political, economic, financial and other factors and market conditions that can affect (1) the capital markets generally, (2) the market segment of which IMC is a part, or (3) the NYSE, on which the common stock of IMC is traded, including the level of, and fluctuations in, the trading prices of stocks generally and sales of substantial amounts of the common stock of IMC in the market subsequent to the offering of the STRYPES or the perception that these sales could occur; and
- o other events that are difficult to predict and are beyond our control.

Investing in the STRYPES may affect the market for the common stock of IMC

Any market that develops for the STRYPES is likely to influence and be influenced by the market for common stock of IMC. For example, the price of common stock of IMC could become more volatile and could be depressed

- o by investors' anticipation of the potential distribution into the market of substantial amounts of common stock of IMC on the maturity date,
- o by possible sales of common stock of IMC by investors who view the STRYPES as a more attractive means of equity participation in IMC, and
- o by hedging or arbitrage trading activity that may develop involving the STRYPES and the common stock of IMC.

There may be illiquidity of the STRYPES in the secondary market

It is not possible to predict how the STRYPES will trade in the secondary market or whether the secondary market for the STRYPES will be liquid or illiquid. The STRYPES are novel securities and there is currently no secondary market for the STRYPES. Although the STRYPES are listed on the NYSE under the symbol "IGL", you cannot assume (1) that an active trading market for the STRYPES will develop, (2) that listing on the NYSE will provide you with liquidity of investment, (3) that the STRYPES will not later be delisted or (4) that trading of the STRYPES on the NYSE will not be suspended. If the NYSE delists the STRYPES or suspends the trading of the STRYPES, we will apply for listing of the STRYPES on another national securities exchange or for quotation on another trading market. If the STRYPES are not listed or traded on any securities exchange or trading market, or if trading of the STRYPES is suspended, pricing information for the STRYPES may be more difficult to obtain and the liquidity of the STRYPES may be adversely affected.

As a holder of STRYPES, you have no stockholder's rights with respect to the common stock of IMC or the reference property

You will not be entitled to any rights, including voting rights and rights to receive any dividends, interest or other distributions, with respect to the common stock of IMC or the reference property until we have delivered the reference property on the maturity date. In addition, you will not be entitled to any rights if the applicable record date for the exercise of any rights occurs before we deliver the reference property. For example, if an amendment is proposed to the restated certificate of incorporation of IMC and the record date for determining the stockholders of record entitled to vote on the amendment occurs before we deliver the reference property, you, as a holder of the STRYPES, will not be entitled to vote on the proposed amendment.

IMC has no obligations with respect to the STRYPES

We are not affiliated with IMC. IMC has no obligations with respect to the STRYPES or amounts to be paid to you, including any obligation to take our needs or yours, as a holder of the STRYPES, into consideration for any reason. IMC will not receive any of the proceeds of this offering of the STRYPES. IMC is not responsible for, and has not participated in, the determination of the timing of, prices for or quantities of the STRYPES to be issued, or the determination or calculation of the amount receivable by holders of the STRYPES on the maturity date. In addition, IMC is not involved with the administration or trading of the STRYPES.

There may be a dilution of common stock of IMC

The reference property or the equivalent amount of cash that you are entitled to receive on the maturity date is subject to adjustment for events such as:

- o a merger or consolidation in which IMC is not the surviving or resulting corporation,
- o the liquidation, dissolution, winding up or bankruptcy of IMC,
- o stock splits and combinations, stock dividends, and
- o other actions of IMC that modify its capital structure.

Please review the section entitled "Description of the STRYPES--Reference Property Adjustments".

The reference property or equivalent amount of cash that you may receive on the maturity date will not be adjusted for other events, such as offerings of common stock of IMC for cash or in connection with acquisitions. IMC is not restricted from issuing additional shares of common stock of IMC during the term of the STRYPES and has no obligation to consider the interests of the holders of the STRYPES for any reason. Additional issuances may materially and adversely affect the price of the common stock of IMC. Because of the relationship of the amount of the reference property or cash to be received on maturity to the price of the common stock of IMC, other events may adversely affect the trading price of the STRYPES.

The tax treatment of STRYPES is uncertain

Because of an absence of authority as to the proper characterization of the STRYPES, their ultimate tax treatment is uncertain. Accordingly, you cannot assume that any particular characterization and treatment of the STRYPES will be accepted by the Internal Revenue Service or upheld by a court. However, it is the opinion of Brown & Wood LLP, counsel to ML&Co., that the characterization and tax treatment of the STRYPES described in this prospectus, while not the only reasonable characterization and tax treatment, is based on reasonable interpretations of law currently in effect and, even if successfully challenged by the IRS, will not result in the imposition of penalties.

The 1983 indenture, which is more fully described in this prospectus, will require that if you are subject to U.S. Federal income tax, that you include currently in income, for U.S. Federal income tax purposes, payments denominated as interest that are made with respect to a STRYPES in accordance with your regular method of tax accounting. The 1983 indenture also requires ML&Co. and holders to treat each STRYPES for tax purposes as a unit consisting of:

- o a debt instrument with a fixed principal amount unconditionally payable on the maturity date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES, and
- o a forward purchase contract under which you agree to use the principal payment due on the debt instrument to purchase on the maturity date the reference property which ML&Co. is obligated under the STRYPES to deliver at that time, subject to ML&Co.'s right to deliver cash instead of the reference property.

The 1983 indenture also requires that upon the acquisition of a STRYPES and upon your sale or other disposition of a STRYPES before the maturity date, the amount paid or realized by you be allocated between the debt instrument and the forward purchase contract based upon their relative fair market values, as determined on the date of acquisition or disposition. For these purposes, with respect to acquisitions of STRYPES in connection with the original issuance of the STRYPES, ML&Co. and you agree to allocate \$37.045 of the entire initial purchase price of a STRYPES to the debt instrument and to allocate the remaining \$1.205 of the entire initial purchase price of a STRYPES to the forward purchase contract. As a result of this allocation, the debt instrument will be treated as having been issued with original issue discount for U.S. Federal income tax purposes.

The appropriate character and timing of income, gain or loss to be recognized on a STRYPES is uncertain. You should consult your own tax adviser concerning the application of the U.S. federal income tax laws to your particular situation and any consequences of the purchase, ownership and disposition of the STRYPES arising under the laws of any other taxing jurisdiction.

Our holding company structure may affect your right to participate in any distribution of assets of any subsidiary

Since we are a holding company, our right and the right of our creditors, including you, as a holder of STRYPES, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent a bankruptcy court may recognize our claims as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to us are restricted by net capital requirements under the Exchange Act and under rules of exchanges and other regulatory bodies.

#### Other Considerations

We suggest that you reach an investment decision only after carefully considering the suitability of the STRYPES in the light of your particular circumstances.



MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, references to "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the STRYPES described in this prospectus.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
Ratio of earnings to fixed charges(a)	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

IMC is one of the world's leading producers of crop nutrients for the international agricultural community . It is also one of the largest distributors in the United States of crop nutrients and related products through its retail and wholesale distribution networks. IMC mines, processes and distributes potash in the United States and Canada, and is a joint venture partner in IMC-Agrico Company, a leading producer, marketer and distributor of phosphate crop nutrients and a leading producer and marketer of animal feed ingredients. IMC's retail distribution network, which extends principally to corn and soybean farmers in the Midwestern and Southeastern United States, is one of the largest distributors of crop nutrients and related products in the United States. IMC also manufactures nitrogen-based and other high-value crop nutrients which are marketed on a wholesale basis principally in the Midwestern and Southeastern United States. In addition, IMC sells specialty lawn and garden, turf, and nursery products on a national basis and ice-melter products in the Midwest and Eastern snow-belt states.

IMC is subject to the informational requirements of the Exchange Act. Accordingly, IMC files reports, proxy and information statements and other information with the SEC. Copies of these materials can be inspected and copied at the public reference facilities maintained by the SEC at the addresses specified under "Where You Can Find More Information". Reports, proxy and information statements and other information concerning IMC may also be inspected at the offices of the NYSE.

ML&Co. is not affiliated with IMC, and IMC has no obligations with respect to the STRYPES. This prospectus relates only to the STRYPES offered hereby and does not relate to IMC or the common stock of IMC. IMC has filed a registration statement on Form S-3 with the SEC covering the shares of common stock of IMC that may be received by a holder of STRYPES on the maturity date. The prospectus of IMC constituting a part of the registration statement includes information relating to IMC and the common stock of IMC, including risk factors relevant to an investment in the common stock of IMC. The prospectus of IMC does not constitute a part of this prospectus, nor is it incorporated by reference herein.

#### DESCRIPTION OF THE STRYPES

ML&Co. issued the STRYPES as a series of senior debt securities under the 1983 indenture, which is more fully described in this prospectus. The following summary of material provisions of the 1983 indenture does not purport to be complete and is qualified in its entirety by reference to the 1983 indenture. A copy of the 1983 indenture is filed as an exhibit to the registration statement of which this prospectus is a part.

Each STRYPES, was issued at a price of \$38.25 (the "Initial Price"), bears interest at the rate of 6 1/4% of the issue price per annum, or \$2.3908 per annum, from July 9, 1996, or from the most recent Interest Payment Date to which interest has been paid or provided for, until the maturity date or the earlier date on which the STRYPES are repaid under the terms of the STRYPES. Interest on the STRYPES is payable in cash quarterly in arrears on January 1, April 1, July 1 and October 1, beginning October 1, 1996, and on the maturity date (each, an "Interest Payment Date"), to the persons in whose names the STRYPES are registered at the close of business on the fifteenth calendar day, whether or not a Business Day, immediately preceding the Interest Payment Date. Interest on the STRYPES will be computed on the basis of a 360-day year of twelve 30-day months. If an Interest Payment Date falls on a day that is not a Business Day, the interest payment to be made on the Interest Payment Date will be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, and no additional interest will accrue as a result of the delayed payment.

The maturity date of the STRYPES is July 1, 2001. On the maturity date, ML&Co. will pay and discharge each STRYPES by delivering to the holder of the STRYPES a percentage of each type of Reference Property determined in accordance with the formula described below. ML&Co.'s will have the right to deliver, with respect to all, but not less than all, Reference Property deliverable on the maturity date, cash with an equal value.

- (a) If the Reference Property Value (as defined below) is greater than or equal to \$46.28 (the "Threshold Appreciation Price"), the holder of the STRYPES will receive 82.65% of each type of Reference Property;
- (b) If the Reference Property Value is less than the Threshold Appreciation Price but is greater than the Initial Price, the holder of the STRYPES will receive a percentage of each type of Reference Property, allocated as proportionately as practicable, so that the aggregate value of the Reference Property is equal to the Initial Price; and
- (c) If the Reference Property Value is less than or equal to the Initial Price, the holder of the STRYPES will receive 100% of each type of Reference Property.

Accordingly, there can be no assurance that the amount receivable by holders of the STRYPES on the maturity date will be equal to or greater than the issue price of the STRYPES. If the Reference Property Value is less than the Initial Price, the amount receivable on the maturity date will be less than the issue price paid for the STRYPES, in which case an investment in STRYPES will result in a loss.

Notwithstanding the foregoing, ML&Co. may, in lieu of delivering the applicable percentage of each type of Reference Property, deliver cash in an amount equal to the sum of

- (d) for any portion of the Reference Property consisting of cash that is otherwise deliverable on the maturity date, the amount of cash, without interest thereon,
- (e) for any portion of the Reference Property consisting of property other than cash or Reference Securities that is otherwise deliverable on the maturity date, the fair market value, as determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co., as of the third Trading Day preceding the maturity date of the property, and
- (f) for any portion of the Reference Property consisting of a Reference Security (as defined below) that is otherwise deliverable on the maturity date, except as described under "Reference Property Adjustments" below, an amount equal to the average Closing Price (as defined below) per unit of the Reference Security on the 20 Trading Days immediately before, but not including, the second Trading Day preceding the maturity date multiplied by the number of units of the Reference Security constituting part of the Reference Property, subject to ML&Co.'s agreement contained in the Purchase Agreement to deliver on the maturity date the form of consideration that the ML&Co. Subsidiary (as defined below) receives from GVI.

The right to deliver cash, if exercised by ML&Co., must be exercised with respect to all Reference Property otherwise deliverable on the maturity date in payment of all outstanding STRYPES. On or before the sixth Business Day before the maturity date, ML&Co. will notify The Depository Trust Company and the trustee and publish a notice in The Wall Street Journal or another daily newspaper of national circulation stating whether the STRYPES will be paid and discharged by delivery of the applicable percentage of each type of Reference Property or cash. At the time the notice is published, the Reference Property Value will not have been determined. If ML&Co. elects to deliver Reference Property, holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon the subsequent sale of Reference Property.

The term "Reference Property" initially means one share of common stock of IMC and shall be subject to adjustment from time to time before the maturity date to reflect the addition or substitution of any cash, securities and/or other property resulting from the application of the adjustment provisions described herein. See "--Reference Property Adjustments" below. The term "Reference Security" means, at any time, any security (as defined in Section 2(1) of the Securities Act) then constituting part of the Reference Property. The term "Reference Property Value" means, subject to the adjustment provisions described below, the sum of

- (g) for any portion of the Reference Property consisting of cash, the amount of cash,
- (h) for any portion of the Reference Property consisting of property other than cash or Reference Securities, the fair market value, which will be determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co., as of the third Trading Day preceding the maturity date of the property, and
- (i) for any portion of the Reference Property consisting of a Reference Security, an amount equal to the average Closing Price per unit of the Reference Security on the 20 Trading Days immediately before, but not including, the second Trading Day preceding the maturity date multiplied by the number of units of the Reference Security constituting part of the Reference Property.

The "Closing Price" of any Reference Security on any date of determination means (1) the closing sale price or, if no closing price is reported, the last reported sale price of the Reference Security on the NYSE on the date of determination or, (2) if the Reference Security is not listed for trading on the NYSE on any date, as reported in the composite transactions for the principal United States securities exchange on which the Reference Security is so listed, or (3) if the Reference Security is not so listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, or (4) if the Reference Security is not so reported, the last quoted bid price

for the Reference Security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or (5) if a bid price is not available, the market value of the Reference Security on a date as determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co.

A "Trading Day" is defined as a day on which the Reference Security the Closing Price of which is being determined (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Reference Security.

For illustrative purposes only, the following table shows the number of shares of common stock of IMC or the amount of cash that a holder of STRYPES would receive for each STRYPES at various Reference Property Values. The table assumes that there will be no Reference Property adjustments as described below and, accordingly, that on the maturity date the Reference Property will consist of one share of common stock of IMC. There can be no assurance that the Reference Property Value will be within the range set forth below. Given the Initial Price of \$38.25 and the Threshold Appreciation Price of \$46.28, a STRYPES holder would receive on the maturity date the following number of shares of common stock of IMC per STRYPES or, if ML&Co. elects to pay and discharge the STRYPES with cash, the amount of cash per STRYPES:

Reference Property Value -----	Number of Shares of IMC Common Stock -----	Amount of Cash -----
\$ 35.00	1.0000	\$35.00
38.25	1.0000	38.25
42.00	0.9107	38.25
46.28	0.8265	38.25
50.00	0.8265	41.33

#### Reference Property Adjustments

The Reference Property is subject to adjustment if an issuer of a Reference Security shall:

- (1) subdivide or split the outstanding units of the Reference Security into a greater number of units;
- (2) combine the outstanding units of the Reference Security into a smaller number of units;
- (3) issue by reclassification of units of the Reference Security any units of another security of the issuer;
- (4) issue rights or warrants to all holders of the Reference Security entitling them, for a period expiring before the fifteenth calendar day following the maturity date, to subscribe for or purchase any of its securities or other property, other than rights to purchase units of the Reference Security pursuant to a plan for the reinvestment of dividends or interest; or
- (5) pay a dividend or make a distribution to all holders of the Reference Security of cash, securities or other property, excluding any cash dividend on any Reference Security consisting of capital stock that does not constitute an Extraordinary Cash Dividend (as defined below), excluding any payment of interest on any Reference Security consisting of an evidence of indebtedness and excluding any dividend or distribution referred to in clause (1), (2), (3) or (4) above), or issue to all holders of the Reference Security rights or warrants to subscribe for or purchase any of its securities or other property (other than those referred to in clause (4) above). Any of the foregoing cash, securities or other property or rights or warrants are referred to in this prospectus as the "Distributed Assets".

In the case of the events referred to in clauses (1), (2) and (3) above, the Reference Property shall be adjusted to include the number of units of the Reference Security and/or other security of the issuer which a holder of units of the Reference Security would have owned or been entitled to receive immediately following any event had a holder held, immediately before the event, the number of units of the Reference Security constituting part of the

Reference Property immediately before the event. Each adjustment shall become effective immediately after the effective date for subdivision, split, combination or reclassification, as the case may be. Each adjustment shall be made successively.

In the case of the event referred to in clause (4) above, the Reference Property shall be adjusted to include an amount in cash equal to the fair market value, which shall be determined in the manner described below, as of the fifth Business Day, except as provided below, following the date on which rights or warrants are received by securityholders entitled thereto (the "Receipt Date"), of each right or warrant multiplied by the product of (A) the number of rights or warrants issued for each unit of the Reference Security and (B) the number of units of the Reference Security constituting part of the Reference Property on the date of issuance of the rights or warrants, immediately before issuance, without interest thereon. For purposes of the foregoing, the fair market value of each right or warrant shall be the quotient of

- (a) (1) the highest net bid, as of approximately 10:00 A.M., New York City time, on the fifth Business Day following the Receipt Date for settlement three Business Days later, by a recognized securities dealer in The City of New York selected by or on behalf of ML&Co., from three or a fewer number of dealers as may be providing bids, recognized dealers selected by or on behalf of ML&Co., for the purchase by a quoting dealer of the number of rights or warrants (the "Aggregate Number") that a holder of the Reference Security would receive if the holder held, as of the record date for determination of stockholders entitled to receive rights or warrants, a number of units of the Reference Security equal to the product of
- (A) the aggregate number of Outstanding STRYPES as of a record date and (B) the number of units of the Reference Security constituting part of the Reference Property, divided by
- (a) (2) the Aggregate Number.

Each adjustment shall become effective on the fifth Business Day following the Receipt Date of the rights or warrants. If for any reason ML&Co. is unable to obtain the required bid on the fifth Business Day following the Receipt Date, it shall attempt to obtain the bid at successive intervals of three months and on the third Trading Day before the maturity date until it is able to obtain the required bid. From the date of issuance of the rights or warrants until the required bid is obtained, the Reference Property shall include the number of rights or warrants issued for each unit of the Reference Security multiplied by the number of units of the Reference Security constituting part of the Reference Property on the date of issuance of the rights or warrants, immediately before the issuance, and the rights or warrants constituting part of the Reference Property shall be deemed for all purposes hereof to have a fair market value of zero.

In the case of the event referred to in clause (5) above, the Reference Property shall be adjusted to include, from and after a dividend, distribution or issuance, (a) in respect of that portion, if any, of the Distributed Assets consisting of cash, the amount of Distributed Assets consisting of cash received for each unit of the Reference Security multiplied by the number of units of the Reference Security constituting part of the Reference Property on the date of a dividend, distribution or issuance, immediately before a dividend, distribution or issuance, without interest thereon, plus (b) in respect of that portion, if any, of the Distributed Assets which are other than cash, the number or amount of each type of Distributed Assets other than cash received with respect to each unit of the Reference Security multiplied by the number of units of the Reference Security constituting part of the Reference Property on the date of a dividend, distribution or issuance, immediately before the dividend, distribution or issuance.

An "Extraordinary Cash Dividend" means, with respect to any consecutive 12-month period, the amount, if any, by which the aggregate amount of all cash dividends on any Reference Security consisting of capital stock occurring in a 12-month period or, if the Reference Security was not outstanding at the commencement of the 12-month period, occurring in a shorter period during which the Reference Security was outstanding, exceeds on a per share basis 12% of the average of the Closing Prices per share of the Reference Security over a 12-month period or a shorter period during which the Reference Security was outstanding; provided that, for purposes of this definition, the amount of cash dividends paid on a per share basis will be appropriately adjusted to reflect the occurrence during the period of any stock dividend or distribution of shares of capital stock of the issuer of the Reference Security or any subdivision, split, combination or reclassification of shares of the Reference Security.

In the event of a "Reorganization Event", which is

- (A) any consolidation or merger of an issuer of a Reference Security with or into another entity, except for a merger or consolidation in which the issuer is the continuing corporation and in which the

Reference Security outstanding immediately before the merger or consolidation is not exchanged for cash, securities or other property of the issuer or another entity,

- (B) any statutory exchange of securities of an issuer of a Reference Security with another entity, except in connection with a merger or acquisition, or
- (C) any liquidation, dissolution, winding up or bankruptcy of an issuer of a Reference Security, excluding any distribution in the event referred to in clause (5) above,

the Reference Property shall be adjusted to include, from and after the effective date for a Reorganization Event, in lieu of the number of units of the Reference Security constituting part of the Reference Property immediately before the effective date for a Reorganization Event, the amount or number of any cash, securities and/or other property owned or received in a Reorganization Event with respect to each unit of the Reference Security multiplied by the number of units of the Reference Security constituting part of the Reference Property immediately before the effective date for a Reorganization Event.

No adjustments will be made for other events, such as offerings of common stock of IMC by IMC for cash or in connection with acquisitions. Likewise, no adjustments will be made for any sales of common stock of IMC by GVI.

ML&Co. is required, within ten Business Days following the occurrence of an event that requires an adjustment to the Reference Property (or if ML&Co. is not aware of the occurrence of an event, as soon as practicable after becoming so aware), to provide written notice to the trustee and to the holders of the STRYPES of the occurrence of an event and a statement in reasonable detail setting forth the amount or number of each type of Reference Security and other property then constituting part of the Reference Property.

#### Fractional Interests

No fractional units of any Reference Security will be delivered if ML&Co. pays and discharges the STRYPES by delivering Reference Property. In lieu of any fractional unit otherwise deliverable in respect of all STRYPES of any holder on the maturity date, a holder shall be entitled to receive an amount in cash equal to the value of a fractional unit based on the average Closing Price per unit of the Reference Security on the 20 Trading Days immediately before, but not including, the second Trading Day preceding the maturity date.

To the extent practicable, ML&Co. will deliver fractional interests of any Reference Property other than cash or a Reference Security if ML&Co. pays and discharges the STRYPES by delivering Reference Property. If a delivery of fractional interests is not practicable, in lieu of delivering any fractional interest otherwise deliverable in respect of all STRYPES to any holder on the maturity date, ML&Co. will deliver holder shall be entitled to receive an amount in cash equal to the value of the fractional interest based on the fair market value (as determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co.) as of the third Trading Day preceding the maturity date of the Reference Property other than cash or a Reference Security.

#### Redemption, Sinking Fund and Payment Before Maturity

The STRYPES are not subject to redemption by ML&Co. before the maturity date and do not contain sinking fund or other mandatory redemption provisions. The STRYPES are not subject to payment before the maturity date at the option of the holder.

#### Ranking

The STRYPES are unsecured obligations and will rank equally with all other unsecured and unsubordinated indebtedness of ML&Co..

There are no contractual restrictions on the ability of ML&Co. or its subsidiaries to incur additional secured or unsecured debt. However, borrowings by certain subsidiaries, including MLPF&S, are restricted by net capital requirements under the Exchange Act and under rules of certain exchanges and other regulatory bodies.

#### Purchase Agreement

GVI is obligated, under the Purchase Agreement described in "Certain Arrangements with GVI", to deliver to the ML&Co. Subsidiary (as defined below) immediately before the maturity date the Reference Property required by ML&Co. to pay and discharge all of the STRYPES, including any STRYPES issued pursuant

to the over-allotment option granted by ML&Co. to MLPF&S. In lieu of delivering the Reference Property immediately before the maturity date, GVI has the right to satisfy its obligation under the Purchase Agreement by delivering cash in an amount equal to the value of the Reference Property immediately before the maturity date. The right to deliver cash, if exercised by GVI, must be exercised with respect to all of the Reference Property deliverable under the Purchase Agreement.

## Securities Depository

### Description of the Global Securities

The STRYPES are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for STRYPES in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 STRYPES represented by a global security for all purposes under the 1983 indenture. Except as provided below, the beneficial owners of the STRYPES represented by a global security are not entitled to have the STRYPES represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the STRYPES in definitive form and are not considered the owners or holders thereof under the 1983 indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if the person is not a participant of DTC on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the 1983 indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take action, and those participants would authorize beneficial owners owning through such participants to give or take 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the STRYPES. The STRYPES have been issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One or more fully registered global securities have been issued for the STRYPES in the aggregate principal amount of such issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 1934 Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of STRYPES under DTC's system must be made by or through direct participants, which will receive a credit for the STRYPES on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfers of ownership interests in the STRYPES are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all STRYPES deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of STRYPES with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the STRYPES; DTC's records reflect only the identity of the direct participants to whose accounts such STRYPES are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the STRYPES. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the STRYPES are credited on the record date.

Principal, premium, if any, and/or interest, if any, payments on the STRYPES will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on such date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is 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 participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If

- (j) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (k) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, and
- (l) an Event of Default under the 1983 indenture has occurred and is continuing with respect to the STRYPES,

the global securities will be exchangeable for STRYPES in definitive form of like tenor and of an equal aggregate principal amount. The definitive STRYPES will 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 the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, STRYPES in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Governing Law

The 1983 indenture and the STRYPES will be governed by, and construed in accordance with, the laws of the State of New York.

#### Listing

The STRYPES have been listed on the NYSE under the symbol "IGL".



ML&Co. issued the STRYPES as a series of senior debt securities under the 1983 indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 indenture is filed as an exhibit to the registration statement relating to the STRYPES of which this prospectus is a part. The following summaries of the material provisions of the 1983 indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 indenture, including the definitions of terms in the 1983 indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 indenture.

The 1983 indenture and the STRYPES are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
- o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities; and

- o perform and observe all of ML&Co.'s obligations under the 1983 indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated indenture or any Subsequent indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 indenture and waive compliance by ML&Co. with provisions in the 1983 indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of

Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any indenture which cannot be modified under the terms of that indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 indenture. Before proceeding to exercise any right or power under the 1983 indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The STRYPES and other series of senior debt securities issued under the 1983 indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 indenture.

#### CERTAIN ARRANGEMENTS WITH GVI

ML&Co., Merrill Lynch Mortgage Capital Inc., our wholly-owned subsidiary (the "ML&Co. Subsidiary"), and GVI have entered into a purchase agreement (the "Purchase Agreement"). Under the Purchase Agreement, GVI is obligated to deliver to the ML&Co. Subsidiary immediately before the maturity date the Reference Property required by ML&Co. to pay and discharge all of the STRYPES. In lieu of delivering the Reference Property immediately before the maturity date, GVI has the right to satisfy its obligation under the Purchase Agreement by delivering cash in an amount equal to the value of the Reference Property immediately before the maturity date. The right to deliver cash, if exercised by GVI, must be exercised with respect to all of the Reference Property deliverable under the Purchase Agreement. Under the Purchase Agreement, ML&Co. has agreed to pay and discharge the STRYPES by delivering to the holders of the STRYPES on the maturity date the form of consideration that the ML&Co. Subsidiary receives from GVI. The consideration to be paid by the ML&Co. Subsidiary under the Purchase Agreement is \$153,382,017 in the aggregate, which was paid to GVI on July 9, 1996. No other consideration is payable by the ML&Co. Subsidiary to GVI in connection with its acquisition of the Reference Property under the Purchase Agreement or the performance of the Purchase Agreement by GVI. ML&Co. has agreed with GVI that, without the prior consent of GVI, it will not amend the 1983 indenture in any respect that would adversely affect any obligation of GVI under the Purchase Agreement, including, without limitation, increasing the consideration that GVI is obligated to deliver under the Purchase Agreement.

Until such time, if any, as GVI shall have delivered the Reference Property to the ML&Co. Subsidiary under the terms of the Purchase Agreement, GVI will retain all ownership rights with respect to the Reference Property held by it (including, without limitation, voting rights and rights to receive any dividends, interest or other distributions in respect thereof).

GVI has no obligations with respect to the STRYPES or amounts to be paid to holders of the STRYPES, including any obligation to take our needs or yours, as holders of the STRYPES, into consideration in determining whether to deliver the Reference Property or cash or for any other reason. The Purchase Agreement among ML&Co., the ML&Co. Subsidiary and GVI is a commercial transaction and does not create any rights in, or for the benefit of, any holder of STRYPES.

In the event GVI does not perform under the Purchase Agreement, ML&Co. will be required to otherwise acquire the Reference Property for delivery to the holders of the STRYPES on the maturity date, unless it elects to exercise its option to deliver cash with an equal value.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC

reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the STRYPES and other securities. For further information on ML&Co. and the STRYPES, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the STRYPES and is to be used by MLPF&S when making offers and sales related to market-making transactions in the STRYPES.

MLPF&S may act as principal or agent in these market-making transactions.

The STRYPES may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the STRYPES will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in

their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 26, 1999

P R O S P E C T U S

Merrill Lynch & Co., Inc.

7 7/8% STRUCTURED YIELD PRODUCT EXCHANGEABLE FOR STOCK(SM)  
Due February 1, 2001  
"STRYPES (SM)"  
Payable with Shares of Common Stock of CIBER, Inc.  
or cash with an equal value

-----

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, will use this prospectus when making offers and sales related to market-making transactions in the STRYPES.

The issue price of each STRYPES was \$54.125, which was the last sale price of one share of common stock, par value \$.01 per share, of CIBER on January 26, 1998, as reported on the New York Stock Exchange. The STRYPES will mature on February 1, 2001.

What you will receive before the maturity date:

- o On each February 1, May 1, August 1 and November 1, beginning May 1, 1998, we will pay you interest on the STRYPES in cash at the rate of 7 7/8% per year.

What you will receive on the maturity date:

- o For each STRYPES you own, you will receive a number of shares of common stock of CIBER or an equivalent amount of cash according to the maturity price. The maturity price is the average closing price per share of common stock of CIBER on a number of days before the maturity date. The amount you will receive is also subject to adjustments, which are more fully described in this prospectus.

<TABLE>  
<CAPTION>

<S>

<C>

If the maturity price is:	You will receive:
(a) greater than \$91.4713	.7692 shares of common stock of CIBER
(b) less than \$91.4713 but greater than \$70.3625	a fractional share of the common stock of CIBER equal to \$70.3625 one share of common stock of CIBER
(c) less than \$70.3625 but greater than or equal to \$54.125 (d) less than \$54.125 but greater than \$51.4188	a number of shares of common stock equal to \$54.125, based on the maturity price
(e) less than \$51.4188	1.0526 shares of common stock of CIBER

</TABLE>

Investing in the STRYPES involves risks, including the risk that your investment may result in a loss. See "Risk Factors" beginning on page 3.

The STRYPES are listed on the NYSE under the trading symbol "BOB".

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the STRYPES will be the prevailing price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is , 199 .

"STRYPES" and "Structured Yield Product Exchangeable for Stock" are registered service marks owned by ML&Co.

#### TABLE OF CONTENTS

	Page
RISK FACTORS.....	4
MERRILL LYNCH & CO., INC.....	8
RATIO OF EARNINGS TO FIXED CHARGES.....	9
CIBER, INC.....	10
DESCRIPTION OF THE STRYPES.....	10
OTHER TERMS.....	19
CERTAIN ARRANGEMENTS WITH THE CONTRACTING STOCKHOLDER.....	23
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	25
PLAN OF DISTRIBUTION.....	25
EXPERTS.....	26

#### RISK FACTORS

Your investment in the STRYPES will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the STRYPES is suitable for you.

You may suffer a loss on your investment

You should be aware that at maturity the amount you will receive may be less than the amount you paid for the STRYPES, which was \$54.125 per STRYPES. Although your investment in the STRYPES may be protected from a depreciation in the value of the common stock of CIBER, if the maturity price does not fall below the downside protection threshold price of \$51.4188, you will have only limited protection from a depreciation below 95% of the initial price of \$54.125. If the maturity price of the common stock of CIBER is less than the downside protection threshold price, the amount you may receive on the maturity date will be less than the issue price you paid for the STRYPES and, therefore, your investment in the STRYPES will result in a loss to you. Accordingly, you assume the risk that the market value of the common stock of CIBER may decline below 95% of the initial price of \$54.125, and that the decline could be substantial.

Your investment in the STRYPES may differ from an investment in other debt securities

The terms of the STRYPES differ from those of ordinary debt securities because the value of the common stock of CIBER or the equivalent amount in cash that you will receive on the maturity date is not fixed, but is based on the maturity price of the common stock of CIBER. Please review the section entitled "Description of the STRYPES".

There may be a limited opportunity for equity appreciation

Your opportunity for equity appreciation may be greater if you made a direct investment in the common stock of CIBER because the amount you may receive on the maturity date will exceed the initial appreciation cap of \$70.3625, which represents an appreciation of 30% over the initial price of \$54.125, only if the maturity price of the common stock of CIBER exceeds the threshold appreciation price of \$91.4713, which represents an appreciation of 69% over the initial price. Moreover, you will be entitled to receive on the maturity date only 76.92%, which is the percentage equal to the initial appreciation cap of \$70.3625 divided by the threshold appreciation price of

\$91.4713, of any appreciation of the value of common stock of CIBER above the threshold appreciation price.

Because the price of the common stock of CIBER is subject to market fluctuations, the value of the common stock of CIBER or the amount of cash you may receive on the maturity date may be more or less than the issue price of the STRYPES. If the maturity price is less than the downside protection threshold price, you will have only limited protection from a depreciation below 95% of the initial price of \$54.125. Please review the section entitled "Description of the STRYPES".

There are many factors affecting the trading prices of the STRYPES

The trading prices of the STRYPES in the secondary market will be directly affected by the trading prices of the common stock of CIBER in the secondary market. It is impossible to predict whether the price of the common stock of CIBER will rise or fall because several factors may influence the trading prices of the common stock of CIBER. These factors include:

- o CIBER 's operating results and prospects ,
- o complex and interrelated political, economic, financial and other factors and market conditions that can affect (1) the capital markets generally, (2) the market segment of which CIBER is a part, or (3) the NYSE, on which the common stock of CIBER is traded, including the level of, and fluctuations in, the trading prices of stocks generally and sales of substantial amounts of the common stock of CIBER in the market subsequent to the offering of the STRYPES or the perception that these sales could occur, and
- o other events that are difficult to predict and are beyond our control.

There may be illiquidity of the STRYPES in the secondary market

It is not possible to predict how the STRYPES will trade in the secondary market or whether the secondary market for the STRYPES will be liquid or illiquid. The STRYPES are novel securities and there is currently no secondary market for the STRYPES. Although the STRYPES are listed on the NYSE under the symbol "BOB", you cannot assume

- o that an active trading market for the STRYPES will develop,
- o that listing on the NYSE will provide you with liquidity of investment,
- o that the STRYPES will not later be delisted or
- o that trading of the STRYPES on the NYSE will not be suspended.

If the NYSE delists the STRYPES or suspends the trading of the STRYPES, we will apply for listing of the STRYPES on another national securities exchange or for quotation on another trading market. If the STRYPES are not listed or traded on any securities exchange or trading market, or if trading of the STRYPES is suspended, it may be more difficult to obtain pricing information for the STRYPES and the liquidity of the STRYPES may be adversely affected.

Investing in the STRYPES may affect the market for the common stock of CIBER

Any market that develops for the STRYPES is likely to influence and be influenced by the market for common stock of CIBER. For example, the price of common stock of CIBER could become more volatile and could be depressed

- o by investors' anticipation of the potential distribution into the market of substantial amounts of common stock of CIBER on the maturity date,
- o by possible sales of common stock of CIBER by investors who view the STRYPES as a more attractive means of equity participation in CIBER, and
- o by hedging or arbitrage trading activity that may develop involving the STRYPES and the common stock of CIBER.

As a holder of STRYPES, you have no stockholder's rights with respect to the common stock of CIBER

You will not be entitled to any rights, including voting rights and rights to receive any dividends, interest or other distributions , with respect to the common stock of CIBER until we have delivered the shares of common stock of CIBER on the maturity date. In addition, you will not be entitled to any rights if the applicable record date for the exercise of any rights occurs before we deliver the shares. For example, if an amendment is

proposed to the amended and restated certificate of incorporation of CIBER and the record date for determining the stockholders of record entitled to vote on the amendment occurs before we deliver the shares of common stock of CIBER, you, as a holder of the STRYPES, will not be entitled to vote on the proposed amendment.

CIBER has no obligations with respect to the STRYPES

We are not affiliated with CIBER. CIBER has no obligations with respect to the STRYPES or amounts to be paid to you, including any obligation to take our needs or yours, as a holder of the STRYPES, into consideration for any reason. CIBER will not receive any of the proceeds of this offering of the STRYPES. CIBER is not responsible for, and has not participated in, the determination of the timing of, prices for or quantities of the STRYPES to be issued, or the determination or calculation of the amount you will receive, as a holder of the STRYPES, on the maturity date. In addition, CIBER is not involved with the administration or trading of the STRYPES.

There may be a dilution of common stock of CIBER

The number of shares of common stock of CIBER or the equivalent amount of cash that you are entitled to receive on the maturity date is subject to adjustment for events such as:

- o a merger or consolidation in which CIBER is not the surviving or resulting corporation,
- o a sale or transfer of substantially all of the assets of CIBER,
- o the liquidation, dissolution, winding up or bankruptcy of CIBER,
- o stock splits and combinations, stock dividends, and
- o other actions of CIBER that modify its capital structure.

Please review the section entitled "Description of the STRYPES--Dilution Adjustments".

The number of shares of common stock of CIBER or the cash amount that you may receive as a holder of the STRYPES on the maturity date will not be adjusted for other events not specifically provided, such as offerings of common stock of CIBER by CIBER for cash or in connection with acquisitions.

In addition, no adjustments will be made for any sales of common stock of CIBER by any principal stockholder of CIBER, including the contracting stockholder. The contracting stockholder is Bobby G. Stevenson, who individually and as settlor, beneficiary and trustee of the 1998 Bobby G. Stevenson Revocable Trust, is the contracting stockholder. At December 31, 1997, the contracting stockholder owned beneficially approximately 27% of the outstanding common stock of CIBER. CIBER is not restricted from issuing additional shares of common stock of CIBER during the term of the STRYPES. Because the contracting stockholder can exercise significant influence on the business and affairs of CIBER, any decision to issue additional shares of common stock of CIBER will be influenced by the contracting stockholder. The principal stockholders of CIBER, including the contracting stockholder, are also not precluded from selling shares of common stock of CIBER under Rule 144 under the Securities Act or by causing CIBER to register shares.

Neither CIBER nor any stockholder of CIBER, including the contracting stockholder, has any duty or obligation to consider the interests of the holders of the STRYPES for any reason. Additional issuances or sales may materially and adversely affect the price of the common stock of CIBER. Because of the relationship of the number of shares of common stock of CIBER or the cash amount you will receive on the maturity date to the price of the common stock of CIBER, other events may adversely affect the trading price of the STRYPES. You cannot assume that CIBER will not take any of the foregoing actions or that CIBER or any of its principal stockholders, including the contracting stockholder, it will not make offerings of, or that will not sell any, common stock of CIBER in the future, or as to the amount of any such offerings or sales.

The tax treatment of STRYPES is uncertain

Because of an absence of authority as to the proper characterization of the STRYPES, their ultimate tax treatment is uncertain. Accordingly, you cannot assume that any particular characterization and tax treatment of the STRYPES will be accepted by the Internal Revenue Service or upheld by a court. However, it is the opinion of Brown & Wood LLP, counsel to ML&Co., that the characterization and tax treatment of the STRYPES described in this prospectus, while not the only reasonable characterization and tax treatment, is based on reasonable interpretations of law currently in effect and, even if



successfully challenged by the IRS, will not result in the imposition of penalties. Under the 1983 indenture, which is more fully described in this prospectus, if you are subject to United States Federal income tax, you must include currently in income, for United States Federal income tax purposes, payments denominated as interest that are made with respect to a STRYPES in accordance with your regular method of tax accounting. In addition, ML&Co. and you, as a holder of the STRYPES, are required to treat each STRYPES for tax purposes as a unit consisting of:

- o a debt instrument with a fixed principal amount unconditionally payable on the maturity date equal to the issue price of the STRYPES and bearing interest at the stated interest rate on the STRYPES and
- o a forward purchase contract under which you agree to use the principal payment due on the debt instrument to purchase on the maturity date the common stock of CIBER which ML&Co. is obligated to deliver at that time, subject to ML&Co.'s right to deliver cash instead of common stock of CIBER.

Upon the acquisition of a STRYPES and upon your sale or other disposition of a STRYPES before the maturity date, the amount paid or realized be allocated between the debt instrument and the forward contract based upon their relative fair market values, as determined on the date of acquisition or disposition. For these purposes, with respect to acquisitions of STRYPES in connection with the original issuance thereof, ML&Co. and you agree, under the terms of the 1983 indenture, to assign \$56.78 or 104.91% of the initial purchase price of a STRYPES to the debt instrument and to assign \$2.655 or 4.91% of the initial purchase price of a STRYPES to the forward contract.

Because the appropriate character and timing of income, gain or loss to be recognized on a STRYPES is uncertain, you should consult your own tax advisors concerning the application of the United States Federal income tax laws to your particular situation and any consequences of the purchase, ownership and disposition of the STRYPES arising under the laws of any other taxing jurisdiction.

Our holding company structure may affect your right to participate in any distribution of assets of any subsidiary

Since we are a holding company, our right and the right of our creditors, including you, as a holder of STRYPES, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent a bankruptcy court may recognize our claims as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to us are restricted by net capital requirements under the Exchange Act and under rules of exchanges and other regulatory bodies.

#### Other Considerations

We suggest that you reach an investment decision only after carefully considering the suitability of the STRYPES in the light of your particular circumstances.

#### MERRILL LYNCH & CO., INC

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;

- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services ; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the STRYPES described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
	----	----	----	----	----
Ratio of earnings to fixed charges(a)	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### CIBER, INC.

CIBER is a nationwide provider of information technology consulting, including application software staff supplementation, management consulting solutions for "business/IT" problems, package software implementation services, system life-cycle project responsibility, millennium date change conversion services and networking procurement and engineering services. CIBER's revenues are generated from two areas, the CIBER Information Services ("CIS") Division and CIBER's Solutions Consulting Group ("CIBER Solutions"). The CIS Division provides application software development and maintenance services and, through its CIBR2000 Division, millennium date change solutions. CIBER Solutions provides services through CIBER's wholly-owned subsidiaries Spectrum Technology Group, Inc. ("Spectrum"), Business Information Technology, Inc. ("BIT") and CIBER Network Services, Inc. ("CNSI"). Spectrum provides information technology consulting solutions to business problems, specifically in the areas of data warehousing, data modeling and enterprise architecture, as well as project management and system integration services. BIT specializes in the implementation and integration of human resource and financial software application products, plus workflow automation and manufacturing/distribution software systems, primarily for client/server networks. A substantial portion of BIT's revenues is derived from assisting clients implementing PeopleSoft, Inc. software. CNSI provides a wide range of local-area and wide-area network solutions, from design and procurement to installation and maintenance, with services including Internet and intranet connectivity.

CIBER is subject to the informational requirements of the Exchange Act. Accordingly, CIBER files reports, proxy and information statements and other information with the SEC. Copies of such material can be inspected and copied at the public reference facilities maintained by the SEC. Reports, proxy and

information statements and other information concerning CIBER may also be inspected at the offices of the NYSE. The SEC maintains a Web site at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants, including CIBER, that file electronically with the SEC.

ML&CO. is not affiliated with CIBER, and CIBER has no obligations with respect to the STRYPES. This prospectus relates only to the STRYPES offered hereby and does not relate to the common stock of CIBER. CIBER has filed a registration statement on Form S-3 with the SEC with respect to the shares of common stock of CIBER that may be received by a holder of STRYPES on the maturity date. The prospectus of CIBER constituting a part of such registration statement includes information relating to CIBER and the common stock of CIBER, as well as a discussion of certain risk factors relevant to an investment in common stock of CIBER. The prospectus of CIBER does not constitute a part of this prospectus nor is it incorporated by reference in this prospectus.

#### DESCRIPTION OF THE STRYPES

ML&Co. issued the STRYPES as a series of Senior Debt Securities issued under the 1983 indenture, which is more fully described in this prospectus. The following summary of material provisions of the 1983 indenture does not purport to be complete and is qualified in its entirety by reference to the 1983 indenture. A copy of the 1983 indenture is filed as an exhibit to the registration statement of which this prospectus is a part.

Each STRYPES, which was issued at an issue price of \$54.125 (the "Initial Price"), bears interest at the rate of 7-7/8% of the issue price per annum, or \$4.2623 per annum, from January 30, 1998, or from the most recent Interest Payment Date to which interest has been paid or provided for, until the maturity date or the earlier date on which the issue price of the STRYPES is repaid pursuant to the terms of the STRYPES. Interest on the STRYPES is payable in cash quarterly in arrears on February 1, May 1, August 1 and November 1, beginning May 1, 1998, and on the maturity date (each, an "Interest Payment Date"), to the persons in whose names the STRYPES are registered at the close of business on the fifteenth calendar day, whether or not a Business Day, immediately preceding the Interest Payment Date. Interest on the STRYPES will be computed on the basis of a 360-day year of twelve 30-day months. If an Interest Payment Date falls on a day that is not a Business Day, the interest payment to be made on the Interest Payment Date will be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, and no additional interest will accrue as a result of the delayed payment.

The maturity date of the STRYPES is February 1, 2001. On the maturity date, ML&Co. will pay and discharge each STRYPES by delivering to the holder of the STRYPES a number of shares of common stock of CIBER, subject to ML&Co.'s right to deliver, with respect to all, but not less than all, shares of common stock of CIBER deliverable on the maturity date, cash with an equal value. The number of shares that ML&Co. will deliver is referred to in this prospectus as the "Payment Rate". ML&Co. will determine the Payment Rate according to the following Payment Rate Formula, which is subject to adjustment as a result of dilution events described in this prospectus.

- (a) If the Maturity Price (as defined below) is greater than or equal to \$91.4713 (the "Threshold Appreciation Price"), the holder of STRYPES will receive 0.7692 shares of common stock of CIBER per STRYPES;
- (b) If the Maturity Price is less than the Threshold Appreciation Price but is greater than \$70.3625 (the "Initial Appreciation Cap"), the holder of STRYPES will receive a fractional share of common stock of CIBER per STRYPES so that the value of the fractional share, which will be determined based on the Maturity Price, equals the Initial Appreciation Cap;
- (c) If the Maturity Price is less than or equal to the Initial Appreciation Cap but is greater than or equal to the Initial Price, the holder of STRYPES will receive one share of common stock of CIBER per STRYPES;
- (d) If the Maturity Price is less than the Initial Price but is greater than or equal to \$51.4188 (the "Downside Protection Threshold Price"), the holder of STRYPES will receive a number of shares of common stock of CIBER per STRYPES so that the value of the shares, which will be determined based on the Maturity Price, equals the Initial Price; and
- (e) If the Maturity Price is less than the Downside Protection Threshold Price, the holder of STRYPES will receive 1.0526 shares of common stock of CIBER per STRYPES.

The Maturity Price will represent a determination of the value of a share of common stock of CIBER immediately before the maturity date. You, as a holder

of the STRYPES, cannot assume that the amount you will receive on the maturity date will be equal to or greater than the issue price of the STRYPES. If the Maturity Price of the common stock of CIBER is less than the Downside Protection Threshold Price, the amount you will receive on the maturity date will be less than the issue price paid for the STRYPES, in which case your investment in STRYPES will result in a loss. The numbers of shares of common stock of CIBER per STRYPES specified in clauses (a), (c) and (e) of the Payment Rate Formula are referred to in this prospectus as the "Share Components".

Notwithstanding the foregoing, ML&Co. may, in lieu of delivering shares of common stock of CIBER, deliver cash in an amount equal to the value of the number of shares of common stock of CIBER at the Maturity Price, subject to ML&Co.'s agreement contained in the forward purchase contract to deliver on the maturity date the form of consideration that the ML&Co. Subsidiary receives from the contracting stockholder. The right to deliver cash, if exercised by ML&Co., must be exercised with respect to all shares of common stock of CIBER otherwise deliverable on the maturity date in payment of all Outstanding STRYPES. On or before the sixth Business Day before the maturity date, ML&Co. will notify the Securities Depository and the trustee and publish a notice in The Wall Street Journal or another daily newspaper of national circulation stating whether the STRYPES will be paid and discharged with shares of common stock of CIBER or cash. At the time the notice is published, the Maturity Price will not have been determined. If ML&Co. delivers shares of common stock of CIBER, holders of the STRYPES will be responsible for the payment of any and all brokerage costs upon the subsequent sale of the common stock.

The "Maturity Price" means the average Closing Price per share of common stock of CIBER on the 20 Trading Days immediately before, but not including, the second Trading Day preceding the maturity date.

The "Closing Price" of any security on any date of determination means (1) the closing sale price or, if no closing price is reported, the last reported sale price, of such security on the NYSE on such date, or (2) if such security is not listed for trading on the NYSE on any date of determination, as reported in the composite transactions for the principal United States securities exchange on which the security is so listed, or (3) if the security is not so listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, (4) or if the security is not so reported, the last quoted bid price for the security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or (5) if the bid price is not available, the market value of the security on the date of determination as determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co. In the event that the Payment Rate Formula is adjusted as described under "-Dilution Adjustments" below, each of the Closing Prices used in determining the Maturity Price will be similarly adjusted to derive, for purposes of determining which clause of the Payment Rate Formula will apply on the maturity date, a Maturity Price stated on a basis comparable to the Downside Protection Threshold Price, the Initial Price, the Initial Appreciation Cap and the Threshold Appreciation Price.

A "Trading Day" means a day on which the security the Closing Price of which is being determined (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the security.

The term "Business Day" means any day that is not a Saturday, a Sunday or a day on which the NYSE or banking institutions or trust companies in The City of New York are authorized or obligated by law or executive order to close.

#### Hypothetical Payments at Maturity

For illustrative purposes only, the following table shows the number of shares of common stock of CIBER or the amount of cash that a holder of STRYPES would receive for each STRYPES at various hypothetical Maturity Prices. The table assumes that there will be no dilution adjustments to the Payment Rate Formula as described below. Given the Downside Protection Threshold Price of \$51.42, the Initial Price of \$54.13, the Initial Appreciation Cap of \$70.36 and the Threshold Appreciation Price of \$91.47, a STRYPES holder would receive on the maturity date the following number of shares of common stock of CIBER or, if ML&Co. elects to pay and discharge the STRYPES with cash, the amount of cash per STRYPES:

Maturity Price	
of	Number of
Common Stock of	Shares of

CIBER	Common Stock of CIBER	Amount of Cash*
\$45.13	1.0526	\$47.50
49.13	1.0526	51.71
51.42	1.0526	54.13
52.13	1.0384	54.13
54.13	1.0000	54.13
59.13	1.0000	59.13
64.13	1.0000	64.13
70.36	1.0000	70.36
74.13	0.9492	70.36
79.13	0.8893	70.36
84.13	0.8364	70.36
91.47	0.7692	70.36
94.13	0.7692	72.40
99.13	0.7692	76.25

\* The preceding table does not take into account interest payable on the STRYPES. Dollar amounts in the table have been rounded to two decimal places and share amounts have been rounded to four decimal places.

#### Dilution Adjustments

The Payment Rate Formula is subject to adjustment if CIBER shall:

- (1) pay a stock dividend or make a distribution with respect to common stock of CIBER in shares of the stock;
- (2) subdivide or split the outstanding shares of common stock of CIBER into a greater number of shares;
- (3) combine the outstanding shares of common stock of CIBER into a smaller number of shares;
- (4) issue by reclassification of shares of common stock of CIBER any shares of common stock of CIBER;
- (5) issue rights or warrants to all holders of common stock of CIBER entitling them to subscribe for or purchase shares of common stock of CIBER at a price per share less than the then current market price of the common stock of CIBER, other than rights to purchase common stock of CIBER pursuant to a plan for the reinvestment of dividends or interest; or
- (6) pay a dividend or make a distribution to all holders of common stock of CIBER of evidences of its indebtedness or other assets, excluding any stock dividends or distributions referred to in clause (1) above or any cash dividends other than any Extraordinary Cash Dividend (as defined below), or issue to all holders of common stock of CIBER rights or warrants to subscribe for or purchase any of its securities, other than those referred to in clause (5) above.

In the case of the events referred to in clauses (1), (2), (3) and (4) above, the Payment Rate Formula shall be adjusted so that each holder of any STRYPES shall thereafter be entitled to receive, upon payment and discharge of the STRYPES, the number of shares of common stock of CIBER or, in the case of a reclassification referred to in clause (4) above, the number of shares of other common stock of CIBER issued pursuant to the reclassification, which the holder would have owned or been entitled to receive immediately following any event had the STRYPES been paid and discharged immediately before the event in clauses (1), (2), (3) and (4) or any record date with respect to the event.

In the case of the event referred to in clause (5) above, the Payment Rate Formula shall be adjusted by multiplying each of the Share Components in the Payment Rate Formula in effect immediately before the date of issuance of the rights or warrants referred to in clause (5) above by a fraction, (A) the numerator of which shall be the number of shares of common stock of CIBER outstanding on the date of issuance of the rights or warrants, immediately before the issuance, plus the number of additional shares of common stock of CIBER offered for subscription or purchase pursuant to the rights or warrants, and (B) the denominator of which shall be the number of shares of common stock of CIBER outstanding on the date of issuance of the rights or warrants, immediately before the issuance, plus the number of additional shares of common stock of CIBER which the aggregate offering price of the total number of shares of common stock of CIBER so offered for subscription or purchase pursuant to the rights or warrants would purchase at the current market price, which shall be determined by multiplying the total number of shares by the exercise price of the rights or warrants and dividing the product so obtained by the current market price. The current market price shall be the average Closing Price per share of common stock of CIBER on the 20 Trading Days

immediately before the date the rights or warrants are issued, subject to certain adjustments. To the extent that shares of common stock of CIBER are not delivered after the expiration of the rights or warrants, the Payment Rate Formula shall be readjusted to the Payment Rate Formula which would then be in effect had the adjustments for the issuance of the rights or warrants been made upon the basis of delivery of only the number of shares of common stock of CIBER actually delivered.

In the case of the event referred to in clause (6) above, the Payment Rate Formula shall be adjusted by multiplying each of the Share Components in the Payment Rate Formula in effect on the record date referred to below by a fraction, (A) the numerator of which shall be the market price per share of the common stock of CIBER on the record date for the determination of stockholders entitled to receive the dividend or distribution or the rights or warrants referred to in clause (6) above, and (B) the denominator of which shall be the market price per share of common stock of CIBER less the fair market value as of the record date of the portion of the assets or evidences of indebtedness to be distributed or of the subscription rights or warrants applicable to one share of common stock of CIBER. The market price in the above fraction shall be the average Closing Price per share of common stock of CIBER on the 20 Trading Days immediately before the record date, subject to certain adjustments. The Board of Directors of ML&Co. shall determine the fair market value in the above fraction; their determination of the fair market value shall be conclusive and described in a resolution adopted with respect thereto.

An "Extraordinary Cash Dividend" means, with respect to any consecutive 12-month period, the amount, if any, by which the aggregate amount of all cash dividends on the common stock of CIBER occurring in the 12-month period, excluding any the dividends occurring in the period for which a prior adjustment to the Payment Rate Formula was previously made, exceeds on a per share basis 10% of the average of the Closing Prices per share of the common stock of CIBER over the 12-month period. All adjustments to the Payment Rate Formula will be calculated to the nearest 1/10,000th of a share of common stock of CIBER or, if there is not a nearest 1/10,000th of a share, to the next lower 1/10,000th of a share. No adjustment in the Payment Rate Formula shall be required unless the adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of the foregoing are not required to be made shall be carried forward and taken into account in any subsequent adjustment. If an adjustment is made to the Payment Rate Formula as described above, an adjustment will also be made to the Maturity Price solely to determine which clause of the Payment Rate Formula will apply on the maturity date. The required adjustment to the Maturity Price will be made by multiplying each of the Closing Prices used in determining the Maturity Price by a fraction, the numerator of which shall be the Share Component in clause (c) of the Payment Rate Formula immediately after the adjustment described above, and the denominator of which shall be the Share Component in clause (c) of the Payment Rate Formula immediately before the adjustment described above. Each adjustment to the Payment Rate Formula shall be made successively.

In the event of a "Reorganization Event", which is

- (A) any consolidation or merger of CIBER, or any surviving entity or subsequent surviving entity of CIBER (a "CIBER Successor"), with or into another entity, other than a consolidation or merger in which CIBER is the continuing corporation and in which the common stock of CIBER outstanding immediately before the consolidation or merger is not exchanged for cash, securities or other property of CIBER or another corporation,
- (B) any sale, transfer, lease or conveyance to another entity of the property of CIBER or any CIBER Successor as an entirety or substantially as an entirety,
- (C) any statutory exchange of securities of CIBER or any CIBER Successor with another entity, other than in connection with a merger or acquisition, or
- (D) any liquidation, dissolution, winding up or bankruptcy of CIBER or any CIBER Successor,

the Payment Rate Formula used to determine the amount payable on the maturity date for each STRYPES will be adjusted to provide that each holder of STRYPES will receive cash on the maturity date for each STRYPES. The holder will receive cash in an amount equal to

- (a) if the Transaction Value (as defined below) is greater than or equal to the Threshold Appreciation Price, 0.7692, subject to adjustment in the same manner and to the same extent as the Share Components in the Payment Rate Formula are adjusted as described above, multiplied by the Transaction Value,
- (b) if the Transaction Value is less than the Threshold Appreciation

Price but greater than the Initial Appreciation Cap, the Initial Appreciation Cap,

- (c) if the Transaction Value is less than or equal to the Initial Appreciation Cap but is greater than or equal to the Initial Price, the Transaction Value,
- (d) if the Transaction Value is less than the Initial Price but is greater than or equal to the Downside Protection Threshold Price, the Initial Price and
- (e) if the Maturity Price is less than the Downside Protection Threshold Price, 1.0526, subject to adjustment in the same manner and to the same extent as the Share Components in the Payment Rate Formula are adjusted as described above, multiplied by the Transaction Value.

"Transaction Value" means (1) for any cash received in any the Reorganization Event, the amount of cash received per share of common stock of CIBER, (2) for any property other than cash or securities received in any Reorganization Event, an amount equal to the market value on the third Business Day preceding the maturity date of the property received per share of common stock of CIBER as determined by a nationally recognized independent investment banking firm retained for this purpose by ML&Co. and (3) for any securities received in any Reorganization Event, an amount equal to the average Closing Price per unit of the securities on the 20 Trading Days immediately before, but not including, the second Trading Day preceding the maturity date multiplied by the number of the securities, subject to adjustment on a basis consistent with the adjustment provisions described above, received for each share of common stock of CIBER; provided, however, if one or more adjustments to the Payment Rate Formula shall have become effective before the effective date for the Reorganization Event, then the Transaction Value determined in accordance with the foregoing shall be adjusted by multiplying the Transaction Value by the Share Component in clause (c) of the Payment Rate Formula immediately before the effective date for the Reorganization Event. Notwithstanding the foregoing, if any Marketable Securities (as defined below) are received by holders of common stock of CIBER in the Reorganization Event, then in lieu of delivering cash as provided above, ML&Co. may at its option deliver a proportional amount of the Marketable Securities. If ML&Co. elects to deliver Marketable Securities, holders of the STRYPES will be responsible for the payment of any and all brokerage and other transactional costs upon the sale of the securities.

"Marketable Securities" means any securities listed on a U.S. national securities exchange or reported by NASDAQ.

No adjustments will be made for other events, such as offerings of common stock of CIBER by CIBER for cash or in connection with acquisitions. Likewise, no adjustments will be made for any sales of common stock of CIBER by any principal stockholder of CIBER, including the contracting stockholder.

ML&Co. is required, within ten Business Days following the occurrence of an event that requires an adjustment to the Payment Rate Formula or, if ML&Co. is not aware of the occurrence of an event, as soon as practicable after becoming so aware, to provide written notice to the trustee and to the holders of the STRYPES of the occurrence of the event and a statement in reasonable detail setting forth the adjusted Payment Rate Formula and the method by which the adjustment to the Payment Rate Formula was determined; provided that, in respect of any adjustment to the Maturity Price, the notice will only disclose the factor by which each of the Closing Prices used in determining the Maturity Price is to be multiplied in order to determine the Payment Rate on the maturity date. Until the maturity date, the Payment Rate itself cannot be determined.

Securities Depository

#### Description of the Global Securities

The STRYPES are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for STRYPES in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of the successor.

So long as DTC, or its nominee, is a 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 STRYPES represented by a global security for all purposes under the 1983 indenture. Except as provided below, the beneficial

owners of the STRYPES represented by a global security are not entitled to have the STRYPES represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the STRYPES in definitive form and are not considered the owners or holders under the 1983 indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee pursuant to the 1983 indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if the person is not a participant of DTC on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the 1983 indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take action, and the participants would authorize beneficial owners owning through the participants to give or take the 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

#### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the STRYPES. The STRYPES have been issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One or more fully registered global securities have been issued for the STRYPES in the aggregate principal amount of such issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 1934 Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of STRYPES under DTC's system must be made by or through direct participants, which will receive a credit for the STRYPES on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfers of ownership interests in the STRYPES are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all STRYPES deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of STRYPES with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the STRYPES; DTC's records reflect only the identity of the direct participants to whose accounts such STRYPES are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the STRYPES. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the STRYPES are credited on the record date.



Principal, premium, if any, and/or interest, if any, payments on the STRYPES will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on such date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is 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 participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable , and
- (c) an Event of Default under the 1983 indenture has occurred and is continuing with respect to the STRYPES,

the global securities will be exchangeable for STRYPES in definitive form of like tenor and of an equal aggregate principal amount. The definitive STRYPES will 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 the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, STRYPES in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Fractional Shares

No fractional shares of common stock of CIBER will be delivered if ML&Co. pays and discharges the STRYPES by delivering shares of common stock of CIBER. In lieu of any fractional share otherwise deliverable in respect of all STRYPES of any holder on the maturity date, the holder shall be entitled to receive an amount in cash equal to the value of the fractional share at the Maturity Price.

#### No Redemption, Sinking Fund or Payment Before Maturity

The STRYPES are not subject to redemption before the maturity date at the option of ML&Co. and do not contain sinking fund or other mandatory redemption provisions. The STRYPES are not subject to payment before the maturity date at the option of the holder.

#### Ranking

The STRYPES are unsecured obligations and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co.

There are no contractual restrictions on the ability of ML&Co. or its subsidiaries to incur additional secured or unsecured debt. However, borrowings by certain subsidiaries, including MLPF&S, are restricted by net capital requirements under the Exchange Act and under rules of exchanges and other regulatory bodies.

#### Listing

The STRYPES are listed on the NYSE under the trading symbol "BOB".

## OTHER TERMS

ML&Co. issued the STRYPES as a series of senior debt securities under the 1983 indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 indenture is filed as an exhibit to the registration statement relating to the STRYPES of which this prospectus is a part. The following summaries of the material provisions of the 1983 indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 indenture, including the definitions of terms in the 1983 indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 indenture.

The 1983 indenture and the STRYPES are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
- o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities; and
- o perform and observe all of ML&Co.'s obligations under the 1983 indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 indenture and waive compliance by ML&Co. with provisions in the 1983 indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt

securities of that series which are not inconsistent with the 1983 indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 indenture. Before proceeding to exercise any right or power under the 1983 indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The STRYPES and other series of senior debt securities issued under the 1983 indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 indenture .

#### CERTAIN ARRANGEMENTS WITH THE CONTRACTING STOCKHOLDER

Pursuant to the forward purchase contract, the contracting stockholder is obligated to deliver to the ML&Co. Subsidiary on the Business Day immediately preceding the maturity date a number of shares of common stock of CIBER equal to the number required by ML&Co. to pay and discharge all of the STRYPES, including any STRYPES issued pursuant to the over-allotment option granted by ML&Co. to the Underwriter. In lieu of delivering shares of common stock of CIBER on the Business Day immediately preceding the maturity date, the contracting stockholder has the right to satisfy his obligation under the forward purchase contract by delivering cash in an amount equal to the value of the number of shares of common stock of CIBER at the Maturity Price. The right to deliver cash, if exercised by the contracting stockholder, must be exercised with respect to all shares of common stock of CIBER then deliverable pursuant to the forward purchase contract. Under the forward purchase contract, ML&Co. has agreed to pay and discharge the STRYPES by delivering to the holders thereof on the maturity date the form of consideration that the ML&Co. Subsidiary receives from the contracting stockholder.

The consideration to be paid by the ML&Co. Subsidiary under the forward purchase contract is \$71,315,820 in the aggregate which was paid to the contracting stockholder on January 30, 1998. No other consideration is payable by the ML&Co. Subsidiary to the contracting stockholder in connection with its acquisition of the common stock of CIBER or the performance of the forward purchase contract by the contracting stockholder. ML&Co. has agreed with the contracting stockholder that, without the prior consent of the contracting stockholder, it will not amend, modify or supplement the 1983 indenture or the STRYPES in any respect that would adversely affect any obligation of the contracting stockholder under the forward purchase contract, including, without limitation, increasing the consideration that the contracting stockholder is obligated to deliver pursuant to the forward purchase contract.

Until such time, if any, as the contracting stockholder shall have delivered shares of common stock of CIBER to the ML&Co. Subsidiary pursuant to the terms of the forward purchase contract, the contracting stockholder will retain all ownership rights with respect to the common stock of CIBER held by him. The ownership rights include, among others, voting rights and rights to

receive any dividends or other distributions .

The contracting stockholder has no duties or obligations with respect to the STRYPES or amounts to be paid to holders thereof, including any duty or obligation to take the needs of ML&Co. or holders of the STRYPES into consideration in determining whether to deliver shares of common stock of CIBER or cash or for any other reason. The forward purchase contract among ML&Co., the ML&Co. Subsidiary, The Bank of New York, as agent for and on behalf of the ML&Co. Subsidiary, and the contracting stockholder is a commercial transaction and does not create any rights in, or for the benefit of, any third party, including any holder of STRYPES.

To the extent that the contracting stockholder does not perform under the forward purchase contract, ML&Co. will be required to otherwise acquire shares of common stock of CIBER for delivery to holders of the STRYPES on the maturity date, unless, in the case of shares deliverable on the maturity date, it elects to exercise its option to deliver cash with an equal value.

Merrill Lynch Capital Corporation, a wholly owned subsidiary of ML&Co., has entered into a secured loan agreement with Bobby G. Stevenson, as trustee of the 1998 Bobby G. Stevenson Revocable Trust. Under the loan agreement, Mr. Stevenson, as trustee of the 1998 Bobby G. Stevenson Revocable Trust, will borrow approximately \$20,567,930 for a term of three years.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the STRYPES and other securities. For further information on ML&Co. and the STRYPES, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are

not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the STRYPES and is to be used by MLPF&S when making offers and sales related to market-making transactions in the STRYPES.

MLPF&S may act as principal or agent in these market-making transactions.

The STRYPES may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the STRYPES will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 29, 1999

#### PROSPECTUS

Merrill Lynch & Co., Inc.  
Nikkei 225 Market Index Target-Term Securities(R)  
due September 21, 2005  
"MITTS(R) Securities"  
\$10 principal amount per unit

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, will use this prospectus when making offers and sales related to market-making transactions in the following securities.

<TABLE>

<CAPTION>

The MITTS Securities:

Payment at Maturity:

<S>

<C>

- o 100% principal protection at maturity
- o No payments before the maturity date
- o Senior unsecured debt securities of ML & Co.
- o Linked to the value of the Nikkei 225 Index that measures the composite price performance of selected Japanese stocks.
- o The MITTS Securities are listed on the American Stock Exchange under the symbol "MLN"

- o On the maturity date, for each unit of MITTS Securities you own, we will pay you an amount equal to the sum of the principal amount of percentage increase in the value of the index as described in this prospectus.
- o You will receive no less than the principal amount of your MITTS Securities.

</TABLE>

Investing in the MITTS Securities involves risks.  
See "Risk Factors" beginning on page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is \_\_\_\_\_, 1999.

"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

#### TABLE OF CONTENTS

	Page
RISK FACTORS.....	2
MERRILL LYNCH & CO., INC.....	6
RATIO OF EARNINGS TO FIXED CHARGES.....	6
DESCRIPTION OF THE MITTS SECURITIES.....	7
THE NIKKEI 225 INDEX.....	14
OTHER TERMS.....	16
PROJECTED PAYMENT SCHEDULE.....	19
WHERE YOU CAN FIND MORE INFORMATION.....	20
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	20
PLAN OF DISTRIBUTION.....	21
EXPERTS.....	22

#### RISK FACTORS

Your investment in the MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

You may not earn a return on your investment

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity date is less than 14,152.95, the value of the index on the date the MITTS Securities were priced. This will be true even if, at some time during the life of the MITTS Securities, the value of the index was higher than 14,152.95 but later falls below 14,152.95.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable Merrill Lynch & Co., Inc. debt security with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Your return will not reflect the return of owning the stocks included in the Index

Your return will not reflect the return you would realize if you actually owned the stocks underlying the index and received the dividends paid on those stocks. This is because the value of the index is calculated by reference to the prices of the common stocks included in the index without taking into consideration the value of dividends paid on those stocks.

Your return may be affected by currency exchange rates

Although the stocks included in the index are traded in Japanese yen and the MITTS Securities are denominated in U.S. dollars, we will not adjust the amount payable at maturity for the currency exchange rate in effect at the maturity of the MITTS Securities. Any amount in addition to the principal amount of each unit payable to you at maturity is based solely upon the percentage increase in the index. Changes in the currency exchange rate, however, may reflect changes in the Japanese economy that may affect the value of the index and the MITTS Securities.

Your return may be affected by factors affecting the value of Japanese stocks

Because the underlying stocks included in the index have been issued by Japanese companies, the return on your MITTS Securities will be affected by risks relating to an investment in Japanese equity securities. The Japanese securities markets may be more volatile than U.S. or other securities markets and may be affected by market developments in different ways than U.S. or other securities markets. Direct or indirect government intervention to stabilize the Japanese securities markets and cross-shareholdings in Japanese companies on those markets may affect prices and volume of trading on those markets. Also, there is generally less publicly available information about Japanese companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and Japanese companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Securities prices in Japan are subject to political, economic, financial and social factors that apply in Japan. In addition, recent or future changes in the Japanese government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other Japanese laws or restrictions applicable to Japanese companies or investments in Japanese equity securities and fluctuations in the rate of exchange between currencies may negatively affect the Japanese securities markets. Moreover, the Japanese economy may differ favorably or unfavorably from the U.S. economy in economic factors such as growth in gross national product, rates of inflation, capital reinvestment, resources and self-sufficiency.

There may be an uncertain trading market for the MITTS Securities in the future

Although the MITTS Securities are listed on the AMEX under the symbol "MLN," you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance and other factors such as the appreciation, if any, of the value of the index.

If the trading market for the MITTS Securities is limited and you do not wish to hold your investment until maturity, there may be a limited number of buyers for your MITTS Securities. This may affect the price you receive if you sell before maturity.

There are many factors affecting the trading value of the MITTS Securities

We believe that the trading value of the MITTS Securities will be affected by the value of the index and by a number of other factors. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe the expected impact on the market value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o The value of the index. The trading value of the MITTS Securities will depend substantially on the amount by which the value of the index exceeds or does not exceed 14,152.95, the value of the index on the pricing date. If you choose to sell your MITTS Securities at a time when the value of the index exceeds 14,152.95, you may receive substantially less than the amount that would be payable at maturity based on that value because of the expectation that the index will continue to fluctuate until shortly before the maturity date when the average value of the index over five trading days is determined. If you choose to sell your MITTS Securities when the value of the index is below, or not sufficiently above, 14,152.95, you may receive less than \$10 per unit of your MITTS Securities. In general, rising Japanese dividend rates, or dividends per share, may increase the value of the index while falling Japanese dividend



rates may decrease the value of the index. Additionally, political, economic and other developments that affect the stocks underlying the index may also affect the value of the index and the value of the MITTS Securities.

- o Interest rates. Because we will pay, at a minimum, the principal amount per unit of the MITTS Securities at maturity, we expect that the trading value of the MITTS Securities will be affected by changes in interest rates. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will increase. In general, if interest rates in Japan increase, we expect that the trading value of the MITTS Securities will increase and, conversely, if interest rates in Japan decrease, we expect the trading value of the MITTS Securities will decrease. However, interest rates in Japan may also affect the Japanese economy and, in turn, the value of the index. Rising interest rates in Japan may lower the value of the index and, as a result, may decrease the value of the MITTS Securities. Falling interest rates in Japan may increase the value of the index and, as a result, may increase the value of the MITTS Securities.
- o Volatility of the Japanese yen/U.S. dollar exchange rate. The Japanese yen/U.S. dollar rate is a foreign exchange spot rate that measures the relative values of two currencies, the Japanese yen and the U.S. dollar and is expressed as a rate that reflects the amount of Japanese yen that can be purchased for one U.S. dollar. The Japanese yen/U.S. dollar rate increases when the U.S. dollar appreciates relative to the Japanese yen. Volatility is the term used to describe the size and frequency of market fluctuations. In general, if the volatility of the Japanese yen/U.S. dollar rate increases, we expect that the trading value of the MITTS Securities will increase and, conversely, if the volatility of the Japanese yen/U.S. dollar rate decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Correlation between the Japanese yen/U.S. dollar exchange rate and the index. Correlation is the term used to describe the relationship between the percentage changes in the Japanese yen/U.S. dollar exchange rate and the percentage changes in the index. In general, if the correlation between the Japanese yen/U.S. dollar exchange rate and the index increases, we expect that the trading value of the MITTS Securities will increase and, conversely, if the correlation between the Japanese yen/U.S. dollar exchange rate and the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Volatility of the index. Generally, if the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase and, conversely, if the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time remaining to maturity. We anticipate that prior to their maturity, the MITTS Securities may trade at a value above that which would be expected based on the level of interest rates and the index. This difference would reflect a "time premium" due to expectations concerning the value of the index during the period before September 21, 2005, the stated maturity of the MITTS Securities. However, as the time remaining to the stated maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend Yields. Generally, if dividend yields on the stocks included in the index increase, we expect that the value of the MITTS Securities will decrease and, conversely, if dividend yields on the stocks included in the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in U.S. interest rates or a reduction in our credit ratings, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the value of the index.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities, except that we expect that the effect on the trading value of the MITTS Securities of a given increase or decrease in the value of the index will

be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

Amounts payable on the MITTS Securities may be limited by state law

The indenture under which the MITTS Securities are issued is governed by New York State law. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the holders of the MITTS Securities, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return

We and our affiliates may from time to time buy or sell the stocks underlying the index for their own accounts, for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the index in a manner that would be adverse to your investment in the MITTS Securities.

Potential conflicts of interest

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the index and the amount payable to you at maturity. Under certain circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether the value of the index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the index. See "Description of the MITTS Securities--Adjustments to the Index; Market Disruption Events" and "--Discontinuance of the Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay amounts due at maturity on the MITTS Securities. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

Other Considerations

You should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult with your tax adviser.

MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;

- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges (a).....	1.2	1.2	1.2	1.2	1.1

- - - - -

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On December 28, 1998, ML&Co. issued an aggregate principal amount of \$70,000,000 or 7,000,000 units of the MITTS Securities. The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on September 21, 2005.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms Events of

Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

Payment at Maturity

At the maturity date, a beneficial owner of a MITTS Security will be entitled to receive the principal amount of each unit plus the Supplemental Redemption Amount, if any, all as provided below. If the Supplemental Redemption Amount is not greater than zero, a beneficial owner of a MITTS Security will be entitled to receive only the principal amount of its MITTS Securities.

The "Supplemental Redemption Amount" for a MITTS Security will be determined by the calculation agent and will equal:

$$\text{principal amount of each MITTS Security} \times \frac{(\text{Ending Value} - \text{Starting Value})}{(\text{Starting Value})}$$

(\$10 per unit) X

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Value" equals 14,152.95.

The "Ending Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of the Nikkei 225 Index (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 Value will equal the average or arithmetic mean of the closing values of the Index on these Calculation Days, and if there is only one Calculation Day, then the Ending Value will equal the closing value of the Index on that Calculation Day. If no Calculation Days occur during the Calculation Period, then the Ending 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 that 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.

An "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the Index or any Successor Index, as defined on page 11 below, 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 ML&Co. and beneficial owners of the MITTS Securities.

Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Values:

- o the percentage change from the Starting Value to the Ending Value;
- o the total amount payable per Unit of MITTS Securities;
- o the total rate of return on the MITTS Securities;
- o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of the stocks underlying the Index, which includes an assumed aggregate dividend yield of 1.04% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Annualized	Ending Value	Total Amount Payable at	Pretax Annualized	Pretax
of	Percentage	Maturity	Rate of	Rate of Return
Hypothetical	Change Over the	Per Unit of	Return on the	Return on the
				Stocks

Underlying Ending Value (2)	Starting Value	MITTS Securities	MITTS Securities	MITTS Securities(1)	the Index(1)
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
7,076.48	-50.00%	\$ 10.00	0.00%	0.00%	-9.00%
8,491.77	-40.00%	\$ 10.00	0.00%	0.00%	-6.41%
9,907.07	-30.00%	\$ 10.00	0.00%	0.00%	-4.20%
11,322.36	-20.00%	\$ 10.00	0.00%	0.00%	-2.25%
12,737.66	-10.00%	\$ 10.00	0.00%	0.00%	-0.52%
14,152.95(3)	0.00%	\$ 10.00	0.00%	0.00%	1.04%
15,568.25	10.00%	\$ 11.00	10.00%	1.42%	2.47%
16,983.54	20.00%	\$ 12.00	20.00%	2.72%	3.79%
18,398.84	30.00%	\$ 13.00	30.00%	3.93%	5.00%
19,814.13	40.00%	\$ 14.00	40.00%	5.06%	6.14%
21,229.43	50.00%	\$ 15.00	50.00%	6.11%	7.20%
22,644.72	60.00%	\$ 16.00	60.00%	7.10%	8.20%
24,060.02	70.00%	\$ 17.00	70.00%	8.03%	9.15%
25,475.31	80.00%	\$ 18.00	80.00%	8.92%	10.04%
26,890.61	90.00%	\$ 19.00	90.00%	9.76%	10.89%
28,305.90	100.00%	\$ 20.00	100.00%	10.56%	11.70%
29,721.20	110.00%	\$ 21.00	110.00%	11.32%	12.48%
31,136.49	120.00%	\$ 22.00	120.00%	12.05%	13.22%
32,551.79	130.00%	\$ 23.00	130.00%	12.75%	13.93%
33,967.08	140.00%	\$ 24.00	140.00%	13.43%	14.61%
35,382.38	150.00%	\$ 25.00	150.00%	14.07%	15.27%

</TABLE>

- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
- (2) This rate of return assumes:
- a constant dividend yield of 1.04% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the Index at the end of each quarter assuming the value increases or decreases linearly from the Starting Value to the hypothetical Ending Value;
  - no transaction fees or expenses;
  - the term of the MITTS Securities is from December 28, 1998 to September 21, 2005; and
  - a final Index value equal to the hypothetical Ending Value.
- (3) The Starting Value of the Index.

The above figures are for purposes of illustration only. The actual investment term, Supplemental Redemption Amount received by investors, and the respective total and pretax annualized rate of return will depend entirely on the Starting Value and the actual Ending Value determined by the calculation agent as provided herein.

#### Adjustments to the Index; Market Disruption Events

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had the changes or modifications not been made, then, from and after that 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 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 the changes or modifications had not been made, and calculate the closing value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the 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 the Index in order to arrive at a value of the Index as if it had not been modified, e.g., as if the split had not occurred.

"Market Disruption Event" means either of the following events, as determined by the calculation agent:

- o a suspension, material limitation or absence of trading on the Tokyo Stock Exchange (the "TSE") of 20% or more of the underlying stocks which then comprise the Index or a Successor Index during the one-half hour period preceding the close of trading on the applicable exchange; or
- o the suspension or material limitation on the Singapore International Monetary Exchange, Ltd. (the "SIMEX"), the Osaka Securities Exchange (the "OSE") or any other major futures or securities market from trading in futures or options contracts related to the Index or a Successor Index during the one-half hour period preceding the close of trading on the applicable exchange.

For the purposes of determining whether a Market Disruption Event has

occurred:

- o a limitation on the hours 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,
- o a decision to permanently discontinue trading in the relevant futures or options contract will not constitute a Market Disruption Event,
- o a suspension in trading in a futures or options contract on the Index by a major securities market by reason of
  - o a price change violating limits set by the securities market,
  - o an imbalance of orders relating to futures or options contracts or
  - o a disparity in bid and ask quotes relating to futures or options contracts will constitute a suspension or material limitation of trading in futures or options contracts related to the Index, and
- o an absence of trading on the TSE will not include any time when the TSE is closed for trading under ordinary circumstances.

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 a subsidiary of ML&Co..

Based on the information currently available to ML&Co., the opening of trading on the OSE was delayed on January 17, 1995 because of the earthquake in Kobe. If this delay had occurred during the one-half hour period preceding the close of trading on the OSE, it would have constituted a Market Disruption Event. In addition, because of movements in the price for futures contracts for the Index, the OSE imposed price limits on futures contracts on January 23, 1995 that were in effect during the one-half hour period preceding the close of trading on the OSE and that would have constituted a Market Disruption Event. On January 31 and February 1 of 1994, prices for futures contracts for the Index reached price limits imposed by the OSE, which would have been a Market Disruption Event. Other than the foregoing events, to ML&Co.'s knowledge no circumstances have arisen since the inception of the Index that could have constituted a Market Disruption Event. The existence or nonexistence of these circumstances, however, is not necessarily indicative of the likelihood of these circumstances arising or not arising in the future.

Discontinuance of the Index

If the publisher of the Nikkei 225 Index, Nihon Keizai Shimbun, Inc. ("NKS"), discontinues publication of the Index and NKS or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (any successor or substitute index is referred to as a "Successor Index"), then, upon the calculation agent's notification of that determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by NKS or such other entity for the Index and calculate the Ending Value as described above under "-Payment at Maturity". Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If NKS 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 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 before any discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, that 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 calculation agent calculates a value as a substitute for the Index, "Calculation Day" shall mean any day on which the Calculation Agent is able to calculate a substitute value.

If NKS discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of:

- o the determination of the Ending Value and
- o 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 that day were a Calculation Day. The Calculation Agent will cause notice of each 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 the values to be made available by telephone.

Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

If an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount per unit, will be equal to the principal amount per unit and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS Securities. See "- Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount per unit of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners, at the rate of 6.01% 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 MITTS Securities to the date payment of that amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any such nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or Holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which such person owns its interest, to exercise any rights of a Holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of Holders or that an owner of a beneficial interest in a global security desires to give or take any action which a Holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the Depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the Trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations



of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depositary shall instruct the trustee. It is expected that instructions may be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depositary. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

All payments of principal and the Supplemental Redemption Amount, if any, will be made by ML&Co. in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE NIKKEI 225 INDEX

Unless otherwise stated, all information relating to the Nikkei 225 Index in this prospectus has been derived from the Stock Market Indices Data Book published by NKS and other publicly-available sources. This information reflects the policies of NKS as stated in these sources; these policies are subject to change at the discretion of NKS.

The Nikkei 225 Index is a stock index calculated, published and disseminated by NKS that measures the composite price performance of selected Japanese stocks. The Nikkei 225 Index is currently based on 225 underlying stocks (the "Underlying Stocks") trading on the TSE and represents a broad cross-section of Japanese industry. All 225 Underlying Stocks are stocks listed in the First Section of the TSE. Stocks listed in the First Section are among the most actively traded stocks on the TSE. Futures and options contracts on the Nikkei 225 Index are traded on the SIMEX, the OSE and the Chicago Mercantile Exchange.

The Nikkei 225 Index is a modified, price-weighted index (i.e., an Underlying Stock's weight in the index is based on its price per share rather than the total market capitalization of the issuer) which is calculated by

- o multiplying the per share price of each Underlying Stock by the corresponding weighting factor for that Underlying Stock (a "Weight Factor"),
- o calculating the sum of all these products, and
- o dividing the sum by a divisor.

The divisor, initially set in 1949 at 225, was 10.052 as of December 21, 1998, and is subject to periodic adjustments as set forth below. Each Weight Factor is computed by dividing (Y)50 by the par value of the relevant Underlying Stock, so that the share price of each Underlying Stock when multiplied by its Weight Factor corresponds to a share price based on a uniform par value of (Y)50. Each Weight Factor represents the number of shares of the related Underlying Stock which are included in one trading unit of the Nikkei 225 Index. The stock prices used in the calculation of the Nikkei 225 Index are those reported by a primary market for the Underlying Stocks, currently the TSE. The level of the Nikkei 225 Index is calculated once per minute during TSE trading hours.

In order to maintain continuity in the level of the Nikkei 225 Index in the event of certain changes due to non-market factors affecting the Underlying Stocks, such as the addition or deletion of stocks, substitution of stocks, stock dividends, stock splits or distributions of assets to stockholders, the divisor used in calculating the Nikkei 225 Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the Nikkei 225 Index. Thereafter, the divisor remains at the new value until a further adjustment is necessary as the result of another change. As a result of each change affecting any Underlying Stock, the divisor is adjusted so that the sum of all share prices immediately after the change multiplied by the applicable Weight Factor and divided by the new divisor, which will be the level of the Nikkei 225 Index immediately after the change, will equal the level of the Nikkei 225 Index immediately prior to the change.

Underlying Stocks may be deleted or added by NKS. However, to maintain continuity in the Nikkei 225 Index, the policy of NKS is generally not to alter the composition of the Underlying Stocks except when an Underlying Stock is deleted in accordance with the following criteria. Any stock becoming ineligible for listing in the First Section of the TSE due to any of the following reasons will be deleted from the Underlying Stocks: bankruptcy of the issuer; merger of the issuer into, or acquisition of the issuer by, another

company; delisting of the stock or transfer of the stock to the "Seiri-Post" because of excess debt of the issuer or because of any other reason; or transfer of the stock to the Second Section of the TSE. Upon deletion of a stock from the Underlying Stocks, NKS will select, in accordance with criteria established by it, a replacement for deleted Underlying Stock. In an exceptional case, a newly listed stock in the First Section of the TSE that is recognized by NKS to be representative of a market may be added to the Underlying Stocks. In such case, an existing Underlying Stock with low trading volume and not representative of a market will be deleted.

NKS is under no obligation to continue the calculation and dissemination of the Nikkei 225 Index. The MITTS Securities are not sponsored, endorsed, sold or promoted by NKS. No inference should be drawn from the information contained in this prospectus that NKS makes any representation or warranty, implied or express, to ML&Co., the holder of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities in particular or the ability of the Nikkei 225 Index to track general stock market performance. NKS has no obligation to take the needs of ML&Co. or the holder of the MITTS Securities into consideration in determining, composing or calculating the Nikkei 225 Index. NKS is not responsible for, and has not participated in the determination of the timing of, prices for, or quantities of, the MITTS Securities that have been issued or in the determination or calculation of the equation by which the MITTS Securities are to be settled in cash. NKS has no obligation or liability in connection with the administration or marketing of the MITTS Securities.

The use of and reference to the Nikkei 225 Index in connection with the MITTS Securities have been consented to by NKS, the publisher of the Nikkei 225 Index.

None of ML&Co., the calculation agent and MLPF&S accepts any responsibility for the calculation, maintenance or publication of the Nikkei 225 Index or any Successor Index. NKS disclaims all responsibility for any errors or omissions in the calculation and dissemination of the Nikkei 225 Index or the manner in which the Index is applied in determining any Starting Values or Ending Values or any Supplemental Redemption Amount upon maturity of the MITTS Securities.

#### The Tokyo Stock Exchange

The TSE is one of the world's largest securities exchanges in terms of market capitalization. Trading hours are currently from 9:00 A.M. to 11:00 A.M. and from 12:30 P.M. to 3:00 P.M., Tokyo time, Monday through Friday.

Due to the time zone difference, on any normal trading day the TSE will close prior to the opening of business in New York City on the same calendar day. Therefore, the closing level of the Nikkei 225 Index on such trading day will generally be available in the United States by the opening of business on the same calendar day.

The TSE has adopted measures, including daily price floors and ceilings on individual stocks, intended to prevent any extreme short-term price fluctuations resulting from order imbalances. In general, any stock listed on the TSE cannot be traded at a price lower than the applicable price floor or higher than the applicable price ceiling. Price floors and ceilings are expressed in absolute Japanese yen, rather than percentage, limits based on the closing price of the stock on the previous trading day. In addition, when there is a major order imbalance in a listed stock, the TSE posts a "special bid quote" or a "special asked quote" for that stock at a specified higher or lower price level than the stock's last sale price in order to solicit counter-orders and balance supply and demand for the stock. Prospective investors should also be aware that the TSE may suspend the trading of individual stocks in limited and extraordinary circumstances, including, for example, unusual trading activity in that stock. As a result, changes in the Nikkei 225 Index may be limited by price limitations or special quotes, or by suspension of trading, on individual stocks which comprise the Nikkei 225 Index, which limitations may, in turn, adversely affect the value of the MITTS Securities.

#### OTHER TERMS

The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

Series of senior debt securities may from time to time be issued under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of ML&Co. itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities; and
  - o perform and observe of all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the

consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of any series of senior debt securities may waive an Event of Default under that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or

- o in respect of an obligation or provision of any Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the Trustee shall be entitled to receive from the Holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a projected Supplemental Redemption Amount equal to \$4.8938 per Unit (the "Projected Supplemental Redemption Amount"). This represents an estimated yield on the MITTS Securities equal to 6.01% per annum (compounded semiannually).

The projected payment schedule (including both the Projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities) has been determined solely for United States Federal income tax purposes (i.e., for purposes of applying the Final Regulations to the MITTS Securities), and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each Unit of the MITTS Securities during each accrual period over the term of the MITTS Securities based upon the projected payment schedule for the MITTS Securities (including both the Projected Supplemental Redemption Amount and the estimated yield equal to 6.01% per annum (compounded semiannually)) as determined by ML&Co. for purposes of applying the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period	Interest Deemed to Accrue During Accrual Period (per Unit)	Total Interest Deemed to Have Accrued on the MITTS Securities as of End of Accrual Period (per Unit)
<S>	<C>	<C>
December 28, 1998 through March 21, 1999.....	\$ 0.1356	\$ 0.1356
March 22, 1999 through September 21, 1999.....	\$ 0.3045	\$ 0.4401
September 22, 1999 through March 21, 2000.....	\$ 0.3138	\$ 0.7539
March 22, 2000 through September 21, 2000.....	\$ 0.3231	\$ 1.0770
September 22, 2000 through March 21, 2001.....	\$ 0.3329	\$ 1.4099
March 22, 2001 through September 21, 2001.....	\$ 0.3428	\$ 1.7527
September 22, 2001 through March 21, 2002.....	\$ 0.3532	\$ 2.1059
March 22, 2002 through September 21, 2002.....	\$ 0.3638	\$ 2.4697
September 22, 2002 through March 21, 2003.....	\$ 0.3747	\$ 2.8444
March 22, 2003 through September 21, 2003.....	\$ 0.3860	\$ 3.2304
September 22, 2003 through March 21, 2004.....	\$ 0.3976	\$ 3.6280
March 22, 2004 through September 21, 2004.....	\$ 0.4095	\$ 4.0375
September 22, 2004 through March 21, 2005.....	\$ 0.4218	\$ 4.4593
March 22, 2005 through September 21, 2005.....	\$ 0.4345	\$ 4.8938

</TABLE>

Projected Supplemental Redemption Amount = \$ 4.8938 per Unit.

All prospective investors in the Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also

obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and prior to effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

#### P R O S P E C T U S

Merrill Lynch & Co., Inc.

5 3/4% STock Return Income DEbt Securities(SM) due June 1, 2000

"STRIDES(SM) Securities"  
Payable with common stock of Lucent Technologies Inc.

or cash with an equal value  
(\$10 principal amount per unit)

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, will use this prospectus when making offers and sales related to market-making transactions in the STRIDES Securities.

<TABLE>  
<CAPTION>

The STRIDES Securities:

<S>  
o On June 1 and December 1 of each year, beginning June 1, 1999, we will pay you interest at a rate of redemption 5 3/4% per year for each unit of STRIDES Securities you own.  
o We will not redeem the STRIDES Securities before the maturity date.  
o Senior unsecured debt securities of ML&Co. of the  
o Linked to the value of the common stock of Lucent.  
o The STRIDES Securities are listed on the American stock of  
o The STRIDES Securities are listed on the American Stock Exchange under the symbol "LTS". The common starting  
o stock of Lucent is listed on the New York Stock Exchange under the symbol "LU".  
in  
equivalent

\$13.00.

initial

Payment at Maturity:

<C>  
o On the maturity date, for each unit of STRIDES Securities you own, we will pay you the amount which is equal to the lesser of:  
o the capped value of \$13.00 and  
o the product of  
o \$10 and  
o the quotient of (a) the average closing prices of the common Lucent during a number of days the maturity date and (b) the value of \$90.3125.  
o We will pay you the redemption amount either shares of common stock of Lucent or an amount in cash.  
o The redemption amount will not exceed  
o You may receive less at maturity than the issue price of each unit of STRIDES

Securities if

the redemption amount is less than \$10.

</TABLE>

Investing in the STRIDES Securities involves risks, including the risk that your investment may result in a loss. See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the STRIDES Securites will be the prevailing price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is \_\_\_\_\_, 1999.

"Stock Return Income DEbt Securities" and "STRIDES" are service marks owned by ML&Co.

TABLE OF CONTENTS

	Page
	----
RISK FACTORS.....	3
MERRILL LYNCH & CO., INC.....	7
RATIO OF EARNINGS TO FIXED CHARGES.....	8
DESCRIPTION OF THE STRIDES SECURITIES.....	9
COMMON STOCK OF LUCENT.....	18
OTHER TERMS.....	18
WHERE YOU CAN FIND MORE INFORMATION.....	22
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	22
PLAN OF DISTRIBUTION.....	23
EXPERTS.....	23

RISK FACTORS

Your investment in the STRIDES Securities will involve certain risks. You should consider carefully the following discussion of risks before you decide that an investment in the STRIDES Securities is suitable for you.

You may suffer a loss on your investment

You should be aware that at maturity the amount you will receive may be less than the amount you paid for the STRIDES Securities. If the ending value is less than the starting value, the redemption amount you will receive will be less than the amount you paid for the STRIDES Securities and, therefore, your investment in the STRIDES Securities will result in a loss to you. When you invest in the STRIDES Securities, you assume the risk that the market value of the common stock of Lucent may decline, and that the decline could be substantial.

Your investment in the STRIDES Securities may differ from an investment in other equity securities

As a holder of the STRIDES Securities, unlike a holder of common stock of Lucent, you will not be entitled to receive any dividends that may be payable on common stock of Lucent. When we calculate the starting value and the ending value, we do not take into consideration the value of cash dividends paid on



the common stock of Lucent, other than an extraordinary dividend. Therefore, any return on the STRIDES Securities will not be the same as the return that you could earn by directly owning the common stock of Lucent and receiving the dividends paid on that stock.

Your investment in the STRIDES Securities may differ from an investment in other debt securities

The terms of the STRIDES Securities differ from the terms of ordinary debt securities because the redemption amount ML&Co. will pay on the maturity date is not a fixed amount. The redemption amount is based on the price of the common stock of Lucent on five or, under the circumstances described in this prospectus, fewer than five trading days shortly before the maturity date and is subject to the capped value of \$13.00. Because the price of the common stock of Lucent is subject to market fluctuations, the amount of cash or the value of the common stock of Lucent paid to you on the maturity date may be more or less than the principal amount of the STRIDES Securities.

Other events could affect the market price of the common stock of Lucent and, therefore, the redemption amount you will receive on the maturity date

Although the redemption amount that you are entitled to receive on the maturity date is subject to adjustment for corporate events relating to Lucent and the common stock of Lucent, the adjustments described in this prospectus do not cover all events that could affect the market price of the common stock of Lucent. These events include a partial tender or exchange offer for the common stock of Lucent by Lucent or any third party. These events may adversely affect the market value of the STRIDES Securities or any common stock of Lucent allocated during the calculation period, but not received by you until the maturity date.

There may be a limited opportunity for equity appreciation

You should understand that the opportunity to participate in possible increases in the price of common stock of Lucent through an investment in the STRIDES Securities is limited because any amount that you receive on the maturity date will never exceed the capped value of \$13.00. The capped value represents an appreciation of 30% over the initial price of the STRIDES Securities. However, if the price of the common stock of Lucent declines over the term of the STRIDES Securities, you will realize the entire decline in value of the STRIDES Securities, and may lose all or part of your investment in the STRIDES Securities. You cannot assume that the amount that you receive on the maturity date will be equal to or greater than the initial issue price of the STRIDES Securities.

There may be an uncertain trading market for the STRIDES Securities in the future

Although the STRIDES Securities are listed on the AMEX under the trading symbol "LTS", you cannot assume that a trading market will continue to exist for the STRIDES Securities. If a trading market in the STRIDES Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the STRIDES Securities will depend on the financial performance of the Company and other factors such as the appreciation, if any, in the price of the common stock of Lucent. In addition, it is unlikely that the secondary market price of the STRIDES Securities will correlate exactly with the value of common stock of Lucent.

If the trading market for the STRIDES Securities is limited and you do not wish to hold your investment until maturity, there may be a limited number of buyers when you decide to sell your STRIDES Securities. This may affect the price you receive if you sell before maturity.

There are many factors affecting the trading value of the STRIDES Securities

We believe that the market value of the STRIDES Securities will be affected by the value of the common stock of Lucent and by a number of other factors. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be magnified or mitigated by the effect of another factor. The following paragraphs describe the expected effect on the market value of the STRIDES Securities given a change in a specific factor, assuming all other conditions remain constant.

- o Value of the common stock of Lucent . The market value of the STRIDES Securities will depend substantially on the value of the common stock of Lucent . In general, the value of the STRIDES Securities will decrease as the value of the common stock of Lucent decreases and the value of the STRIDES Securities will increase as the value of the common stock of Lucent increases. However, as the value of the Common Stock increases or decreases, we do not expect the value of the STRIDES Securities to increase or decrease at the same rate as the change in value of the common stock of Lucent. Because the value of the STRIDES Securities on the maturity date cannot be greater than the capped value of \$13.00, the STRIDES Securities will generally not trade in the secondary market significantly above the capped value. In addition, political, economic and

other developments that affect the capital markets generally and the market segment of which Lucent is a part may also affect the value of the common stock of Lucent and the value of the STRIDES Securities.

- o Interest rates. In general, we anticipate that if U.S. interest rates increase, the trading value of the STRIDES Securities will decrease. Conversely, if U.S. interest rates decrease, the trading value of the STRIDES Securities will increase. Generally, fluctuations in interest rates will affect the U.S. economy and, in turn, the value of the common stock of Lucent . Rising interest rates may lower the value of the common stock of Lucent and, as a result, the value of the STRIDES Securities. Falling interest rates may increase the value of the common stock of Lucent and, as a result, may increase the value of the STRIDES Securities.
- o Volatility of the common stock of Lucent . Volatility is the term used to describe the size and frequency of market fluctuations. Generally, if the volatility of the common stock of Lucent increases, we expect that the trading value of the STRIDES Securities will decrease . Conversely, if the volatility of the common stock of Lucent decreases, we expect that the trading value of the STRIDES Securities will increase.
- o Time remaining to maturity. We believe that before the maturity date the STRIDES Securities will trade at a value above or below that which would be expected based on the value of the common stock of Lucent . Generally, as the time remaining to maturity decreases, the value of the STRIDES Securities will approach the redemption amount that would be payable at maturity based on the then current value of the common stock of Lucent. As a result, as the time remaining to maturity decreases, any discount or premium attributed to the trading value of the STRIDES Securities will diminish, increasing or decreasing the trading value of the STRIDES Securities, as applicable.
- o Dividend yields. Generally, if the dividend yield on the common stock of Lucent increases, we expect that the value of the STRIDES Securities will decrease. Conversely, if the dividend yield on the common stock of Lucent decreases, we expect that the value of the STRIDES Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the STRIDES Securities. However, because your return on your STRIDES Securities is dependent upon factors in addition to our ability to pay our obligations under the STRIDES Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the STRIDES Securities.

It is important for you to understand that a decrease in the trading value of the STRIDES Securities resulting from the effect of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the STRIDES Securities attributable to another factor, such as an increase in the value of the common stock of Lucent.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the STRIDES Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the STRIDES Securities than if it occurs earlier in the term of the STRIDES Securities. However, so long as the value of the common stock of Lucent is less than 30% above the starting value, we expect that the effect on the trading value of the STRIDES Securities of a given increase or decrease in the value of the common stock of Lucent will be greater if it occurs later in the term of the STRIDES Securities than if it occurs earlier in the term of the STRIDES Securities.

Lucent has no obligations with respect to the STRIDES Securities

We are not affiliated with Lucent, and Lucent has no obligations with respect to the STRIDES Securities or amounts to be paid to you, including any obligation to take our needs or yours, as holders of the STRIDES Securities, into consideration for any reason. Lucent will not receive any of the proceeds of the offering of the STRIDES Securities . Lucent is not responsible for, and has not participated in, the determination or calculation of the amount you may receive on the maturity date. In addition, Lucent is not involved with the administration or trading of the STRIDES Securities .

As a holder of STRIDES Securities, you have no stockholder's rights with respect to the common stock of Lucent

You will not be entitled to any rights with respect to the common stock of Lucent , including the right to receive dividends or other distributions, voting rights and the right to tender or exchange common stock of Lucent in any tender or exchange offer by Lucent or any third party.

Purchase and sales by us and our affiliates may affect your return

We and our affiliates may from time to time buy or sell the common stock

of Lucent for our own accounts for business reasons or in connection with hedging our obligations under the STRIDES Securities. These transactions could affect the price of the common stock of Lucent in a manner that would be adverse to your investment in the STRIDES Securities.

Amounts payable on the MITTS Securities may be limited by state law

The indenture under which the STRIDES Securities are issued is governed by New York State. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the STRIDES Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for your benefit, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

#### Potential conflicts of interest

Our subsidiary, Merrill Lynch, Pierce, Fenner & Smith Incorporated or MLPF&S, is our agent for the purposes of calculating the value of the common stock of Lucent and the amount you will receive at maturity. The role of MLPF&S as our subsidiary and its responsibilities as calculation agent for the STRIDES Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with its determination as to whether a market disruption event has occurred or in connection with judgments that it would be required to make with respect to certain antidilution and reorganization adjustments to the closing price. See "Description of the STRIDES Securities--Dilution and Reorganization Adjustments" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control the calculation agent, potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay the redemption amount due at maturity. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

#### Other considerations

You should also consider the tax consequences of investing in the STRIDES Securities, which are uncertain. We suggest that you consult your tax advisor.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the STRIDES Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

- - - - -

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE STRIDES SECURITIES

ML&Co. issued the STRIDES Securities as a series of senior debt securities under the 1983 indenture, which is more fully described in this prospectus.

Upon the occurrence of an Event of Default with respect to the STRIDES Securities, beneficial owners of the STRIDES Securities may accelerate the maturity of the STRIDES Securities, as described under "--Events of Default and Acceleration" and "Other Events of Default" in this prospectus.

The STRIDES Securities were issued in denominations of whole units.

The STRIDES Securities do not have the benefit of any sinking fund.

#### Interest

The STRIDES Securities will bear interest at a rate of 5 3/4% per annum of the principal amount of each unit from December 1, 1998, or from the most recent Interest Payment Date (as defined below) to which interest has been paid or provided for, until the maturity date. Interest on the STRIDES Securities will be payable in cash semi-annually in arrears on June 1 and December 1 of each year (each, an "Interest Payment Date"), commencing June 1, 1999, to the persons in whose names the STRIDES Securities are registered at the close of business on the May 15 and November 15, whether or not a Business Day,

immediately preceding such Interest Payment Date. Interest on the STRIDES Securities will be computed on the basis of a 360-day year of twelve 30-day months. If an Interest Payment Date falls on a day that is not a Business Day, the interest payment to be made on the Interest Payment Date will be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, and no additional interest will accrue as a result of the delayed payment.

#### Payment at Maturity

The maturity date of the STRIDES Securities is June 1, 2000. On the maturity date, the beneficial owner of each STRIDES Security will receive an amount equal to the value of the Redemption Amount of the STRIDES Security.

The "Redemption Amount" will be determined by the Calculation Agent and, for each unit, will equal the lesser of:

- o \$13.00 (the "Capped Value"); and
- o  $\$10 \text{ per unit } \times \left( \frac{\text{Ending Value}}{\text{Starting Value}} \right)$

On the maturity date, holders of the STRIDES Securities will receive, for each unit of the STRIDES Securities then held, a number of shares of common stock of Lucent equal to the Redemption Amount divided by the Ending Value and accrued interest from the last Interest Payment Date for which interest was paid.

If the Company elects to pay the Redemption Amount in cash instead of in shares of common stock of Lucent to which a holder of the STRIDES Securities would otherwise be entitled to receive, the Company will pay the holder an amount of cash equal to the Redemption Amount.

The "Starting Value" means \$90.3125 which was the Closing Price (as defined in this prospectus) of one share of common stock of Lucent on November 24, 1998.

The "Ending Value" will be determined by the Calculation Agent and will equal the average or arithmetic mean of the Closing Prices of the common stock of Lucent determined on each of the first five Calculation Days during the Calculation Period, subject to adjustment for certain events described under "--Dilution and Reorganization Adjustments". If there are fewer than five Calculation Days in the Calculation Period, then the Closing Prices used to determine the Ending Value will equal the average or arithmetic mean of the Closing Prices of the common stock of Lucent on the Calculation Days. If there is only one Calculation Day, then the Ending Value will equal the Closing Price of the common stock of Lucent on the Calculation Day. If no Calculation Days occur during the Calculation Period, then the Ending Value will equal the Closing Price of the common stock of Lucent determined on the last scheduled Calculation Day in the Calculation Period, regardless of the occurrence of a Market Disruption Event on that day.

The "Calculation Period" means the period from and including the seventh scheduled Calculation Day before the maturity date to and including the second scheduled Calculation Day before the maturity date.

"Calculation Day" means any Trading Day on which a Market Disruption Event has not occurred.

"Trading Day" is a day on which the common stock of Lucent (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on a national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the common stock of Lucent .

"Market Disruption Event" means the occurrence or existence on any Trading Day during the one-half hour period that ends when the Closing Price is determined of any suspension of, or limitation imposed on, trading in the common stock of Lucent on the NYSE or other market or exchange, if applicable.

"Closing Price" means the product of (i) the Share Ratio and (ii) the last sales price of one share of common stock of Lucent as reported by the NYSE or, if the security is not trading on the NYSE on any date, as reported in the composite transactions for the principal United States securities exchange on which the security is so listed, or if the security is not so listed on a United States national or regional securities exchange, the last quoted bid price for the security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if a bid price is not available, the market value of the security on the date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Calculation Agent.

"Share Ratio" means, initially 1.0, but will be subject to adjustment for certain events described under "--Dilution and Reorganization Adjustments".

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in The City of New York are authorized or obligated by law to close and that is a Trading Day on the NYSE.

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 STRIDES Securities.

#### Fractional Shares

ML&Co. will not distribute fractional shares of common stock of Lucent on the maturity date. In the event the Company elects to pay the Redemption Amount in shares of common stock of Lucent, all amounts due to any holder of the STRIDES Securities in respect of the total number of units held by the holder will be aggregated, and in lieu of delivering any fractional share to the holder, the holder will receive the cash value of the fractional share based on the Ending Value.

#### Examples of Redemption Amount Calculations

The following examples illustrate Redemption Amount calculations:

Example One--Ending Value is 50% less than Starting Value

Starting Value: \$90.31  
Hypothetical Ending Value: \$45.16  
Redemption Amount (per unit) = \$10.00 X 45.16  
-----  
90.31 = \$5.00.

Total payment on the maturity date (per unit) = \$5.00.

Example Two--Ending Value is 20% greater than Starting Value

Starting Value: \$90.31  
Hypothetical Ending Value: \$108.38  
Redemption Amount (per unit) = \$10.00 X 108.38  
-----  
90.31 = \$12.00.

Total payment on the maturity date (per unit) = \$12.00.

Example Three--Ending Value is 50% greater than Starting Value

Starting Value: \$90.31  
Hypothetical Ending Value: \$135.47  
Redemption Amount (per unit) = \$10.00 X 135.47  
-----  
90.31 = \$13.00 (Redemption Amount cannot be greater than Capped Value).

Total payment on the maturity date (per unit) = \$13.00

#### Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Values:

- o the percentage change over the Starting Value;
- o the total amount payable on the maturity date for each \$10 principal amount of STRIDES Securities;
- o the total rate of return to beneficial owners of the STRIDES Securities;

- o the pretax annualized rate of return to beneficial owners of STRIDES Securities; and
- o the pretax annualized rate of return of the common stock of Lucent .

<TABLE>  
<CAPTION>

Rate	Percentage Change Over the Starting Value	Total Amount Payable on the maturity date per unit	Total Rate of Return(1)	Pretax Annualized Rate of Return(2) (3)	Pretax Annualized of Return of the Lucent Common Stock(3) (4)
<S>	<C>	<C>	<C>	<C>	<C>
45.16	-50.00%	\$ 5.00	-41.375%	-33.94%	-41.11%
54.19	-40.00%	\$ 6.00	-31.375%	-24.46%	-31.16%
63.22	-30.00%	\$ 7.00	-21.375%	-15.93%	-22.26%
72.25	-20.00%	\$ 8.00	-11.375%	-8.14%	-14.17%
81.28	-10.00%	\$ 9.00	-1.375%	-0.95%	-6.73%
90.31(5)	0.00%	\$ 10.00	8.625%	5.75%	0.18%
99.34	10.00%	\$ 11.00	18.625%	12.03%	6.64%
108.38	20.00%	\$ 12.00	28.625%	17.95%	12.72%
117.41	30.00%	\$ 13.00	38.625%	23.57%	18.48%
126.44	40.00%	\$ 13.00	38.625%	23.57%	23.94%
135.47	50.00%	\$ 13.00	38.625%	23.57%	29.15%
144.50	60.00%	\$ 13.00	38.625%	23.57%	34.14%
153.53	70.00%	\$ 13.00	38.625%	23.57%	38.92%
162.56	80.00%	\$ 13.00	38.625%	23.57%	43.51%
171.59	90.00%	\$ 13.00	38.625%	23.57%	47.94%
180.63	100.00%	\$ 13.00	38.625%	23.57%	52.22%

</TABLE>

- 
- (1) The rates of return specified in this column assume a coupon yield of 5 3/4% per annum.
  - (2) The annualized rates of return specified in this column assume a constant coupon yield of 5 3/4% per annum paid semi-annually from December 1, 1998 and applied to the principal amount of each STRIDES Security.
  - (3) The annualized rates of return specified in these columns are calculated on a semi-annual bond equivalent basis.
  - 4) The rates of return specified in this column assume
    - (a) a constant dividend yield of 0.18% per annum, paid quarterly from the date of initial delivery of STRIDES Securities, applied to the value of the common stock of Lucent at the end of each the quarter assuming the value increases or decreases linearly from the Starting Value to the applicable hypothetical Ending Value;
    - (b) no transaction fees or expenses;
    - (c) a term for the STRIDES Securities from December 1, 1998 to June 1, 2000; and
    - (d) a final value of the common stock of Lucent equal to the Ending Value.

The dividend yield of the common stock of Lucent as of November 24, 1998 was approximately 0.18%.

- (5) The actual Starting Value, as determined on November 24, 1998, was \$90.3125.

The above figures are for purposes of illustration only. The actual Redemption Amount and the resulting total and pretax annualized rate of return that investors will receive will depend entirely on the actual Ending Value determined by the Calculation Agent as provided in this prospectus.

#### Dilution and Reorganization Adjustments

The Closing Price of the common stock of Lucent used to determine the Ending Value is subject to adjustment by the Calculation Agent as follows:

1. If common stock of Lucent is subject to a stock split or reverse stock split, then once the split has become effective, the Share Ratio will be adjusted to equal the product of the prior Share Ratio and the number of shares which a holder of one share of common stock of Lucent before the effective date of the stock split or reverse stock split would have owned or been entitled to receive immediately following the effective

date.

2. If common stock of Lucent is subject to a stock dividend or issuance of additional shares of common stock of Lucent that is given ratably to all holders of shares of common stock of Lucent, then once the shares are trading ex-dividend, the Share Ratio will be adjusted so that the new Share Ratio shall equal the prior Share Ratio plus the product of (a) the number of shares of common stock of Lucent issued with respect to one share of common stock of Lucent and (b) the prior Share Ratio.

3. There will be no adjustments to the Share Ratio to reflect cash dividends or distributions paid with respect to common stock of Lucent other than distributions described in clause (e) of paragraph 5 below and Extraordinary Dividends as described below. An "Extraordinary Dividend" means, with respect to any consecutive 12-month period, all cash dividends or other distributions with respect to common stock of Lucent to the extent the dividends exceed on a per share basis 10% of the average Closing Price during the period, less any the dividends for which a prior adjustment was previously made. If an Extraordinary Dividend occurs with respect to common stock of Lucent, the Share Ratio will be adjusted on the Trading Day preceding the payment of any dividend, the payment of which caused all cash dividends or other distributions made with respect to the common stock of Lucent over the past 12-month period to exceed on a per share basis 10% of the average Closing Price during the period, less any the dividends for which a prior adjustment was previously made (the "ex-dividend date"), so that the new Share Ratio will equal the product of (A) the then current Share Ratio, and (B) a fraction, (1) the numerator of which is the Closing Price on the Trading Day preceding the ex-dividend date, and (2) the denominator of which is the amount by which the Closing Price on the Trading Day preceding the ex-dividend date exceeds the Extraordinary Dividend Amount.

The "Extraordinary Dividend Amount" with respect to an Extraordinary Dividend for common stock of Lucent will equal (a) in the case of cash dividends or other distributions that constitute quarterly dividends, the amount per share of the Extraordinary Dividend minus the amount per share of the immediately preceding non-Extraordinary Dividend or (b) in the case of cash dividends or other distributions that do not constitute quarterly dividends, the amount per share of the Extraordinary Dividend. To the extent an Extraordinary Dividend is not paid in cash, the value of the non-cash component will be determined by the Calculation Agent, whose determination shall be conclusive. A distribution on the common stock of Lucent described in clause (e) of paragraph 5 below that also constitutes an Extraordinary Dividend shall cause an adjustment to the Share Ratio pursuant only to clause (e) of paragraph 5.

4. If Lucent issues transferable rights or warrants to all holders of common stock of Lucent to subscribe for or purchase common stock of Lucent, including new or existing rights to purchase common stock of Lucent pursuant to a shareholders rights plan or arrangement, once a triggering event shall have occurred thereunder, at an exercise price per share less than the Closing Price of common stock of Lucent on (a) the date the exercise price of the rights or warrants is determined and (b) the expiration date of the rights or warrants, and, in each case, if the expiration date of the rights or warrants precedes the maturity date, then the Share Ratio will be adjusted to equal the product of the prior Share Ratio and a fraction, (1) the numerator of which shall be the number of shares of common stock of Lucent outstanding immediately before the issuance plus the number of additional shares of common stock of Lucent offered for subscription or purchase pursuant to the rights or warrants and (2) the denominator of which shall be the number of shares of common stock of Lucent outstanding immediately before the issuance plus the number of additional shares of common stock of Lucent which the aggregate offering price of the total number of shares of common stock of Lucent so offered for subscription or purchase pursuant to the rights of warrants would purchase at the Closing Price on the expiration date of the rights or warrants, which shall be determined by multiplying the total number of shares offered by the exercise price of the rights or warrants and dividing the product so obtained by the Closing Price.

5. If a "Reorganization Event" occurs, which means

(a) any reclassification or change of common stock of Lucent has occurred,

(b) Lucent, or any surviving entity or subsequent surviving entity of Lucent (a "Successor Entity") has been subject to a merger, combination or consolidation and is not the surviving entity,

(c) any statutory exchange of securities of Lucent or any Successor Entity with another corporation has occurred, other than pursuant to clause (b) above),

(d) Lucent is liquidated,



(e) Lucent issues to all of its shareholders equity securities of an issuer other than Lucent, other than in a transaction described in clauses (b), (c) or (d above) (a "Spin-off Event") or

(f) a tender or exchange offer is consummated for all the outstanding shares of Lucent, the Ending Value shall equal the Reorganization Event Value (as defined below).

The "Reorganization Event Value" shall be determined by the Calculation Agent and shall equal (a) the Transaction Value related to the relevant Reorganization Event, plus (b) interest on the Transaction Value accruing from the date of the payment or delivery of the consideration, if any, received in connection with the Reorganization Event until the stated maturity date at a fixed interest rate determined on the date of the payment or delivery equal to the interest rate that would be paid on a standard senior non-callable debt security of the Company with a term equal to the remaining term of the STRIDES Securities.

"Transaction Value" means (a) for any cash received in any the Reorganization Event, an amount equal to the amount of cash received per share of common stock of Lucent multiplied by the Share Ratio in effect on the date all of the holders of shares of common stock of Lucent have agreed or have become irrevocably obligated to exchange the shares, (b) for any property other than cash or securities received in any Reorganization Event, the market value, as determined by the Calculation Agent, of the Exchange Property received for each share of common stock of Lucent at the date of the receipt of the Exchange Property multiplied by the then current Share Ratio and (c) for any security received in any Reorganization Event, an amount equal to the closing price per share of the security on the fifth Trading Day before the maturity date multiplied by the quantity of the security received for each share of common stock of Lucent multiplied by the then current Share Ratio. "Exchange Property" means the securities, cash or any other assets distributed in any Reorganization Event, including, in the case of a Spin-off Event, the share of common stock of Lucent with respect to which the spun-off security was issued.

For purposes of paragraph 5 above, in the case of a consummated tender or exchange offer for all Exchange Property of a particular type, Exchange Property shall be deemed to include the amount of cash or other property paid by the offeror in the tender or exchange offer with respect to the Exchange Property in an amount determined on the basis of the rate of exchange in the tender or exchange offer. In the event of a tender or exchange offer with respect to Exchange Property in which an offeree may elect to receive cash or other property, Exchange Property shall be deemed to include the kind and amount of cash and other property received by offerees who elect to receive cash.

No adjustments to the Share Ratio will be required unless the Share Ratio adjustment would require a change of at least 0.1% in the Share Ratio then in effect. The Share Ratio resulting from any of the adjustments specified above will be rounded to the nearest one thousandth, with five ten-thousandths being rounded upward.

No adjustments to the Share Ratio or to the Ending Value will be required other than those specified above. However, the Company may, at its sole discretion, cause the Calculation Agent to make additional adjustments to the Share Ratio or to the Ending Value to reflect changes occurring in relation to the common stock of Lucent or any other Exchange Property in other circumstances where the Company determines that it is appropriate to reflect the changes.

MLPF&S, as Calculation Agent, will be solely responsible for the determination and calculation of any adjustments to the Share Ratio or the Ending Value and of any related determinations and calculations with respect to any distributions of stock, other securities or other property or assets, including cash, in connection with any corporate event described in paragraph 5 above, and its determinations and calculations with respect thereto shall be conclusive.

No adjustments will be made for certain other events, such as offerings of common stock of Lucent by Lucent for cash or in connection with acquisitions or the occurrence of a partial tender or exchange offer for the common stock of Lucent by Lucent or any third party.

ML&Co. will, within ten Business Days following the occurrence of an event that requires an adjustment to the Share Ratio or the Ending Value or, if the Company is not aware of the occurrence of an event, as soon as practicable after becoming so aware, provide written notice to the trustee. The trustee in turn shall provide notice to the holders of the STRIDES Securities of the occurrence of the event and, if applicable, a statement in reasonable detail setting forth the adjusted Share Ratio or other formula to be used in determining the Ending Value.

## Events of Default and Acceleration

In case an Event of Default with respect to any STRIDES Securities shall have occurred and be continuing, the amount payable to a beneficial owner of a STRIDES Security upon any acceleration permitted by the STRIDES Securities, with respect to each \$10 unit thereof, will be equal to the principal amount and any accrued interest due thereon. If a bankruptcy proceeding is commenced in respect of the Company, the claim of the beneficial owner of a STRIDES Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the STRIDES 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 STRIDES Securities.

In case of default in payment of the STRIDES Securities, whether at any Interest Payment Date, the maturity date or upon acceleration, from and after any date the STRIDES Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 5 3/4% per annum, to the extent that payment of the interest shall be legally enforceable, on the unpaid amount due and payable on the date in accordance with the terms of the STRIDES Securities to the date payment of the amount has been made or duly provided for.

## Securities Depository

### Description of the Global Securities

The STRIDES Securities are represented by one or more fully registered global securities. Each global security has been deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for STRIDES Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 STRIDES Securities represented by a global security for all purposes under the 1983 indenture. Except as provided below, the beneficial owners of the STRIDES Securities represented by a global security are not entitled to have the STRIDES Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the STRIDES Securities in definitive form and are not considered the owners or holders under the 1983 indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee pursuant to the 1983 indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if the person is not a participant of DTC on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the 1983 indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take 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 are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the STRIDES Securities. The STRIDES Securities have been issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One or more fully registered global securities have been issued for the STRIDES Securities in the aggregate principal amount of such issue, and has been deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 1934 Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating

the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of STRIDES Securities under DTC's system must be made by or through direct participants, which will receive a credit for the STRIDES Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which such beneficial owner entered into the transaction. Transfers of ownership interests in the STRIDES Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all STRIDES Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of STRIDES Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the STRIDES Securities; DTC's records reflect only the identity of the direct participants to whose accounts such STRIDES Securities are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the STRIDES Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the STRIDES Securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal, premium, if any, and/or interest, if any, payments on the STRIDES Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on such date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is 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 participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of such payments to direct participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If

- (a) the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- (b) ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, and
- (c) an Event of Default under the 1983 indenture has occurred and is continuing with respect to the STRIDES Securities,

the global securities will be exchangeable for STRIDES Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive STRIDES Securities will 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 the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, STRIDES Security in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same -Day Settlement and Payment

All payments of interest and the Redemption Amount, to the extent that payment of the Redemption Amount is made in cash, will be made by the Company in immediately available funds so long as the STRIDES Securities are maintained in book-entry form.

#### COMMON STOCK OF LUCENT

Lucent Technologies Inc.

Lucent is a designer, developer and manufacturer of communications systems, software and products. Lucent is engaged in the sale of public communications systems, and is a supplier of systems or software to most of the world's largest network operators. Lucent is also engaged in the sale of business communications systems and in the sale of microelectronic components for communications applications to manufacturers of communications systems and computers. Lucent's research and development activities are conducted through Bell Laboratories.

Because the common stock of Lucent is registered under the Exchange Act, Lucent is required to file periodically certain financial and other information specified by the SEC. For more information about Lucent and the common stock of Lucent that you may receive on the maturity date, information provided to or filed with the SEC by Lucent with respect to its registered securities can be located by reference to SEC file number 1-11639 and inspected at the SEC's public reference facilities or accessed over the Internet through a web site maintained by the SEC at <http://www.sec.gov>. In addition, information regarding Lucent may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated information. We make no representation or warranty as to the accuracy or completeness of any such information.

ML&Co. is not affiliated with Lucent, and Lucent has no obligations with respect to the STRIDES Securities. This prospectus relates only to the STRIDES Securities offered hereby and does not relate to the common stock of Lucent or other securities of Lucent. The information contained in this prospectus regarding Lucent has been derived from the publicly available documents described in the preceding paragraph. ML&Co. has not participated in the preparation of these documents or made any due diligence inquiries with respect to Lucent in connection with the offering of the STRIDES Securities. ML&Co. makes no representation that the publicly available documents or any other publicly available information regarding Lucent are accurate or complete. Furthermore, there can be no assurance that all events, including events that would affect the accuracy or completeness of the publicly available documents described in the preceding paragraph, occurring before the date of this prospectus that would affect the trading price of the common stock of Lucent and, therefore, the trading price of the STRIDES Securities, have been publicly disclosed. Subsequent disclosure of any events or the disclosure of or failure to disclose material future events concerning Lucent could affect the Redemption Amount to be received at the maturity date and, therefore, the trading value of the STRIDES Securities.

From time to time, in the ordinary course of business, affiliates of ML&Co. have engaged in certain investment banking activities on behalf of Lucent as well as served as counterparty in certain other transactions.

#### OTHER TERMS

ML&Co. issued the STRIDES Securities as a series of senior debt securities under the 1983 indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 indenture is filed as an exhibit to the registration statement relating to the STRIDES Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 indenture, including the definitions of terms in the 1983 indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 indenture.

The 1983 indenture and the STRIDES Securities are governed by and

construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
- o pay any amounts due and payable or deliverable with respect to all the Senior Debt Securities; and
- o perform and observe all of ML&Co.'s obligations under the 1983 indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of debt securities affected. However, without the consent of each holder of any outstanding debt security affected, no amendment or modification to any indenture may:

- o change the stated maturity date of the principal of, or any

installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;

- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 indenture and waive compliance by ML&Co. with provisions in the 1983 indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of any indenture which cannot be modified under the terms of that indenture without the consent of each holder of each series of debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust

or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 indenture. Before proceeding to exercise any right or power under the 1983 indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The STRIDES Securities and other series of senior debt securities issued under the 1983 indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the STRIDES Securities and other securities. For further information on ML&Co. and the STRIDES Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding

exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the STRIDES Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the STRIDES Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The STRIDES Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the STRIDES Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

#### PROSPECTUS

Merrill Lynch & Co., Inc.  
5 1/4% Stock Return Income Debt Securities (SM) due August 23, 2000  
"STRIDES (SM) Securities"  
Linked to the value of the Nasdaq-100 Index (R)  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the STRIDES Securities.

<TABLE>  
<CAPTION>

The STRIDES Securities:

Payment at Maturity:

<S>

- o Interest on the STRIDES Securities at a rate of 5 1/4% per year is payable on February 23 and August 23 of each year.
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o Linked to the value of the Nasdaq-100 Index
- o The STRIDES Securities are listed on the American Stock Exchange under the symbol "NML".

<C>

- o On the maturity date, for each unit of the STRIDES Securities you own, you will receive accrued and unpaid interest. In addition, we will pay you the lesser of \$12.50 and an amount based on the percentage change in the value of the index, as described in this prospectus.

</TABLE>

Investing in the STRIDES Securities involves risks, including the risk that you may receive less than the price you paid for your STRIDES.  
See "Risk Factors" beginning on page 5 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the STRIDES Securities will be the prevailing market price at the time of sale.



The date of this prospectus is March \_\_ , 1999.

"Stock Return Income Debt Securities" and "STRIDES" are service marks owned by Merrill Lynch & Co., Inc. "Nasdaq", "Nasdaq-100" and "Nasdaq-100 Index" are trademarks, trade names or service marks owned by The Nasdaq Stock Market, Inc.

TABLE OF CONTENTS

	Page
RISK FACTORS.....	5
MERRILL LYNCH & CO., INC.....	8
RATIO OF EARNINGS TO FIXED CHARGES.....	9
DESCRIPTION OF THE STRIDES SECURITIES.....	10
THE INDEX.....	18
OTHER TERMS.....	22
WHERE YOU CAN FIND MORE INFORMATION.....	25
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	26
PLAN OF DISTRIBUTION.....	26
EXPERTS.....	27

SUMMARY INFORMATION--Q&A

This summary includes questions and answers that highlight selected information from this prospectus to help you understand the Stock Return Income Debt Securities SM or STRIDES SM Securities due August 23, 2000. You should carefully read this prospectus to fully understand the terms of the STRIDES Securities, the Nasdaq-100 Index as well as the tax and other considerations that are important to you in making a decision about whether to invest in the STRIDES Securities. You should, in particular, carefully review the "Risk Factors" section, which highlights certain risks, to determine whether an investment in the STRIDES Securities is appropriate for you.

What are the STRIDES Securities?

The STRIDES Securities are a series of senior debt securities issued by ML&Co. and are not secured by collateral. The STRIDES Securities rank equally with all of our other unsecured and unsubordinated debt. The maturity date of the STRIDES Securities is August 23, 2000. We cannot redeem the STRIDES Securities at any earlier date.

Each unit of the STRIDES Securities represents \$10 principal amount of the STRIDES Securities. You may transfer the STRIDES Securities only in whole units. You will not have the right to receive physical certificates evidencing your ownership except under limited circumstances. Instead, we issued the STRIDES Securities in the form of a global certificate, held by The Depository Trust Company, known as DTC, or its nominee. Direct and indirect participants in DTC record beneficial ownership of the STRIDES Securities by individual investors. You should refer to the section "Description of the STRIDES Securities--Depository" in this prospectus.

When will you receive interest?

You will receive interest payments on the STRIDES Securities at a rate of 5 1/4% per year of the principal amount of each unit, on February 23 and August 23 of each year, beginning August 23, 1999.

What will you receive on the maturity date?

On the maturity date, for each unit of the STRIDES Securities that you own, in addition to accrued and unpaid interest, we will pay you an amount equal to the "Redemption Amount" which will equal the lesser of:

- o \$12.50 (the "Capped Value"); and
- o \$10 X (Ending Value )  
(-----)  
(Starting Value )

"Starting Value" equals 1,891.37.

"Ending Value" means the average of the values of the index at the close of the market on five business days shortly before the maturity date. We may calculate the Ending Value by reference to fewer than five or even by reference to a single day's closing value if, during the period prior to the maturity date, there is a disruption in the trading of the stocks included in the index or futures or options relating to the index.

You should understand that the opportunity to participate in the possible increases in the value of the index through an investment in the STRIDES Securities is limited because the amount that you receive on the maturity date will never exceed the Capped Value, which represents an appreciation of 25% over the initial price of the STRIDES Securities. However, in the event that the value of the Index declines over the term of the STRIDES Securities, you will realize the entire decline in value of the STRIDES Securities and may therefore lose a part of your initial investment in the STRIDES Securities. For more information about risks associated with the STRIDES Securities, please see the section entitled "Risk Factors" in this prospectus.

For more specific information about the determination of the Ending Value and the Redemption Amount, please see the sections entitled "Description of the STRIDES Securities--Payment at Maturity" and "--Examples of Redemption Amount Calculations" in this prospectus.

Who publishes the index and what does the index measure?

The Nasdaq-100 Index is a modified capitalization-weighted index of 100 of the largest and most actively traded of non-financial companies listed on the Nasdaq National Market tier of the Nasdaq Stock Market. The index is currently calculated and published by The Nasdaq Stock Market, Inc.

Please note that an investment in the STRIDES Securities does not entitle you to any ownership interest in any of the stocks included in the index.

How has the index performed historically?

Tables showing the closing value of the index on the last business day of each month from January 1989 through February 1999 are provided in the section entitled "The Index--Historical Data" in this prospectus. We have provided this historical information to help you evaluate the behavior of the index in various economic environments; however, past performance of the index is not necessarily indicative of how the index will perform in the future.

What about taxes?

The U.S. Federal income tax consequences of an investment in the STRIDES Securities are complex and uncertain. Pursuant to the terms of the STRIDES Securities, ML&Co. and you agree, in the absence of an administrative or judicial ruling to the contrary, to characterize a STRIDES Security for all tax purposes as an investment unit consisting of a debt instrument of ML&Co. and a forward contract to acquire cash equivalent to the Redemption Amount. Under this characterization of the STRIDES Securities, for U.S. Federal income tax purposes, you will include payments of interest on the STRIDES Securities in income in accordance with your regular method of tax accounting. You should be required to recognize gain or loss to the extent that you receive cash on the maturity date. You should review the discussion under the section entitled "United States Federal Income Taxation" in this prospectus.

Will the STRIDES Securities be listed on a stock exchange?

The STRIDES Securities are listed on the American Stock Exchange under the trading symbol "NML".

What is the role of MLPF&S?

MLPF&S, our subsidiary, was the underwriter for the offering and sale of the STRIDES Securities.

MLPF&S also will be our agent for purposes of calculating, among other things, the Ending Value and the Redemption Amount. In some circumstances, these duties could result in a conflict of interest between MLPF&S's status as our subsidiary and its responsibilities as calculation agent.

Who is ML&Co.?

Merrill Lynch & Co., Inc. is a holding company with various subsidiary and affiliated companies that provide investment, financing, insurance and related services on a global basis. For information about ML&Co., please see the section "Merrill Lynch & Co., Inc." in this prospectus. You should also read the other documents we have filed with the SEC, which you can find by referring to the section entitled "Where You Can Find More Information" in this prospectus.

Are there any risks associated with an investment in the STRIDES Securities?

Yes, an investment in the STRIDES Securities is subject to certain risks. Please refer to the section entitled "Risk Factors" in this prospectus.

#### RISK FACTORS

Your investment in the STRIDES Securities will involve risks. You should consider carefully the following discussion of risks before you decide that an investment in the STRIDES Securities is suitable for you.

The STRIDES Securities are unlike typical debt or equity securities

The STRIDES Securities combine features of equity and debt instruments. For example, like an equity instrument, your return will be based on the appreciation of the stocks included in the index as reflected in the closing value of the index. However, as a holder of the STRIDES Securities, you will not be entitled to receive dividends that would be payable on these underlying stocks if you had made a direct investment in the underlying stocks. In addition, like a debt instrument, you will receive a fixed interest payment on your STRIDES Securities on each interest payment date. However, the terms of the STRIDES Securities differ from the terms of ordinary debt securities in that the amount payable on the maturity date is not a fixed amount, but is based on the closing value of the index, limited to the maximum amount of \$12.50.

Your investment may result in a loss

The STRIDES Securities are not principal-protected. Because the closing value of the index is subject to market fluctuations, the amount of cash paid to you on the maturity date, determined as described below, may be more or less than the principal amount of your STRIDES Securities. If the average of the values of the index at the close of the market on five business day shortly before the maturity date is less than 1,891.37, the amount we will pay you at maturity will be less than the initial issue price of each STRIDES Security, in which case your investment in the STRIDES Securities may result in a loss to you.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The interest payments and the amount we pay you at maturity may together be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Merrill Lynch & Co. with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Your return is capped and will not reflect the return of owning the stocks underlying the index

You should understand that the opportunity to participate in the possible increases in the value of the index through an investment in the STRIDES Securities is limited because the amount that you receive on the maturity date will never exceed \$12.50, which represents an appreciation of 25% over the initial issue price of the STRIDES Securities. However, in the event that the value of the index declines over the term of the STRIDES Securities, you will realize the entire decline in value of the STRIDES Securities, and may lose a part of your investment in the STRIDES Securities. There is no assurance that the amount that you receive on the maturity date will be equal to or greater than the initial issue price of the STRIDES Securities. Accordingly, the value of the STRIDES Securities may decline and that decline could be substantial.

In addition, your return will not reflect the return you would realize if you actually owned the stocks underlying the index and received the dividends paid on those stocks because the index is calculated by reference to the prices of the underlying stocks without taking into consideration the value of dividends paid on these stocks.

There may be an uncertain trading market for the STRIDES Securities in the future

Although the STRIDES Securities are listed on the AMEX under the symbol "NML", you cannot assume that a trading market will continue to exist for the STRIDES Securities. If a trading market in the STRIDES Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the STRIDES Securities will depend on our financial performance and other factors including the appreciation, if any, of the value of the index.

Factors affecting the trading value of the STRIDES Securities

The value of the index and a number of other factors will affect the market value of the STRIDES Securities. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may magnify or mitigate the effect of another factor. The following paragraphs describe the expected effect on the market value of the STRIDES Securities given a change in

a specific factor, assuming all other conditions remain constant.

- o Value of the index. The market value of the STRIDES Securities will depend substantially on the amount by which the value of the index exceeds or does not exceed 1,891.37. In general, the value of the STRIDES Securities will decrease as the value of the index decreases and the value of the STRIDES Securities will increase as the value of the index increases, subject to maximum payment at maturity of \$12.50. However, as the value of the index increases or decreases, the value of the STRIDES Securities is not expected to increase or decrease at the same rate as the change in value of the index. The value of the STRIDES Securities on the maturity date cannot be greater than \$12.50, and therefore, the STRIDES Securities will generally not trade in the secondary market above that amount. Additionally, political, economic and other developments that can affect the capital markets generally, and over which we have no control, that affect the value of the index will also affect the value of the STRIDES Securities.
- o Interest rates. In general, we anticipate that if U.S. interest rates increase, the trading value of the STRIDES Securities will decrease, and conversely, if U.S. interest rates decrease, the trading value of the STRIDES Securities will increase. Generally, fluctuations in interest rates will affect the U.S. economy and, in turn, the value of the index. Rising interest rates may lower the value of the index and, as a result, the value of the STRIDES Securities. Falling interest rates may increase the value of the index and, as a result, may increase the value of the STRIDES Securities.
- o Volatility of the index. Volatility is the term used to describe the size and frequency of market fluctuations. Generally, if the volatility of the index increases, we expect that the trading value of the STRIDES Securities will decrease and if the volatility of the index decreases, we expect that the trading value of the STRIDES Securities will increase.
- o Time remaining to maturity. We believe that before the maturity date the STRIDES Securities will trade at a value above or below that which would be expected based on the value of the index. Generally, as the time remaining to maturity decreases, the value of the STRIDES Securities will approach the amount that would be payable at maturity based on the then current value of the index. As a result, as the time remaining to maturity decreases, any discount or premium attributed to the trading value of the STRIDES Securities will diminish, increasing or decreasing the trading value of the STRIDES Securities, as applicable.
- o Dividend yields. Generally, if the dividend yield on the underlying stocks increases, we expect that the value of the STRIDES Securities will decrease, and conversely, if the dividend yield on the underlying stocks decreases, we expect that the value of the STRIDES Securities will increase.
- o Changes in our credit ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the STRIDES Securities. However, because your return on your STRIDES Securities is dependent upon factors in addition to our ability to pay our obligations under the STRIDES Securities, including the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the STRIDES Securities.

It is important for you to understand that a decrease in the trading value of the STRIDES Securities resulting from the effect of one of the factors specified above, including an increase in interest rates, may offset some or all of any increase in the trading value of the STRIDES Securities attributable to another factor, for example, an increase in the value of the index.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the STRIDES Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the STRIDES Securities than if it occurs earlier in the term of the STRIDES Securities. However, so long as the value of the Index is less than 25% above 1,891.37, we expect that the effect on the trading value of the STRIDES Securities of a given increase or decrease in the value of the index will be greater if it occurs later in the term of the STRIDES Securities than if it occurs earlier in the term of the STRIDES Securities.

#### Potential conflicts

The calculation agent for the STRIDES Securities is one of our subsidiaries. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the STRIDES Securities could give rise to conflicts of interests between the calculation agent and the holders of the STRIDES Securities. These conflicts could occur, for instance, in

connection with its determination as to whether a market disruption event has occurred. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into arrangements with one of our subsidiaries to hedge the market risks associated with our obligation in connection with the STRIDES Securities. This subsidiary expects to make a profit in connection with these arrangements. We did not seek competitive bids for the arrangements from unaffiliated parties.

#### Uncertain tax consequences

You should also consider the tax consequences of investing in the STRIDES Securities, aspects of which are uncertain. See the section entitled "United States Federal Income Taxation" in this prospectus.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the STRIDES Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges (a).....	1.2	1.2	1.2	1.2	1.1

- -----  
(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE STRIDES SECURITIES

On February 23, 1999, ML&Co. issued \$18,000,000 aggregate principal amount of STRIDES Securities due August 23, 2000. The STRIDES Securities were issued as a series of senior debt securities under the 1983 Indenture, which is more fully described in this prospectus.

Upon the occurrence of an Event of Default with respect to the STRIDES Securities, beneficial owners of the STRIDES Securities may accelerate the maturity of the STRIDES Securities, as described under "Description of the STRIDES Securities--Events of Default and Acceleration" in this prospectus.

The STRIDES Securities were issued in denominations of whole units.

The STRIDES Securities do not have the benefit of any sinking fund.

#### Interest

The STRIDES Securities bear interest at a rate of 5 1/4% per annum of the principal amount of each unit from February 23, 1999, or from the most recent interest payment date for which interest has been paid or provided for, until the maturity date. Interest on the STRIDES Securities is payable in cash semi-annually in arrears on February 23 and August 23 of each year, commencing August 23, 1999, to the persons in whose names the STRIDES Securities are registered at the close of business on the immediately preceding February 8 and August 8, respectively, whether or not a Business Day. Interest on the STRIDES Securities is computed on the basis of a 360-day year of twelve 30-day months. If an interest payment date falls on a day that is not a Business Day, the interest payment to be made on the interest payment date will be made on the next succeeding Business Day with the same force and effect as if made on the interest payment date, and no additional interest will accrue as a result of a delayed payment.

#### Payment at Maturity

The maturity date of the STRIDES Securities will be on August 23, 2000. On the maturity date, the beneficial owner of each STRIDES Security will receive, in addition to accrued and unpaid interest, for each unit of the STRIDES Securities then held, the Redemption Amount in cash.

The "Redemption Amount" will be determined by the calculation agent and for each unit will equal the lesser of:

- o \$12.50 (the "Capped Value"); and
- o \$10 X (Ending Value )  
(-----)  
(Starting Value)

The "Starting Value" equals 1,891.37.

The Ending Value will be determined by the calculation agent and will equal the average or arithmetic mean of the Closing Values, as defined below, of the index determined on each of the first five Calculation Days during the Calculation Period. If there are fewer than five Calculation Days in the Calculation Period, then the Closing Values used to determine the Ending Value will equal the average or arithmetic mean of the Closing Values of the index on those Calculation Days, and if there is only one Calculation Day, then the Ending Value will be equal to the Closing Value of the index on that Calculation Day. If no Calculation Days occur during the Calculation Period, then the Ending Value will be equal to the Closing Value of the index determined on the last scheduled Calculation Day in the Calculation Period, regardless of the occurrence of a Market Disruption Event on that day.

The "Calculation Period" means the period from and including the seventh scheduled Calculation Day prior to the maturity date to and including the second scheduled Calculation Day prior to the maturity date.

"Calculation Day" means any Index Business Day on which a Market Disruption Event has not occurred.

"Index Business Day" means any day on which the Nasdaq Stock Market, the New York Stock Exchange and the AMEX are open for trading and the Index or any Successor Index, as defined below, is calculated and published.

"Market Disruption Event" has the meaning defined in the section entitled "--Adjustments to the Index; Market Disruption Events".

"Closing Value" means the value of the Index or any Successor Index at the close of trading on any Index Business Day.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in The City of New York are authorized or obligated by law to close and that is an Index Business Day.

All determinations made by the calculation agent shall be at its sole discretion and, absent a determination by the calculation agent of a manifest error, shall be conclusive for all purposes and binding on ML&Co. and the beneficial owners of the STRIDES Securities.

Examples of Redemption Amount Calculations

Set forth below are three examples of Redemption Amount calculations:

Example One--Ending Value is 30% less than Starting Value

Starting Value: 1,891.37

Hypothetical Ending Value: 1,323.96

$$\begin{aligned} \text{Redemption Amount (per unit)} &= 10.00 \times \frac{(1,323.96) - (1,891.37)}{(1,891.37)} = \$7.00 \end{aligned}$$

Redemption Amount (per unit) = \$7.00

Example Two--Ending Value is 10% greater than Starting Value

Starting Value: 1,891.37

Hypothetical Ending Value: 2,080.51

$$\begin{aligned} \text{Redemption Amount (per unit)} &= 10.00 \times \frac{(2,080.51) - (1,891.37)}{(1,891.37)} = \$11.00 \end{aligned}$$

Redemption Amount (per unit) = \$11.00

Example Three--Ending Value is 30% greater than Starting Value

Starting Value: 1,891.37

Hypothetical Ending Value: 2,458.78

$$\begin{aligned} \text{Redemption Amount (per unit)} &= \$10.00 \times \frac{(2,458.78) - (1,891.37)}{(1,891.37)} = \$12.50 \end{aligned} \quad \begin{array}{l} \text{(Redemption} \\ \text{Amount cannot be} \\ \text{greater than the} \\ \text{Capped Value)} \end{array}$$

Redemption Amount (per unit) = \$12.50

Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Values,

- o the percentage change over the Starting Value;
- o the Redemption Amount payable per unit;
- o the total rate of return to beneficial owners of the STRIDES Securities;
- o the pretax annualized rate of return to beneficial owners of STRIDES Securities; and
- o the pretax annualized rate of return of the Underlying Stocks, which includes an assumed aggregate dividend yield of 0.12% per annum, as more fully described below.

<TABLE>  
<CAPTION>

Hypothetical Ending Value	Percentage Change Over the Starting Value	Redemption Amount Payable per unit	Total Rate of Return of STRIDES Securities (1)	Pretax Annualized Rate of Return (2) (3)	Pretax Annualized Rate of Return of the Underlying Stocks (3) (4)
---------------------------	---	------------------------------------	--	--	---

<S>	<C>	<C>	<C>	<C>	<C>
945.69	-50.00%	\$ 5.00	-42.13%	-34.57%	-41.16%
1,040.25	-45.00%	\$ 5.50	-37.13%	-29.68%	-36.03%
1,134.82	-40.00%	\$ 6.00	-32.13%	-25.05%	-31.21%
1,229.39	-35.00%	\$ 6.50	-27.13%	-20.67%	-26.65%
1,323.96	-30.00%	\$ 7.00	-22.13%	-16.49%	-22.31%
1,418.53	-25.00%	\$ 7.50	-17.13%	-12.50%	-18.18%
1,513.10	-20.00%	\$ 8.00	-12.13%	-8.68%	-14.22%
1,607.66	-15.00%	\$ 8.50	-7.13%	-5.00%	-10.43%
1,702.23	-10.00%	\$ 9.00	-2.13%	-1.47%	-6.79%
1,796.80	-5.00%	\$ 9.50	2.88%	1.95%	-3.27%
1,891.37(5)	0.00%	\$ 10.00	7.88%	5.25%	0.12%
1,985.94	5.00%	\$ 10.50	12.88%	8.45%	3.40%
2,080.51	10.00%	\$ 11.00	17.88%	11.55%	6.58%
2,175.08	15.00%	\$ 11.50	22.88%	14.56%	9.66%
2,269.64	20.00%	\$ 12.00	27.88%	17.48%	12.66%
2,364.21	25.00%	\$ 12.50	32.88%	20.33%	15.57%
2,458.78	30.00%	\$ 12.50	32.88%	20.33%	18.41%
2,553.35	35.00%	\$ 12.50	32.88%	20.33%	21.18%
2,647.92	40.00%	\$ 12.50	32.88%	20.33%	23.87%
2,742.49	45.00%	\$ 12.50	32.88%	20.33%	26.51%
2,837.06	50.00%	\$ 12.50	32.88%	20.33%	29.08%

</TABLE>

- (1) The rates of return specified in this column assume a coupon yield of 5 1/4% per annum.
- (2) The annualized rates of return specified in this column assume a constant coupon yield of 5 1/4% per annum paid semi-annually and applied to the principal amount of each STRIDES Security.
- (3) The annualized rates of return specified in these columns are calculated on a semi-annual bond equivalent basis.
- (4) The rates of return specified in this column assume:
  - (a) a constant dividend yield of 0.12% per annum, paid quarterly from the date of initial delivery of STRIDES Securities, applied to the value of the Index at the end of each quarter assuming that value increases or decreases linearly from the Starting Value to the applicable hypothetical Ending Value;
  - (b) no transaction fees or expenses;
  - (c) an investment term equal to the term of the STRIDES Securities; and
  - (d) a final Index value equal to the hypothetical Ending Value.
- (5) This value is the Starting Value.

The above figures are for purposes of illustration only. The actual Redemption Amount received by investors and the resulting total and pretax annualized rate of return will depend entirely on the actual Ending Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Index; Market Disruption Events

If at any time the method of calculating the Index, or its value, is changed in any material respect, or if the Index is in any other way modified so that the Index does not, in the opinion of the calculation agent, fairly represent the value of the Index had the changes or modifications not been made, then, from and after that time, the calculation agent shall, at the close of business in New York, New York, on each date that the Closing Value is to be calculated, make any 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 any changes or modifications had not been made, and calculate the Closing Value with reference to the Index, as adjusted. Accordingly, if the method of calculating the Index is modified so that the value of the Index is a fraction or a multiple of what it would have been if it had not been modified, for example, due to a split in the Index, then the calculation agent shall adjust the Index in order to arrive at a value of the Index as if it had not been modified, for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events; as determined by the calculation agent:

- (a) the suspension or material limitation on trading for more than two hours of trading, or during the one-half hour period preceding the close of trading on the applicable exchange, in each case, in 20% or more of the stocks which then comprise the Index; or



(b) the suspension or material limitation on trading, 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

- (1) futures contracts related to the Index, or options on futures contracts, which are traded on any major U.S. exchange or
- (2) option contracts related to the Index which are traded on any major U.S. exchange.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

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 Nasdaq discontinues publication of the Index and Nasdaq or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (any index so selected being referred to as a "Successor Index"), then, upon the calculation agent's notification of the determination to the Trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by Nasdaq or any other entity for the Index. Upon any selection by the calculation agent of a Successor Index, ML&Co. will cause notice to be given to holders of the STRIDES Securities.

If Nasdaq 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 Calculation Day used to calculate the 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 discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the Index as described below, the 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 calculation agent calculates a value as a substitute for the Index, "Calculation Day" shall mean any day on which the calculation agent is able to calculate the value.

If Nasdaq discontinues publication of the Index prior to the period during which the Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Index Business Day until the earlier to occur of (a) the determination of the Ending Value and (b) a determination by the calculation agent that a Successor Index is available, the calculation agent will determine the value that would be used in computing the Redemption Amount as described in the preceding paragraph as if that day were a Calculation Day. The calculation agent will cause notice of each 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 the values to be made available by telephone. Discontinuance of the publication of the Index may adversely affect trading in the STRIDES Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any STRIDES Securities has occurred and is continuing, the amount payable to a beneficial owner of a STRIDES Security upon any acceleration permitted by the STRIDES Securities, with respect to each \$10 unit of the STRIDES Securities, will be equal to the principal amount and any accrued interest due thereon. If a bankruptcy proceeding is commenced in respect of the ML&Co., the claim of the beneficial owner of a STRIDES Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the STRIDES 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 STRIDES Securities.

In case of default in payment of the STRIDES Securities, whether at any interest payment date, the maturity date or upon acceleration), from and after that date the STRIDES Securities shall bear interest, payable upon demand of the beneficial owners of the STRIDES Securities, at the rate of 5 1/4% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the STRIDES Securities to the date payment of that amount has been made or duly provided for.

## Description of the Global Securities

Beneficial owners of the STRIDES Securities may not receive physical delivery of the STRIDES Securities nor may they be entitled to have the STRIDES Securities registered in their names. The STRIDES Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC (DTC, together with any successor, being a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for STRIDES Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 STRIDES Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the STRIDES Securities represented by a global security will not be entitled to have the STRIDES Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the STRIDES Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the Trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the STRIDES Securities. The STRIDES Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the STRIDES Securities in the aggregate principal amount of the STRIDES Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of STRIDES Securities under DTC's system must be made by or through direct participants, which will receive a credit for the STRIDES Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the STRIDES Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all STRIDES Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of STRIDES Securities with DTC and their registration in the name of

Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the STRIDES Securities; DTC's records reflect only the identity of the direct participants to whose accounts the STRIDES Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the STRIDES Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the STRIDES Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the STRIDES Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the Trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the STRIDES Securities,

the global securities will be exchangeable for STRIDES Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive STRIDES Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, STRIDES Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

ML&CO., if any, will make all payments of principal and the Supplemental Redemption Amount, in immediately available funds so long as the STRIDES Securities are maintained in book-entry form.

#### THE INDEX

The Nasdaq-100 Index(R) is a modified capitalization-weighted index of 100 of the largest and most actively traded stocks of non-financial companies listed on the Nasdaq National Market tier of the Nasdaq Stock Market. The Index was first published in January 1985 and includes companies across a variety of major industry groups. As of December 31, 1998, the major industry groups covered in the Index, listed according to their respective capitalization in the Index, were as follows: computer and office equipment (32.6%), computer software/services (30.2%), telecommunications (17.8%), retail/wholesale trade (8.0%), biotechnology (5.0%), services (2.4%), health care (2.1%), manufacturing (1.5%) and transportation (0.4%). The identity and capitalization

weightings of the five largest companies represented in the Index as of December 31, 1998 were as follows: Microsoft Corporation (14.5%), Intel Corporation (8.4%), Cisco Systems, Inc. (6.4%), MCI WORLDCOM, Inc. (5.8%), and Dell Computer Corporation (4.2%). Current information regarding the market value of the Index is available from Nasdaq as well as numerous market information services. The Index is determined, comprised and calculated by Nasdaq without regard to the STRIDES Securities.

The Index share weights of the component securities, or Underlying Stocks, of the Index at any time are based upon the total shares outstanding in each of the 100 securities in the Index and are additionally subject, in some cases, to rebalancing to ensure that the relative weighting of the Underlying Stocks continues to meet minimum pre-established requirements for a diversified portfolio. Accordingly, each Underlying Stock's influence on the value of the Index is directly proportional to the value of its Index share weight. At any moment in time, the value of the Index equals the aggregate value of the then current Index share weights of each of the component 100 Underlying Stocks multiplied by each security's respective last sale price on the Nasdaq Stock Market, and divided by a scaling factor (the "divisor") which becomes the basis for the reported Index value. The divisor serves the purpose of scaling the aggregate value, otherwise in the trillions, to a lower order of magnitude which is more desirable for Index reporting purposes.

After the close of trading on December 18, 1998, the Index share weights of the component securities in the Index were rebalanced in accordance with the modified capitalization weighted methodology implemented on that date. Hence, the performance of the Index after December 18, 1998 will reflect the performance of the securities in the Index as calculated in accordance with the revised Index methodology.

#### Computation of the Index

#### Underlying Stock Eligibility Criteria and Annual Ranking Review

To be eligible for inclusion in the Index, a security must be traded on the Nasdaq National Market tier of the Nasdaq Stock Market and meet the following criteria:

- (1) the security must be of a non-financial company;
- (2) only one class of security per issuer is allowed;
- (3) the security may not be issued by an issuer currently in bankruptcy proceedings;
- (4) the security must have average daily trading volume of at least 100,000 shares per day;
- (5) the security must have "seasoned" on the Nasdaq Stock Market or another recognized market, generally, a company is considered to be seasoned by Nasdaq if it has been listed on a market for at least two years; in the case of spin-offs, the operating history of the spin-off will be considered;
- (6) if a security would otherwise qualify to be in the top 25% of the issuers included in the Index by market capitalization, then a one year "seasoning" criteria would apply;
- (7) if the security is of a foreign issuer, the company must have a worldwide market value of at least \$10 billion, a U.S. market value of at least \$4 billion, and average trading volume on the Nasdaq Stock Market of at least 200,000 shares per day; in addition, foreign securities must be eligible for listed options trading; and
- (8) the issuer of the security may not have entered into a definitive agreement or other arrangement which would result in the security no longer being listed on the Nasdaq Stock Market within the next six months.

These Index eligibility criteria may be revised from time to time by the NASD without regard to the STRIDES Securities.

The Underlying Stocks are evaluated annually as follows (the evaluation is referred to as the "Annual Ranking Review"). Securities listed on the Nasdaq Stock Market which meet the above eligibility criteria are ranked by market value. Index-eligible securities which are already in the Index and which are in the top 150 eligible securities, based on market value, are retained in the Index provided that the security was ranked in the top 100 eligible securities as of the previous year's annual review. Securities not meeting this criteria are replaced. The replacement securities chosen are those Index-eligible securities not currently in the Index which have the largest market capitalization. The list of annual additions and deletions is publicly announced via a press release in the early part of December. Replacements are made effective after the close of trading on the third Friday in December. Moreover, if at any time during the year an Underlying Stock is no longer traded on the Nasdaq Stock Market, or is otherwise determined by Nasdaq to

become ineligible for continued inclusion in the Index, the security will be replaced with the largest market capitalization security not currently in the Index and meeting the Index eligibility criteria listed above.

In addition to the Annual Ranking Review, the securities in the Index are monitored every day by Nasdaq with respect to changes in total shares outstanding arising from secondary offerings, stock repurchases, conversions, or other corporate actions. Nasdaq has adopted the following quarterly scheduled weight adjustment procedures with respect to these changes. If the change in total shares outstanding arising from corporate action is greater than or equal to 5.0%, the change is ordinarily made to the Index on the evening prior to the effective date of the corporate action. Otherwise, if the change in total shares outstanding is less than 5%, then all of these changes are accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September, and December. In either case, the Index share weights for the Underlying Stocks are adjusted by the same percentage amount by which the total shares outstanding have changed in the Underlying Stocks. Ordinarily, whenever there is a change in Index share weights or a change in a component security included in the Index, Nasdaq adjusts the divisor to assure that there is no discontinuity in the value of the Index which might otherwise be caused by any the change.

#### Rebalancing of the Index

Effective after the close of trading on December 18, 1998 Nasdaq has calculated the Index under a "modified capitalization-weighted" methodology, which is a hybrid between equal weighting and conventional capitalization weighting. This methodology is expected to:

- o retain in general the economic attributes of capitalization weighting;
- o promote portfolio weight diversification, thereby limiting domination of the Index by a few large stocks;
- o reduce Index performance distortion by preserving the capitalization ranking of companies; and
- o reduce market impact on the smallest Underlying Stocks from necessary weight rebalancings.

Under the methodology employed, on a quarterly basis coinciding with Nasdaq's quarterly scheduled weight adjustment procedures, the Underlying Stocks are categorized as either "Large Stocks" or "Small Stocks" depending on whether their current percentage weights, after taking into account the scheduled weight adjustments due to stock repurchases, secondary offerings, or other corporate actions, are greater than, or less than or equal to, the average percentage weight in the Index, for example, as a 100-stock index, the average percentage weight in the Index is 1.0%.

The quarterly examination will result in an Index rebalancing if either one or both of the following two weight distribution requirements are not met: (1) the current weight of the single largest market capitalization Underlying Stock must be less than or equal to 24.0% and (2) the "collective weight" of those Underlying Stocks whose individual current weights are in excess of 4.5%, when added together, must be less than or equal to 48.0%.

If either one or both of these weight distribution requirements are not met upon quarterly review, a weight rebalancing will be performed in accordance with the following plan. First, relating to weight distribution requirement (1) above, if the current weight of the single largest Underlying Stock exceeds 24.0%, then the weights of all Large Stocks will be scaled down proportionately towards 1.0% by enough for the adjusted weight of the single largest Underlying Stock to be set to 20.0%. Second, relating to weight distribution requirement (2) above, for those Underlying Stocks whose individual current weights or adjusted weights in accordance with the preceding step are in excess of 4.5%, if their "collective weight" exceeds 48.0%, then the weights of all Large Stocks will be scaled down proportionately towards 1.0% by just enough for the "collective weight," so adjusted, to be set to 40.0%.

The aggregate weight reduction among the Large Stocks resulting from either or both of the above rescalings will then be redistributed to the Small Stocks in the following iterative manner. In the first iteration, the weight of the largest Small Stock will be scaled upwards by a factor which sets it equal to the average Index weight of 1.0%. The weights of each of the smaller remaining Small Stocks will be scaled up by the same factor reduced in relation to each stock's relative ranking among the Small Stocks so that the smaller the Underlying Stock in the ranking, the less the scale-up of its weight. This is intended to reduce the market impact of the weight rebalancing on the smallest component securities in the Index.

In the second iteration, the weight of the second largest Small Stock, already adjusted in the first iteration, will be scaled upwards by a factor which sets it equal to the average index weight of 1.0%. The weights of each of the smaller remaining Small Stocks will be scaled up by this same factor reduced in relation to each stock's relative ranking among the Small Stocks so

that, once again, the smaller the stock in the ranking, the less the scale-up of its weight.

Additional iterations will be performed until the accumulated increase in weight among the Small Stocks exactly equals the aggregate weight reduction among the Large Stocks from rebalancing in accordance with weight distribution requirement (1) and/or weight distribution requirement (2).

Then, to complete the rebalancing procedure, once the final percent weights of each Index Security are set, the Index share weights will be determined anew based upon the last sale prices and aggregate capitalization of the Index at the close of trading on the Thursday in the week immediately preceding the week of the third Friday in March, June, September, and December. Changes to the Index share weights will be made effective after the close of trading on the third Friday in March, June, September, and December and an adjustment to the Index divisor will be made to ensure continuity of the Index.

Effective after the close of trading on December 18, 1998, the Index was rebalanced in accordance with the above methodology. As a result of the rebalancing, the Index share weights of the five (5) stocks whose unadjusted weights were in excess of 4.5% were adjusted downwards on that date. As of the close of trading on December 31, 1998, the weights of these five stocks in the Index as rebalanced, in relation to what they would have been if the Index were not rebalanced, were as follows: Microsoft Corporation (14.5% vs. 22.5%), Intel Corporation (8.4% vs. 12.8%), Cisco Systems, Inc. (6.4% vs. 9.5%), MCI WORLDCOM, Inc. (5.8% vs. 8.5%), and Dell Computer Corporation (4.2% vs. 6.1%).

The following table sets forth the level of the Index at the end of each month, in the period from January 1989 through February 1999. These historical data on the Index are not necessarily indicative of the future performance of the Index or what the value of the STRIDES Securities may be. Any historical upward or downward trend in the level of the Index during any period set forth below is not an indication that the Index is more or less likely to increase or decrease at any time during the term of the STRIDES Securities.

<TABLE>  
<CAPTION>

1999	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
----	----	----	----	----	----	----	----	----	----	----
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
January.....	186.47	201.94	232.43	338.32	370.56	413.99	405.33	591.82	921.55	1,071.13
2,127.19										
February.....	183.79	207.92	250.12	345.88	351.14	412.17	432.50	622.83	850.46	1,194.13
March.....	185.87	213.15	264.91	323.05	359.42	382.96	447.15	609.69	797.06	1,220.66
--										
April.....	200.47	205.82	263.66	307.86	339.95	373.25	469.56	666.73	874.74	1,248.12
--										
May.....	214.55	236.15	279.00	315.30	368.11	378.85	488.10	692.39	958.85	1,192.07
--										
June.....	204.59	238.46	254.20	301.23	366.13	360.30	538.03	677.30	957.30	1,337.34
--										
July.....	214.28	223.39	272.16	310.90	352.87	370.16	568.88	636.01	1,107.03	1,377.26
--										
August.....	222.01	193.62	287.41	299.26	372.65	397.90	576.77	663.57	1,074.17	1,140.34
--										
September.....	226.42	177.06	287.54	313.19	382.72	393.85	585.08	737.58	1,097.17	1,345.48
--										
October.....	222.62	172.56	292.51	329.16	390.99	413.05	598.78	751.99	1,019.62	1,400.52
--										
November.....	224.45	192.66	284.79	350.96	386.76	404.82	593.72	834.01	1,050.51	1,557.96
--										
December.....	223.84	200.53	330.86	360.19	398.28	404.27	576.23	821.36	990.80	1,836.01
--										

</TABLE>

License Agreement

The Nasdaq Stock Market, Inc. and Merrill Lynch & Co., Inc. have entered into a non-exclusive license agreement providing for the license to ML&Co., in exchange for a fee, of the right to use the Index in connection with certain securities, including the STRIDES Securities.

The license agreement between Nasdaq and ML&Co. provides that the following language must be stated in this prospectus:

"The STRIDES Securities are not sponsored, endorsed, sold or promoted by, The Nasdaq Stock Market, Inc. (including its affiliates) (Nasdaq, with its affiliates, are referred to as the "Corporations"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the STRIDES Securities. The

Corporations make no representation or warranty, express or implied to the owners of the STRIDES Securities or any member of the public regarding the advisability of investing in securities generally or in the STRIDES Securities particularly, or the ability of the Nasdaq-100 Index(R) to track general stock market performance. The Corporations' only relationship to ML&Co. is in the licensing of the Nasdaq-100(R), Nasdaq-100 Index(R), and Nasdaq(R) trademarks or service marks, and trade names of the Corporations and the use of the Nasdaq-100 Index(R) which is determined, composed and calculated by Nasdaq without regard to ML&Co. or the STRIDES Securities. Nasdaq has no obligation to take the needs of ML&Co. or the owners of the STRIDES Securities into consideration in determining, composing or calculating the Nasdaq-100 Index(R). The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the STRIDES Securities to be issued or in the determination or calculation of the equation by which the STRIDES Securities is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the STRIDES Securities.

The Corporations do not guarantee the accuracy and/or uninterrupted calculation of the Nasdaq-100 Index(R) or any data included therein. The Corporations make no warranty, express or implied, as to results to be obtained by ML&Co., owners of the STRIDES Securities, or any other person or entity from the use of the Nasdaq-100 Index(R) or any data included therein. The Corporations make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Nasdaq-100 Index(R) or any data included therein. Without limiting any of the foregoing, in no event shall the Corporations have any liability for any lost profits or special, incidental, punitive, indirect, or consequential damages, even if notified of the possibility of such damages."

All disclosures contained in this prospectus regarding the Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by Nasdaq. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

#### OTHER TERMS

ML&Co. issued the STRIDES Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the STRIDES Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the STRIDES Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by



ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The STRIDES Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the STRIDES Securities and other securities. For further information on ML&Co. and the STRIDES Securities, you should refer to our registration statement and

its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the STRIDES Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the STRIDES Securities.

MLPF&S may act as principal or agent in these market-making transactions.

ML&Co. may offer the STRIDES Securities on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the STRIDES Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The information contained in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is permitted.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

PROSPECTUS

LOGO

Merrill Lynch & Co., Inc.  
Energy Select Sector SPDR(R) Fund  
Market Index Target-Term Securities(R) due February 21, 2006  
"MITTS(R) Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>  
<CAPTION>

The MITTS Securities:

- <S>
- o 100% principal protection at maturity
- MITTS
- o No payments prior to the maturity date
- of
- o Senior unsecured debt securities of Merrill Lynch & Co, Inc.
- of the
- o Linked to the value of the Energy Select Sector SPDR additional Fund.
- the value
- o The MITTS Securities are listed on the American Stock Exchange under the symbol "ESM" amount

Payment at Maturity:

- <C>
- o On the maturity date, for each unit of the Securities you own, you will receive a number shares of the Energy Select Sector SPDR Fund, cash with an equal value, equal to the sum principal amount of each unit and an amount based on any percentage increase in of the fund as described in this prospectus.
- o You will receive no less than the principal of your MITTS Securities.

</TABLE>

Investing in the MITTS Securities involves risk.  
See "Risk Factors" beginning on page 10 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus of Merrill Lynch & Co., Inc. is truthful or complete. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is \_\_\_\_\_, 1999.

"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

<TABLE>  
<CAPTION>

TABLE OF CONTENTS

Prospectus

	Page
<S>	<C>
SUMMARY INFORMATION--Q&A.....	4
What are the MITTS Securities?.....	4
What will I receive at the stated maturity date of the MITTS Securities?.....	4
How is the Net Asset Value determined?.....	4
When will I receive cash instead of shares of the Energy SPDR Fund?.....	4

Will I be charged any transaction fees or expenses with respect to the shares of the Energy SPDR Fund?...	7
What is the Energy SPDR Fund?.....	7
Will the MITTS Securities be listed on a stock exchange?.....	8
What is the role of MLPF&S?.....	8
Who is ML&Co.?.....	8
Are there any risks associated with my investment?.....	8
RISK FACTORS.....	9
The MITTS Securities are unlike typical equity or debt securities.....	9
You may not earn a return on your investment.....	9
Your return will not reflect the return of owning shares of the Energy SPDR Fund or the securities and other assets comprising the Energy SPDR Fund's investment portfolio.....	9
Changes in the Net Asset Value per share of the Energy SPDR Fund will not exactly mirror changes in the Energy Select Sector Index.....	9
There may be an uncertain trading market for the MITTS Securities.....	10
There are many factors affecting the trading value of the MITTS Securities.....	10
Absence of prior active market for shares of the Energy SPDR Fund.....	11
Concentration in energy-related securities.....	12
No affiliation between ML&Co. and the Energy SPDR Fund.....	12
You will not have shareholder's rights until you receive share of the Energy SPDR Fund.....	12
Amounts payable on the MITTS Securities may be limited by state law.....	12
Potential conflicts.....	13
Other Considerations.....	13
MERRILL LYNCH & CO., INC.....	14
RATIO OF EARNINGS TO FIXED CHARGES.....	15
DESCRIPTION OF THE MITTS SECURITIES.....	16
Delivery at Maturity.....	16
Fractional Shares.....	17
Hypothetical Returns.....	18
Adjustments to the Net Asset Value; Market Disruption Events.....	19
Termination of the Energy SPDR Fund.....	19
Events of Default and Acceleration.....	21
Global Securities.....	21
Same-Day Settlement and Delivery.....	23
THE ENERGY SPDR FUND.....	24
License Agreement.....	25
OTHER TERMS.....	26
Limitations Upon Liens.....	26
Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S.....	27
Merger and Consolidation.....	27
Modification and Waiver.....	27
Events of Default.....	28
PROJECTED PAYMENT SCHEDULE.....	29
WHERE YOU CAN FIND MORE INFORMATION.....	30
The Energy SPDR Fund.....	30
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	30
PLAN OF DISTRIBUTION.....	33
EXPERTS.....	33

</TABLE>

#### SUMMARY INFORMATION--Q&A

This summary includes questions and answers that highlight selected information from the prospectus to help you understand The Energy Select Sector SPDR(R) Fund Market Index Target-Term Securities(R) due February 21, 2006. You should carefully read this prospectus to understand fully the terms of the MITTS Securities as well as the tax and other considerations that should be important to you in making a decision about whether to invest in the MITTS Securities. You should carefully review the "Risk Factors" section, which highlights some risks associated with an investment in the MITTS Securities, to determine whether an investment in the MITTS Securities is appropriate for you.

References to "ML&Co.", "we", "us" and "our" are to Merrill Lynch & Co., Inc.

References in this prospectus to "MLPF&S" are to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

References in this prospectus to "Energy SPDR Fund" are to the Energy Select Sector SPDR Fund.

We have attached the prospectus for the Energy SPDR Fund. You should carefully read the Fund Prospectus to fully understand the operation and management of the Energy SPDR Fund, particularly the fees and expenses associated with shares of the Energy SPDR Fund which affect the Net Asset Value per share of the Energy SPDR Fund and which will directly apply to you if we choose to deliver these shares to you at maturity of the MITTS Securities. Our affiliate, MLPF&S, is both a soliciting dealer in the shares of the Energy SPDR Fund and the index compilation agent for the Energy Select Sector Index. However, we are not affiliated with the Energy SPDR Fund or the Energy Select Sector Index. The Energy SPDR Fund will not receive any of the proceeds from the sale of the MITTS Securities and will not have any obligations with respect to the MITTS Securities. WE HAVE ATTACHED THE FUND PROSPECTUS AND ARE DELIVERING IT TO YOU TOGETHER WITH THIS PROSPECTUS FOR THE CONVENIENCE OF REFERENCE ONLY. THE FUND PROSPECTUS DOES NOT CONSTITUTE A PART OF PROSPECTUS,



Examples

Here are two examples of Supplemental Redemption Amount calculations assuming an Adjustment Factor of 0.85% per year:

Example 1--Adjusted Ending Value is less than the Starting Value at the maturity date:

Starting Value: 22.49
Hypothetical Ending Value: 23.62
Hypothetical Adjusted Ending Value: 22.25

<TABLE>
<S> Supplemental Redemption Amount (per unit) = \$10 X (22.25 - 22.49) / (22.49) = \$0.00
<C> (Supplemental Redemption Amount cannot be less than zero)

</TABLE>

Total value of shares delivered at maturity (per unit) = \$10 + \$0 = \$10

Example 2--Adjusted Ending Value is greater than the Starting Value at the maturity date:

Starting Value: 22.49
Hypothetical Ending Value: 35.99
Hypothetical Adjusted Ending Value: 33.90

Supplemental Redemption Amount (per unit) = \$10 X (33.90 - 22.49) / (22.49) = \$5.07

Total value of shares delivered at maturity (per unit) = \$10 + \$5.07 = \$15.07

How is the Net Asset Value determined?

The "Net Asset Value" means the net asset value per share of the Energy SPDR Fund as determined by the Energy SPDR Fund. The Energy SPDR Fund calculates its Net Asset Value per share by dividing the value of its net assets, i.e., the value of its total assets less total liabilities, by its total number of shares outstanding. Expenses and fees, including the management, administration and distribution fees, of the Energy SPDR Fund are accrued daily and taken into account for purposes of determining Net Asset Value. The Net Asset Value per share of the Energy SPDR Fund is determined by the Energy SPDR Fund each Business Day after the close of trading on the New York Stock Exchange, ordinarily 4:00 p.m., New York time. Shares of the Energy SPDR Fund are listed on the AMEX under the trading symbol "XLE".

When will I receive cash instead of shares of the Energy SPDR Fund?

If we choose to pay you the amount due to you at maturity in cash instead of in shares of the Energy SPDR Fund which you would otherwise be entitled to receive, we will pay you an amount of cash equal to the sum of the Principal Amount and the Supplemental Redemption Amount, if any. In addition, if at any time MLPF&S ceases to be a soliciting dealer in the shares of the Energy SPDR Fund, we will pay the amount due to you in cash instead of shares. Please see the section entitled "Description of the MITTS Securities--Delivery at Maturity" in this prospectus supplement.

In addition, in the event that we choose to deliver shares of the Energy SPDR Fund at maturity, we will not distribute any fractional shares to you. We will aggregate all amounts due to you in respect of the total number of units you hold on the stated maturity date, and in lieu of delivering to you any fractional shares of the Energy SPDR Fund to which you would otherwise be entitled, we will pay you the cash value of these fractional shares based on the Net Asset Value per share of the Energy SPDR Fund shortly before maturity.

Will I be charged any transaction fees or expenses with respect to the shares of the Energy SPDR Fund?

Unless and until we deliver shares of the Energy SPDR Fund to you in satisfaction of our obligations under the MITTS Securities, you will not be directly charged any management, administration, distribution or other transaction fees or other expenses with respect to the shares of the Energy SPDR Fund. However, because the Energy SPDR Fund accrues these fees and expenses daily for purposes of determining the Net Asset Value of its shares, the Net Asset Values used to calculate your Supplemental Redemption Amount will reflect the deduction of these fees and expenses as well as the reduction resulting from the application of the Adjustment Factor.

If at maturity we deliver to you shares of the Energy SPDR Fund, you will then become directly subject to ongoing account maintenance fees and some other transaction expenses with respect to your shares so long as you hold these shares.

The accompanying Fund Prospectus describes the fees and expenses charged by the Energy SPDR Fund in greater detail.

What is the Energy SPDR Fund?

The Energy SPDR Fund is an index fund whose stated investment objective is to provide investment results that, before expenses, correspond generally to the price and yield performance of the publicly traded equity securities comprising the Energy Select Sector Index. The Energy Select Sector Index consists of the equity securities of publicly traded companies that are components of the S&P 500 Index and are involved in the development and production of energy products. Companies in the Energy Select Sector Index develop and produce crude oil and natural gas, and provide drilling and other energy related services. As of February 11, 1999, the Energy Select Sector Index included 31 component stocks. A list of these securities and their index weightings as of that date is set forth under the section "The Energy SPDR Fund" in this prospectus. Our affiliate, MLPF&S, is both a soliciting dealer in the shares of the Energy SPDR Fund and the Index Compilation Agent for the Energy Select Sector Index. We are not affiliated with the Energy SPDR Fund or the Energy Select Sector Index. The Energy SPDR Fund does not receive any of the proceeds from the sale of, or have any obligations under, the MITTS Securities. You should independently decide whether an investment in the MITTS Securities and the Energy SPDR Fund is appropriate for you.

The Energy SPDR Fund is one of nine investment funds comprising the Select Sector SPDR Trust (the "Trust"), a management investment company registered under the Investment Company Act of 1940, as amended. Each fund's investment portfolio is comprised principally of constituent companies whose equity securities are components of the S&P 500 Index, each representing one of nine specified market sector indices. Each stock in the S&P 500 Index is allocated to only one Select Sector Index. The combined companies of the nine Select Sector Indices represent all of the companies whose stocks are components of the S&P 500 Index.

You should carefully read the Fund Prospectus accompanying this prospectus to fully understand the operation and management of the Energy SPDR Fund. In addition, because the Trust is subject to the registration requirements of the Securities Act of 1933, as amended, and the Investment Company Act, the Trust is required to file periodically information specified by the SEC. For more information about the Energy SPDR Fund and the shares that you may receive at maturity, information provided to or filed with the SEC by the Trust can be inspected at the SEC's public reference facilities or accessed over the Internet through a web site maintained by the SEC at <http://www.sec.gov>. You may also obtain copies of these documents at no cost by calling the Trust at (800) 843-2639 or by writing the Trust c/o ALPS Mutual Funds Services, Inc., at 370 17th Street, Suite 3100, Denver, CO 80202. Neither the Fund Prospectus nor these other documents are incorporated by reference in this prospectus, and we make no representation or warranty as to the accuracy or completeness of that information.

Will the MITTS Securities be listed on a stock exchange?

The MITTS Securities have been approved for listing on the AMEX under the symbol "ESM".

What is the role of MLPF&S?

Our subsidiary, MLPF&S, is the underwriter for the offering and sale of the MITTS Securities.

MLPF&S will be our agent for purposes of calculating the Adjusted Ending Value and the Supplemental Redemption Amount. Under some circumstances, these duties could result in a conflict of interest between MLPF&S's status as our subsidiary and its responsibilities as calculation agent.

MLPF&S also is a soliciting dealer in the shares of the Energy SPDR Fund and is the index compilation agent for the Energy Select Sector Index. Under some circumstances, these duties could result in a conflict of interest between MLPF&S's status as our subsidiary and its responsibilities to the Energy SPDR Fund and the Energy Select Sector Index. Please see the section entitled "Risk Factors--Potential conflicts" in this prospectus.

Who is ML&Co.?

Merrill Lynch & Co., Inc. is a holding company with various subsidiary and affiliated companies that provide investment, financing, insurance and related services on a global basis. For information about ML&Co., see the section entitled "Merrill Lynch & Co., Inc." in this prospectus. You should also read the other documents we have filed with the SEC, which you can find by referring to the section "Where You Can Find More Information" in this prospectus.

Are there any risks associated with my investment?

Yes, an investment in the MITTS Securities is subject to risks. Please refer to the section "Risk Factors" in this prospectus.

#### RISK FACTORS

Your investment in the MITTS Securities will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

The MITTS Securities are unlike typical equity or debt securities

The MITTS Securities combine features of equity and debt instruments. For example, like an equity instrument, the Supplemental Redemption Amount will be based on the increase, if any, in the Net Asset Value per share of the Energy SPDR Fund. However, as a holder of the MITTS Securities, you will not be entitled to receive distributions that would be payable on the shares of the Energy SPDR Fund if you had made a direct investment in the shares. In addition, like a debt instrument, you will receive the principal amount of your MITTS Securities on the maturity date. However, the terms of the MITTS Securities differ from the terms of ordinary debt securities in that the Supplemental Redemption Amount payable at maturity is not a fixed amount, but is based on the Net Asset Value per share of the Energy SPDR Fund, as reduced by the Adjustment Factor, determined on five, or, under particular circumstances, fewer than five days shortly before the maturity date.

You may not earn a return on your investment

You should be aware that at maturity we will pay you no more than \$10 for each unit of the MITTS Securities you own if the average value of the index over five trading days shortly before the maturity does not exceed 22.4936. This will be true even if, at some time during the life of the MITTS Securities, the Net Asset Value per share of the Energy SPDR Fund, as reduced by the Adjustment Factor, was higher than 22.4936 but later falls below 22.4936.

Your return will not reflect the return of owning shares of the Energy SPDR Fund or the securities and other assets comprising the Energy SPDR Fund's investment portfolio

When determining the Supplemental Redemption Amount, if any, paid to you at maturity, the Energy SPDR Fund's Net Asset Value per share, which reflects the reduction of fund assets resulting from the accrual of the Energy SPDR Fund's fees and expenses and any distributions made by the Energy SPDR Fund, will also be reduced by the application of the Adjustment Factor. Consequently, your return on the MITTS Securities will not reflect the return of owning the shares of the Energy SPDR Fund or the securities and other assets comprising the Energy SPDR Fund's investment portfolio.

Changes in the Net Asset Value per share of the Energy SPDR Fund will not exactly mirror changes in the Energy Select Sector Index

As indicated in the Fund Prospectus, the Energy SPDR Fund's investment objective is to provide investment results that, before expenses, correspond generally to the price and yield performance of the publicly traded equity securities comprising the Energy Select Sector Index. However, because the Energy SPDR Fund's investment portfolio may not hold all of the stocks in the Energy Select Sector Index or may not hold each stock in the same weighting as the Energy Select Sector Index, because the Energy SPDR Fund may hold other assets and because the Net Asset Value per share of the Energy SPDR Fund reflects the reduction of fund assets resulting from the accrual of fees and expenses and the payment of distributions, if any, changes in the value of the Energy Select Sector Index and in the Net Asset Value per share of the Energy SPDR Fund are not expected to be identical. As stated in the Fund Prospectus, the investment adviser to the Energy SPDR Fund believes that "over time, the 'tracking error' of the Energy SPDR Fund relative to the performance of the Energy Select Sector Index, adjusted for the effect of the Energy SPDR Fund's expenses, will be less than 5%". There is no assurance that the tracking error will not be greater than 5% at any time, including the time that you may wish to sell your MITTS Securities before the maturity date or at the time the calculation agent determines the Supplemental Redemption Amount, if any.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable Merrill Lynch & Co., Inc. debt security with the same maturity date. Your investment may not reflect the full



opportunity cost to you when you take into account factors that affect the time value of money.

There may be an uncertain trading market for the MITTS Securities

ML&Co. has listed the MITTS Securities on the AMEX under the trading symbol "ESM". You cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, there can be no assurance that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance, and other factors such as the increase, if any, in the Net Asset Value per share of the Energy SPDR Fund.

If a limited trading market for the MITTS Securities exists, and you do not wish to hold your investment until maturity, fewer buyers may want to purchase your MITTS Securities. This may affect the price you receive if you sell before maturity.

There are many factors affecting the trading value of the MITTS Securities

We believe that the Net Asset Value per share of the Energy SPDR Fund and a number of other factors will affect the market value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o Net Asset Value. We expect that the market value of the MITTS Securities will depend substantially on the amount by which the Net Asset Value per share of the Energy SPDR Fund, as reduced by the Adjustment Factor, exceeds the Starting Value. Even if you choose to sell your MITTS Securities when the Net Asset Value per share of the Energy SPDR Fund, as reduced by the Adjustment Factor, exceeds the Starting Value, you may receive substantially less than the amount that would be payable at maturity based on that value because of the expectation that the Net Asset Value will continue to fluctuate until shortly before the maturity date when the Adjusted Ending Value is determined. If you choose to sell your MITTS Securities before the maturity date when the Net Asset Value per share of the Energy SPDR Fund, as adjusted by the Adjustment Factor, is below or not sufficiently above the Starting Value, you may receive less than the \$10 Principal Amount per unit of MITTS Securities.
- o Interest Rates. Because we will pay, at a minimum, the Principal Amount per unit of the MITTS Securities at maturity, we expect that changes in interest rates will effect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect that the trading value of the MITTS Securities will increase. Interest rates may also affect the U.S. economy and, in turn, the Net Asset Value of the Energy SPDR Fund. Rising interest rates may lower the Net Asset Value per share of the Energy SPDR Fund and, as a result, lower the trading value of the MITTS Securities and, conversely, falling interest rates may increase the Net Asset Value per share of the Energy SPDR Fund and, as a result, may increase the trading value of the MITTS Securities.
- o Volatility of the Fund. Volatility is the term used to describe the size and frequency of market fluctuations. Generally, if the volatility of the Net Asset Value per share of the Energy SPDR Fund increases, we expect that the trading value of the MITTS Securities will increase and, conversely, if the volatility of the Net Asset Value per share of the Energy SPDR Fund decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time Remaining to Maturity. The MITTS Securities may trade at a value above that which would be expected based on the level of interest rates and the Net Asset Value per share of the Energy SPDR Fund. This difference will reflect a "time premium" due to expectations concerning the Net Asset Value per share of the Energy SPDR Fund during the period before the maturity of the MITTS Securities. However, as the time remaining to the maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend Yields. Generally, if dividend yields on the stocks comprising the Energy SPDR Fund increase, we expect that the trading value of the MITTS Securities will decrease, and conversely, if dividend yields on the stocks comprising the Energy SPDR Fund's investment portfolio decrease, we expect that the trading value of the MITTS Securities will increase.
- o Changes in Our Credit Ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or

anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the Net Asset Value per share of the Energy SPDR Fund at maturity, an improvement in our credit ratings will not reduce other investment risks related to the MITTS Securities.

We want you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the Net Asset Value per share of the Energy SPDR Fund.

In general, assuming all other relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in any one of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities. However, we expect that the effect on the trading value of the MITTS Securities of an increase or decrease in the Net Asset Value per share of the Energy SPDR Fund will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

Absence of prior active market for shares of the Energy SPDR Fund

The Energy SPDR Fund is a recently organized investment company and there is limited operating history available. Although these shares are listed for trading on the AMEX and a number of similar products have been traded on the AMEX for varying periods of time, there is no assurance that an active trading market will continue to exist for the shares of the Energy SPDR Fund. If a trading market does continue to exist, there is no assurance that there will be liquidity in the trading market.

Concentration in energy-related securities

Because the Energy SPDR Fund's investment portfolio is predominantly comprised of securities of companies in the energy-producing field, the value of the MITTS Securities may be adversely affected by an economic downturn in the energy industry. The companies whose securities comprise the Energy SPDR Fund's investment portfolio produce crude oil and natural gas and provide drilling and other energy production and distribution related services. Stock prices for these types of companies are affected by supply and demand both for their specific product or service and for energy products in general. The price of oil and gas, exploration and production spending, government regulation, political events and economic conditions will likewise affect the performance of these companies. Correspondingly, companies in the energy field are subject to swift energy price and supply fluctuations caused by events relating to international politics, energy conservation, the results of exploration projects, and tax and other governmental policies. Weak demand for these companies' products or services or for energy products and services in general, as well as negative developments in these other areas, would adversely affect the performance of the Energy SPDR Fund and in turn, the trading value of the MITTS Securities.

No affiliation between ML&Co. and the Energy SPDR Fund

Our affiliate MLPF&S is both a soliciting dealer in the shares of the Energy SPDR Fund and the Index Compilation Agent for the Energy Select Sector Index. However, we are not affiliated with the Energy SPDR Fund or the Energy Select Sector Index. The Energy SPDR Fund has no obligations with respect to the MITTS Securities or amounts to be paid to you, including any obligation to take the needs of ML&Co. or of beneficial owners of the MITTS Securities into consideration for any reason. The Energy SPDR Fund did not receive any of the proceeds from this offering and is not responsible for, and has not participated in, the determination or calculation of the amount you will receive on your MITTS Securities at maturity. In addition, the Energy SPDR Fund is not involved with the administration or trading of the MITTS Securities and has no obligations with respect to any amounts due under the MITTS Securities.

You will not have shareholder's rights until you receive share of the Energy SPDR Fund

Unless and until we deliver shares of the Energy SPDR Fund to you at the maturity of the MITTS Securities, you will not be entitled to any rights with respect to these shares including, without limitation, the right to receive distributions on, to vote or to redeem these shares. For example, if the Energy SPDR Fund sets a record date for a matter to be voted on by shareholders before our delivery of the shares of the Energy SPDR Fund to you, you will not be entitled to vote on that matter.

Amounts payable on the MITTS Securities may be limited by state law

New York State law governs the indenture under which the MITTS Securities were issued. New York has usury laws that limit the amount of interest that can

be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the holders of the MITTS Securities, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

#### Potential conflicts

The calculation agent for the MITTS Securities is one of our subsidiaries. In some circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests between the calculation agent and the holders of the MITTS Securities. These conflicts could occur, for instance, in connection with its determination as to whether a Market Disruption Event (as defined below) has occurred.

MLPF&S is a soliciting dealer in the shares of the Energy SPDR Fund. In some circumstances, MLPF&S's role as calculation agent for the MITTS Securities and its role as a soliciting dealer in the shares could give rise to conflicts of interests between the calculation agent and holders of the MITTS Securities. These conflicts could occur in connection with its determination as to the Adjusted Ending Value and the number of shares to be delivered at maturity.

Additionally, MLPF&S serves as Index Compilation Agent for the Energy Select Sector Index. In its capacity as Index Compilation Agent, MLPF&S determines, in consultation with S&P, which securities of the S&P 500 it will include in the Energy Select Sector Index. In some circumstances, MLPF&S's role as calculation agent for the MITTS Securities and its role as Index Compilation Agent could give rise to conflicts of interests between the calculation agent and holders of the MITTS Securities.

MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We anticipate entering into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay amounts due under the MITTS Securities. This subsidiary expects to make a profit in connection with the arrangement. We did not seek competitive bids for the arrangement from unaffiliated parties.

#### Other Considerations

You should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities, some aspects of which are uncertain. You should consult with your tax adviser. See "United States Federal Income Taxation" below.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and

related services; and

- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

#### RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

<TABLE>  
<CAPTION>

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
	-----				
<S>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

- - - - -  
(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

</TABLE>

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

#### DESCRIPTION OF THE MITTS SECURITIES

On February 18, 1999, ML&Co. issued \$51,000,000 aggregate principal amount, or 5,100,000 units, of Energy Select Sector SPDR Fund MITTS Securities due February 21, 2006. The MITTS Securities were issued as a series of senior debt securities under the Senior Indenture, referred to as the 1983 Indenture, which is more fully described in this prospectus. The MITTS Securities will mature on February 21, 2006.

While at maturity a beneficial owner of a MITTS Security will receive the number of shares of the Energy SPDR Fund, or cash with an equal value, equal in value, determined based on the Ending Value, to the sum of the Principal Amount of each MITTS Security plus the Supplemental Redemption Amount, if any, there will be no other payment of interest, periodic or otherwise. See "Delivery at Maturity".

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner prior to maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "Description of the MITTS Securities--Events of Default and Acceleration" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

The MITTS Securities do not have the benefit of any sinking fund.

## Delivery at Maturity

At maturity, a beneficial owner of a MITTS Security will be entitled to receive the number of shares of the Energy SPDR Fund, or cash with an equal value, equal in value as determined based on the Ending Value, to the Principal Amount of each MITTS Security plus the Supplemental Redemption Amount, if any, all as provided below. The amount to be paid by ML&Co. to any holder of the MITTS Securities on the maturity date will be aggregated based on the total number of units then held by each holder and rounded to the nearest cent. If the Adjusted Ending Value does not exceed the Starting Value, a beneficial owner of a MITTS Security will be entitled to receive only the number of shares of the Energy SPDR Fund, or cash with an equal value, equal in value as determined based on the Ending Value, to the Principal Amount of each MITTS Security.

If ML&Co. chooses to deliver shares of the Energy SPDR Fund to holders of the MITTS Securities at the maturity date, ML&Co. or one of its affiliates will deliver shares of the Energy SPDR Fund that are then newly issued by the Energy SPDR Fund.

ML&Co. may, at its option, in lieu of delivering shares of the Energy SPDR Fund, pay cash in an amount equal to the sum of the Principal Amount of the MITTS Securities and the Supplemental Redemption Amount, if any. In addition, if at any time MLPF&S ceases to be a soliciting dealer in the shares of the Energy SPDR Fund, ML&Co. will pay the amount due to holders of the MITTS Securities in cash instead of shares.

## Determination of the Supplemental Redemption Amount

The Supplemental Redemption Amount for a MITTS Security will be determined by the calculation agent and will equal:

Principal Amount of each MITTS Security  
(\$10 per unit) X ( Adjusted Ending Value - Starting Value )  
( ----- )  
( Starting Value )

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Value" equals 22.4936, the Net Asset Value of one share of the Energy SPDR Fund on the Pricing Date.

"Net Asset Value" means the net asset value per share of the Energy SPDR Fund as determined by the Energy SPDR Fund. The Energy SPDR Fund calculates its Net Asset Value per share by dividing the value of its net assets, i.e., the value of its total assets less total liabilities, by its total number of shares outstanding. Expenses and fees, including the management, administration and distribution fees, of the Energy SPDR Fund are accrued daily and taken into account for purposes of determining its Net Asset Value. The Net Asset Value per share of the Energy SPDR Fund is determined by the Energy SPDR Fund each Business Day after the close of trading on the New York Stock Exchange, ordinarily 4:00 p.m., New York time. Shares of the Energy SPDR Fund are listed on the AMEX under the trading symbol "XLE".

The "Adjusted Ending Value" will be determined by the calculation agent and will equal the Ending Value, as reduced by the application of the Adjustment Factor on each Calculation Day.

The "Ending Value" will equal the average, or the arithmetic mean, of the Net Asset Values per share of the Energy SPDR Fund on each of the first five Calculation Days during the Calculation Period. If there are fewer than five Calculation Days in the Calculation Period, the Ending Value will equal the average, or the arithmetic mean, of the Net Asset Values of the Energy SPDR Fund on each of the Calculation Days, and if there is only one Calculation Day, then the Ending Value will be equal to the Net Asset Value per share of the Energy SPDR Fund on that Calculation Day. If no Calculation Days occur during the Calculation Period because of Market Disruption Events, then the Ending Value shall mean the Net Asset Value per share of the Energy SPDR Fund on the last Trading Day prior to the Calculation Period for which a Net Asset Value per share of the Energy SPDR Fund was determined.

The Adjustment Factor equals 0.85% per year and will be prorated based on a 365-day year and applied each calendar day to reduce the Ending Value used to calculate the Supplemental Redemption Amount. As a result of the application of the Adjustment Factor, the adjusted Net Asset Value of one share of the Energy SPDR Fund used to calculate the Supplemental Redemption Amount at the maturity of the MITTS Securities will be approximately 5.8% less than the actual Net Asset Value per share of the Energy SPDR Fund on any day during the Calculation Period.

The "Calculation Period" means the period from and including the seventh scheduled Calculation Day prior to the Maturity Date to and including the second scheduled Calculation Day prior to maturity.

"Calculation Day" means any Trading Day on which a Market Disruption Event has not occurred.

"Trading Day" is a day on which the shares of the Energy SPDR Fund:

- o are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and
- o have traded at least once on a national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of the Energy SPDR Fund.

Fractional Shares

ML&Co. will not deliver fractional shares of the Energy SPDR Fund at maturity. In the event ML&Co. elects to pay holders of the MITTS Securities in shares of the Energy SPDR Fund, all amounts due to any holder of the MITTS Securities in respect of the total number of units held by that holder will be aggregated, and in lieu of delivering any fractional share to that holder, that holder will receive the cash value of the fractional share based on the Ending Value.

Hypothetical Returns

The following table illustrates, for a range of hypothetical Ending Values,

- o the Adjusted Ending Value used to calculate the Supplemental Redemption Amount,
- o the percentage change from the Starting Value to the Adjusted Ending Value,
- o the principal amount and Supplemental Redemption Amount, if any, paid at maturity for each unit,
- o the total rate of return to beneficial owners of the MITTS Securities,
- o the pretax annualized rate of return to beneficial owners of MITTS Securities, and
- o the pretax annualized rate of return of an investment in shares of the Energy SPDR Fund. This table assumes an Adjustment Factor of 0.85% per annum.

<TABLE>  
<CAPTION>

Hypothetical Pretax Annualized Ending Value of Return of During the Shares of the Calculation Energy SPDR Fund(1) (2)	Hypothetical Adjusted Ending Value	Percentage Change of Adjusted Ending Value Over the Starting Value	Principal Amount and Supplemental Redemption Amount Paid at Maturity per Unit	Total Rate of Return on the MITTS Securities	Pretax Annualized Rate of Return on the MITTS Securities(1)	Rate
<S>	<C>	<C>	<C>	<C>	<C>	
<C>						
4.50	4.24	-81.16%	\$ 10.00	0.00%	0.00%	
-18.69%						
9.00	8.48	-62.32%	\$ 10.00	0.00%	0.00%	
-9.93%						
13.50	12.71	-43.48%	\$ 10.00	0.00%	0.00%	
-4.50%						
17.99	16.95	-24.64%	\$ 10.00	0.00%	0.00%	
-0.51%						
22.49(3)	21.19	-5.80%	\$ 10.00	0.00%	0.00%	
2.67%						
26.99	25.43	13.04%	\$ 11.30	13.04%	1.75%	
5.32%						
31.49	29.66	31.88%	\$ 13.19	31.88%	3.97%	
7.60%						
35.99	33.90	50.72%	\$ 15.07	50.72%	5.92%	
9.60%						
40.49	38.14	69.55%	\$ 16.96	69.55%	7.65%	
11.40%						
44.99	42.38	88.39%	\$ 18.84	88.39%	9.21%	
13.02%						

49.49	46.61	107.23%	\$ 20.72	107.23%	10.63%
14.50%					
53.98	50.85	126.07%	\$ 22.61	126.07%	11.94%
15.87%					
58.48	55.09	144.91%	\$ 24.49	144.91%	13.15%
17.14%					
62.98	59.33	163.75%	\$ 26.38	163.75%	14.28%
18.32%					
67.48	63.56	182.59%	\$ 28.26	182.59%	15.33%
19.43%					

- 
- (1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.
  - (2) This rate of return assumes,
    - (a) a constant dividend yield of 2.67% per annum, paid quarterly from the date of the initial delivery of the MITTS Securities, applied to the Net Asset Value per share of the Energy SPDR Fund at the end of each quarter, assuming the Net Asset Value per share of the Energy SPDR Fund increases or decreases linearly from the Starting Value to the hypothetical Ending Value during the Calculation Period;
    - (b) no transaction fees or expenses in connection with the purchase of the MITTS Securities;
    - (c) a term from February 11, 1999 to February 21, 2006; and
    - (d) a Net Asset Value per share of the Energy SPDR Fund on the maturity date equal to the Ending Value.
  - (3) The Starting Value equals 22.4936, the Net Asset Value per share of the Energy SPDR Fund on the Pricing Date.

The figures on the previous page are for purposes of illustration only. The actual Supplemental Redemption Amount and the total and pretax annualized rate of return resulting therefrom will depend entirely on actual Adjusted Ending Value determined by the calculation agent as provided in this prospectus.

#### Adjustments to the Net Asset Value; Market Disruption Events

If at any time the shares of the Energy SPDR Fund are subject to a split or reverse split, the calculation agent shall adjust the Net Asset Value per share of the Energy SPDR Fund used to calculate the Ending Value in order to arrive at a Net Asset Value per share of the Energy SPDR Fund as if the split or reverse split, as the case may be, had not occurred.

"Market Disruption Event" means any of the following events, as determined by the calculation agent:

"Market Disruption Event" means either of the following events; as determined by the calculation agent:

- (a) the suspension or material limitation on trading for more than two hours of trading, or during the one-half hour period preceding the close of trading on the applicable exchange, in each case, in 20% or more of the stocks which then comprise the Index; or
- (b) 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,
  - (A) futures contracts related to the Index, or options on these futures contracts, which are traded on any major U.S. exchange or
  - (B) option contracts related to the Index which are traded on any major U.S. exchange. or
- (c) the Energy SPDR Fund (1) is unable or otherwise fails to issue a Net Asset Value for any shares of the Energy SPDR Fund after the close of business on the NYSE or (2) suspends the creation or redemption of shares of the Energy SPDR Fund.

For the purposes of paragraphs (a) and (b) 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.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under New York Stock Exchange Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

Termination of the Energy SPDR Fund

If the Energy SPDR Fund is liquidated or otherwise terminated, for purposes of calculating the Supplemental Redemption Amount payable at the maturity of the MITTS Securities, the "Net Asset Value" will be calculated by the calculation agent as follows: The Net Asset Value per share of the Energy SPDR Fund on the Trading Day occurring immediately before any liquidating distribution will equal the Net Asset Value for that day (the "Pre-liquidation Date"). The calculation agent will then calculate the Net Asset Value after the close of trading on each Trading Day, each applicable date defined as a "Determination Date", after the Pre-liquidation Date by increasing or decreasing, as the case may be, the Net Asset Value as of the immediately preceding Trading Day by the percentage by which the closing value of the Energy Select Sector Index increases or decreases from that immediately preceding Trading Day to the Determination Date and further decreasing the Net Asset Value by fees, expenses and non-liquidating distributions, together, "Fund Expenses", that the calculation agent, in its sole judgment but with reference to the Fund Expenses actually incurred by the Energy SPDR Fund before its liquidation or termination, deems would reasonably have been accrued and included in the calculation of the Net Asset Value per share of the Energy SPDR Fund had it not been liquidated or terminated, from the immediately preceding Trading Day to the Determination Date. The calculation agent will cause notice of each 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 the values to be made available by telephone.

If the Energy SPDR Fund is liquidated or otherwise terminated and the Energy Select Sector Index is no longer calculated or published, an "Index Termination Event", the calculation agent will select a successor index that it determines, in its sole discretion, to be comparable to the Energy Select Sector Index, and, upon the calculation agent's notification of its determination to the Trustee and ML&Co., the calculation agent will substitute the successor index for the Energy Select Sector Index and calculate the Net Asset Value in accordance with the procedures referred to in the immediately preceding paragraph with reference to the successor index. Upon any selection by the calculation agent of a successor index, ML&Co. shall cause notice thereof to be given to holders of the MITTS Securities.

In the event that an Index Termination Event occurs and a successor index to the Energy Select Sector Index is not selected by the calculation agent or is no longer published on any of the Calculation Days, the calculation agent shall compute a substitute index for the Energy Select Sector Index for any Calculation Day in accordance with the procedures last used to calculate the Energy Select Sector Index prior to any discontinuance. The calculation agent will calculate the Net Asset Value in accordance with the procedures referred to in the first paragraph of this section with reference to the substitute index. Upon any selection by the calculation agent of the substitute index, ML&Co. shall cause notice thereof to be given to holders of the MITTS Securities.

If S&P discontinues publication of the S&P 500 Index subsequent to an Index Termination Event and

- o a successor index to the Energy Select Sector Index is not selected by the calculation agent or is no longer published on any of the Calculation Days and
- o the calculation agent is unable to calculate a substitute index for the Energy Select Sector Index, then

the calculation agent will compute a substitute index for the S&P 500 Index for any Calculation Day in accordance with the procedures last used to calculate the S&P 500 Index prior to any discontinuance. If the calculation agent calculates the substitute index for the S&P 500 Index, the calculation agent will use the substitute index to calculate the substitute index for the Energy Select Sector Index.

Notwithstanding these alternative arrangements, liquidation or termination of the Energy SPDR Fund or the discontinuance of the publication of the Energy Select Sector Index or the S&P 500 Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities has occurred and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount thereof, will be equal to the Principal Amount and the Supplemental Redemption Amount, if any, calculated assuming:

- o the date of early repayment is the maturity date of the MITTS Securities and
- o the Adjustment Factor is prorated based on a 365-day year and applied each calendar day to reduce the Net Asset Value per share of the Energy SPDR Fund used to calculate the Supplemental Redemption Amount. See "Delivery at Maturity" in this prospectus.



If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the Principal Amount of the MITTS 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 MITTS Securities.

In case of default in payment at the maturity date of the MITTS Securities, whether at their stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 5.83% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of any amount has been made or duly provided for.

#### Global Securities

##### Description of the Global Securities

Beneficial owners of the MITTS Securities may not receive physical delivery of the MITTS Securities nor may they be entitled to have the MITTS Securities registered in their names. The MITTS Securities currently are represented by one or more fully registered global securities. Each global security was deposited with, or on behalf of, The Depository Trust Company or DTC, DTC, together with any successor thereto, being (a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by a global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders under the 1983 Indenture, including for purposes of receiving any reports delivered by ML&Co. or the trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take any action, and the participants would authorize beneficial owners owning through those participants to give or take 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.

##### DTC Procedures

The following is based on information furnished by DTC:

DTC is the securities depository for the MITTS Securities. The MITTS Securities were issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities were issued for the MITTS Securities in the aggregate principal amount of the MITTS Securities, and were deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 under to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust

companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities will be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date identified in a listing attached to the omnibus proxy.

Principal, premium, if any, and/or interest, if any, payments on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

#### Exchange for Certificated Securities

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

In addition, ML&Co. may decide to discontinue use of the system of book-entry transfers through the depository. In that event, MITTS Securities in definitive form will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

## Same-Day Settlement and Delivery

All payments of principal and the Supplemental Redemption Amount, if any, will be made by ML&Co., by delivery of shares of the Energy SPDR Fund in an equivalent value. In the event ML&Co. elects, at its option, to pay cash in lieu of delivering shares of the Energy SPDR Fund, ML&Co. will make that payment in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

## THE ENERGY SPDR FUND

ML&Co. has attached the Fund Prospectus describing the Energy SPDR Fund and is delivering it to purchasers of the MITTS Securities together with this prospectus for the convenience of reference only. The Fund Prospectus does not constitute a part of this prospectus, nor is it incorporated by reference in this prospectus. The summary description below is qualified in its entirety by the information describing the Energy SPDR Fund and the Energy Select Sector Index included in the attached Fund Prospectus.

As stated in the Fund Prospectus, the Energy SPDR Fund is an index fund whose investment objective is to provide investment results that, before expenses, correspond generally to the price and yield performance of the publicly traded equity securities included in the Energy Select Sector Index. The Energy Select Sector Index consists of the equity securities of publicly traded companies that are components of the S&P 500 Index and are involved in the development and production of energy products. Companies in the Energy Select Sector Index develop and produce crude oil and natural gas, and provide drilling and other energy related services. As of February 11, 1999, the Energy Select Sector Index included 31 component stocks.

Although ML&Co.'s subsidiary, MLPF&S, provides services to the Energy SPDR Fund and the Energy Select Sector Index, ML&Co. is not affiliated with the Energy SPDR Fund or the Energy Select Sector Index, and the Energy SPDR Fund did not receive any of the proceeds from the sale of, or have any obligations under, the MITTS Securities. A prospective purchaser of the MITTS Securities should independently decide whether an investment in the MITTS Securities and the Energy SPDR Fund is appropriate.

The Energy SPDR Fund is one of nine investment funds comprising the Trust. Each fund's investment portfolio is comprised principally of constituent companies whose equity securities are components of the S&P 500 Index, each representing one of nine specified market sector indices. Each stock in the S&P 500 Index is allocated to only one Select Sector Index. The combined companies of the nine indices represent all of the companies whose stocks are components of the S&P 500 Index. The Energy SPDR Fund's initial public offering occurred on December 16, 1998 and therefore it has limited operating history.

Because the Trust is subject to the registration requirements of the Securities Act and the Investment Company Act, the Trust is required to file periodically information specified by the SEC. For more information about the Energy SPDR Fund and the shares that a holder of the MITTS Securities may receive at maturity, information provided to or filed with the SEC by the Trust can be inspected at the SEC's public reference facilities or accessed over the Internet through a web site maintained by the SEC at <http://www.sec.gov>. Copies of these documents may also be obtained at no cost by calling the Trust at (800) 843-2639 or by writing the Trust c/o ALPS Mutual Funds Services, Inc., at 370 17th Street, Suite 3100, Denver, CO 80202. Neither the Fund Prospectus nor these other documents are incorporated by reference in this prospectus supplement, and ML&Co. makes no representation or warranty as to the accuracy or completeness of any of these other documents.

ML&Co. is not affiliated with the Energy SPDR Fund, and the Energy SPDR Fund has no obligations with respect to the MITTS Securities. This prospectus relates only to the MITTS Securities offered hereby and does not relate to the shares of the Energy SPDR Fund or any other securities relating to the Energy SPDR Fund. The information contained in this prospectus regarding the Energy SPDR Fund has been derived from the publicly available documents described in the preceding paragraph. ML&Co. makes no representation that these publicly available documents or any other publicly available information regarding the Energy SPDR Fund are accurate or complete. Furthermore, there can be no assurance that all events occurring prior to the date of this prospectus, including events that would affect the accuracy or completeness of the publicly available documents described in the preceding paragraph, that would affect the trading price of the shares of the Energy SPDR Fund, and therefore the trading price of the MITTS Securities, have been publicly disclosed. Subsequent disclosure of any material events or the disclosure of or failure to disclose material future events concerning the Energy SPDR Fund could affect the Supplemental Redemption Amount, if any, to be received at maturity and therefore the trading value of the MITTS Securities.

MLPF&S, a subsidiary of ML&Co., is a soliciting dealer in the shares of the Energy SPDR Fund. Additionally, MLPF&S serves as Index Compilation Agent for the Energy Select Sector Index. In its capacity as Index Compilation Agent,

MLPF&S determines, in consultation with S&P, the composition of the securities measured by the Energy Select Sector Index.

#### License Agreement

S&P, the AMEX and MLPF&S have entered into a non-exclusive license agreement providing for the license to MLPF&S, in exchange for a fee, of the right to use indices owned and published by S&P in connection with some securities, including the MITTS Securities, and ML&Co. is an authorized sublicensee of MLPF&S.

The license agreement among S&P, the AMEX and MLPF&S provides that the following language must be stated in this prospectus supplement:

"Standard & Poor's(R)", "Standard & Poor's 500", "S&P 500(R)", "S&P(R)", "500", "Standard & Poor's Depository Receipts", "SPDRs", "Select Sector SPDR" and "Select Sector Standard & Poor's Depository Receipts" are trademarks of Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and have been licensed for use by MLPF&S. ML&Co., is an authorized sublicensee of MLPF&S. The stocks comprising the Energy Select Sector Index were selected by MLPF&S, as Index Compilation Agent, in consultation with S&P from the universe of companies represented by the S&P 500 Index. The composition and weightings of the stocks included in the Energy Select Sector Index can be expected to differ from the composition and weighting of stocks included in any similar S&P 500 sector index published and disseminated by S&P.

The MITTS Securities, the Energy SPDR Fund and the Energy Select Sector Index are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the holders of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities particularly or in the ability of the Energy SPDR Fund to track the performance and yield of the Energy Select Sector Index or in the ability of the Energy Select Sector Index to track the performance of the energy sector represented in the stock market. The stocks included in the Energy Select Sector Index were selected by MLPF&S as the Index Compilation Agent in consultation with S&P from a universe of companies involved in the development and production of energy products and represented by the S&P 500 Index. The composition and weightings of the stocks included in the Energy Select Sector Index can be expected to differ from the composition and weighting of stocks included in any corresponding S&P 500 sector index that is published and disseminated by S&P. S&P's only relationship to the Index Compilation Agent is the licensing of some trademarks and trade names of S&P and of the S&P 500 Index which is determined, composed and calculated by S&P without regard to the index compilation agent or the MITTS Securities. S&P has no obligation to take the needs of the Index Compilation Agent, ML&Co. or the holders of the MITTS Securities into consideration in determining, composing or calculating the S&P 500 Index. S&P is not responsible for and has not participated in any determination of the timing of the sale of the MITTS Securities, prices at which the MITTS Securities are initially to be sold, or quantities of the MITTS Securities to be issued or in the determination or calculation of the equation by which ML&Co. will convert the MITTS Securities ML&Co. into shares of the Energy SPDR Fund or cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities.

S&P does not guarantee the accuracy and/or the completeness of the S&P 500 Index, the Energy Select Sector Index or any data included therein. S&P makes no warranty, express or implied, as to results to be obtained by ML&Co., MLPF&S, the holders of the MITTS Securities, or any other person or entity from the use of the S&P 500 Index, the Energy Select Sector Index or any data included therein in connection with the rights licensed under the license agreement described herein or for any other use. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the S&P 500 Index, the Energy Select Sector Index or any data included therein. Without limiting the generality of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of these damages."

All disclosures contained in this prospectus supplement regarding the S&P 500 Index or the Energy Select Sector Index, including its respective make-up, method of calculation and changes in its components, are derived from publicly available information prepared by S&P and the Trust, respectively. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject

to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.

ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

## Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;
- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "---Events of Default".

## Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the Trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the Trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or

- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations (the "Final Regulations") concerning the United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount and a projected Supplemental Redemption Amount equal to \$4.9556 per Unit (the "Projected Supplemental Redemption Amount"). This represents an estimated yield on the MITTS Securities equal to 5.83% per annum, compounded semiannually.

The projected payment schedule, including both the Projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities, has been determined solely for United States Federal income tax purposes, i.e., for purposes of applying the Final Regulations to the MITTS Securities, and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that will be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over an assumed term of approximately seven years for the MITTS Securities based upon a projected payment schedule for the MITTS Securities, including both the Projected Supplemental Redemption Amount and the estimated yield equal to 5.83% per annum (compounded semiannually, as determined by ML&Co. for purposes of illustrating the application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Deemed		Interest Deemed to Accrue	Total Interest
Accrued on		During Accrual Period	to Have
Securities		(per Unit)	MITTS
Accrual	Accrual Period		as of End of
Unit)			Period (per
	-----		-----
-----			

<S>	<C>	<C>
February 18, 1999 through August 21, 1999.....	\$ 0.2939	\$ 0.2939
August 22, 1999 through February 21, 2000.....	\$ 0.3001	\$ 0.5940
February 22, 2000 through August 21, 2000.....	\$ 0.3088	\$ 0.9028
August 22, 2000 through February 21, 2001.....	\$ 0.3178	\$ 1.2206
February 22, 2001 through August 21, 2001.....	\$ 0.3271	\$ 1.5477
August 22, 2001 through February 21, 2002.....	\$ 0.3366	\$ 1.8843
February 22, 2002 through August 21, 2002.....	\$ 0.3465	\$ 2.2308
August 22, 2002 through February 21, 2003.....	\$ 0.3565	\$ 2.5873
February 22, 2003 through August 21, 2003.....	\$ 0.3669	\$ 2.9542
August 22, 2003 through February 21, 2004.....	\$ 0.3776	\$ 3.3318
February 22, 2004 through August 21, 2004.....	\$ 0.3886	\$ 3.7204
August 22, 2004 through February 21, 2005.....	\$ 0.4000	\$ 4.1204
February 22, 2005 through August 21, 2005.....	\$ 0.4116	\$ 4.5320
August 22, 2005 through February 21, 2006.....	\$ 0.4236	\$ 4.9556

</TABLE>

- -----  
Projected Supplemental Redemption Amount=\$4.9556 per unit.

All prospective investors in the Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

ML&Co.

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

The Energy SPDR Fund

The Trust is subject to the registration requirements of the Securities Act and the Investment Company Act and is required to file periodically information specified by the SEC. For more information about the Energy SPDR Fund and the shares that you may receive at maturity, information provided to or filed with the SEC by the Trust can be inspected at the SEC's public reference facilities or accessed over the Internet through its web site. You may also obtain copies of these documents at no cost by calling the Trust at (800) 843-2639 or by writing the Trust c/o ALPS Mutual Funds Services, Inc., at 370 17th Street, Suite 3100, Denver, CO 80202. Neither the Fund Prospectus nor these other documents are incorporated by reference in this prospectus, and we make no representation or warranty as to the accuracy or completeness of this information.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders'



meeting; and

- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the AMEX or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

Subject to Completion  
Preliminary Prospectus dated March 29, 1999

PROSPECTUS

[LOGO]

Merrill Lynch & Co., Inc.  
S&P 500(R) Market Index Target-Term Securities(R)  
due March 27, 2006  
"MITTS(R) Securities"  
\$10 principal amount per unit

This prospectus is to be used by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, our wholly-owned subsidiary, when making offers and sales related to market-making transactions in the MITTS Securities.

<TABLE>  
<CAPTION>

<S>

<C>

The MITTS Securities:

- o 100% principal protection at maturity
- o No payments before the maturity date
- o Senior unsecured debt securities of Merrill Lynch & Co., Inc.
- o Linked to the value of the S&P 500 Index
- o The MITTS Securities are listed on the American Stock Exchange under the trading symbol "FML"

Payment at Maturity:

- o On the maturity date, for each unit of the MITTS Securities you own, we will pay you an amount of each unit and an additional amount based on the percentage increase, if any, in the value of the S&P 500 Index adjusted by an adjustment factor as described in this prospectus
- o You will receive no less than the principal amount of your MITTS

Securities

</TABLE>

Investing in the MITTS Securities involves risk. See "Risk Factors" beginning on page S-8.

-----

Neither the Securities and Exchange Commission nor any state securities commission has approved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The sale price of the MITTS Securities will be the prevailing market price at the time of sale.

-----  
Merrill Lynch & Co.  
-----

The date of this prospectus is \_\_\_\_\_, 1999.

"MITTS" and "Market Index Target-Term Securities" are registered service marks owned by Merrill Lynch & Co., Inc.

"Standard & Poor's(R)", "Standard & Poor's 500", "S&P 500(R)", "S&P(R)" and "500", are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Merrill Lynch Capital Services, Inc., and Merrill Lynch & Co., Inc. is an authorized sublicensee.

TABLE OF CONTENTS

	Page
SUMMARY INFORMATION--Q&A.....	3
RISK FACTORS.....	6
MERRILL LYNCH & CO., INC.....	8
RATIO OF EARNINGS TO FIXED CHARGES.....	9
DESCRIPTION OF THE MITTS SECURITIES.....	7
THE S&P 500 INDEX.....	17
OTHER TERMS.....	20
PROJECTED PAYMENT SCHEDULE.....	23
WHERE YOU CAN FIND MORE INFORMATION.....	24
INCORPORATION OF INFORMATION WE FILE WITH THE SEC.....	24
PLAN OF DISTRIBUTION.....	25
EXPERTS.....	26

SUMMARY INFORMATION--Q&A

This summary includes questions and answers that highlight selected information from this prospectus to help you understand the S&P 500 Market Index Target-Term Securities due March 27, 2006. You should carefully read this prospectus to fully understand the terms of the MITTS Securities, the S&P 500 Index, and the tax and other considerations that are important to you in making a decision about whether to invest in the MITTS Securities. You should carefully review the "Risk Factors" section, which highlights certain risks associated with an investment in the MITTS Securities, to determine whether an investment in the MITTS Securities is appropriate for you.

References in this prospectus to "ML&Co.", "we", "us" and "our" are to Merrill Lynch & Co., Inc.

References in this prospectus to "MLPF&S" are to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

What are the MITTS Securities?

The MITTS Securities are a series of senior debt securities issued by ML&Co. and are not secured by collateral. The MITTS Securities will rank equally with all of our other unsecured and unsubordinated debt. The MITTS Securities will mature on March 27, 2006. We cannot redeem the MITTS

Securities at any earlier date. We will not make any payments on the MITTS Securities until maturity.

Each unit of MITTS Securities represents \$10 principal amount of MITTS Securities. You may transfer the MITTS Securities only in whole units. You will not have the right to receive physical certificates evidencing your ownership except under limited circumstances. Instead, we will issue the MITTS Securities in the form of a global certificate, which will be held by The Depository Trust Company, also known as DTC, or its nominee. Direct and indirect participants in DTC will record your ownership of the MITTS Securities. You should refer to the section "Description of the MITTS Securities--Depository" in this prospectus.

What will I receive at the stated maturity date of the MITTS Securities?

We have designed the MITTS Securities for investors who want to protect their investment by receiving at least the principal amount of their investment at maturity and who also want to participate in possible increases in the S&P 500 Index as reduced by the Adjustment Factor. At the stated maturity date, you will receive a payment on the MITTS Securities equal to the sum of two amounts: the "principal amount" and the "Supplemental Redemption Amount".

Principal Amount

The principal amount per unit is \$10.

Supplemental Redemption Amount

The Supplemental Redemption Amount per unit will equal:  $\$10 \times (\text{Adjusted Ending Value} - \text{Starting Value})$

-----  
Starting Value

but will not be less than zero.

"Starting Value", equals 1,262.14, the closing value of the S&P 500 Index on March 23, 1999, the date the MITTS Securities were priced for initial sale to the public.

"Adjusted Ending Value" means the average of the values of the S&P 500 Index as reduced by the application of the Adjustment Factor at the close of the market on five business days before the maturity of the MITTS Securities. We may calculate the Adjusted Ending Value by reference to fewer than five or even a single day's closing value if, during the period shortly before the stated maturity date of the MITTS Securities, there is a disruption in the trading of the component stocks included in the S&P 500 Index or certain futures or options relating to the S&P 500 Index.

The "Adjustment Factor" equals 2.6% per year and will be prorated based on a 365-day year and applied each calendar day to reduce the value of the S&P 500 Index. As a result of the Adjustment Factor, the adjusted value of the S&P 500 Index used to calculate your Supplemental Redemption Amount at the stated maturity of the MITTS Securities will be approximately 16.66% less than the actual value of the S&P 500 Index on any day during the calculation period. For a detailed discussion of how the Adjustment Factor will affect the value of the S&P 500 Index used to calculate your Supplemental Redemption Amount, see "Description of the MITTS Securities--Payment at Maturity" in this prospectus.

For more specific information about the Supplemental Redemption Amount, please see the section "Description of the MITTS Securities" in this prospectus.

We will pay you a Supplemental Redemption Amount only if the Adjusted Ending Value is greater than the Starting Value. If the Adjusted Ending Value is less than, or equal to, the Starting Value, the Supplemental Redemption Amount will be zero. We will pay you the principal amount of your MITTS Securities regardless of whether any Supplemental Redemption Amount is payable.

Examples

Here are two examples of Supplemental Redemption Amount calculations assuming an Adjustment Factor of 2.6%:

Example 1--The S&P 500 Index, as adjusted, is below the Starting value at maturity:

Starting Value: 1,262.14  
Hypothetical closing value of the S&P 500 Index at maturity: 1,388.35  
Hypothetical Adjusted Ending Value: 1,157.08

<TABLE>  
<CAPTION>  
<S>

	<C>	
	( 1,157.08-1,262.14 )	
Supplemental Redemption Amount (per unit) = \$10 x	-----	= \$0.00
	1,262.14	

<C>  
Supplemental  
Reduction  
Amount cannot  
be less than  
zero)

</TABLE>

Total payment at maturity (per unit) = \$10 + \$0 = \$10

Example 2--The S&P 500 Index, as adjusted, is above the Starting value at maturity:

Starting Value: 1,262.14  
Hypothetical closing value of the S&P 500 Index at maturity: 2,145.64  
Hypothetical Adjusted Ending Value: 1,788.21

<TABLE>  
<CAPTION>  
<S>

	<C>		<C>
	( 1,788.21-1,262.14 )		
Supplemental Redemption Amount (per unit) = \$10 x	-----		= \$4.17
	1,262.14		

Total payment at maturity (per unit) = \$10 + \$4.17 = \$14.17

</TABLE>

Who publishes the S&P 500 Index and what does the S&P 500 Index measure?

The S&P 500 Index is published by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and is intended to provide an indication of the pattern of common stock price movement. The value of the S&P 500 Index is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. The market value for the common stock of a company is the product of the market price per share of the common stock and the number of outstanding shares of common stock. As of March 22, 1999, the 500 companies included in the S&P 500 Index represented approximately 78% of the aggregate market value of common stocks traded on the New York Stock Exchange; however, these 500 companies are not the 500 largest companies listed on the NYSE and not all of these 500 companies are listed on the NYSE. As of March 22, 1999, the aggregate market value of the 500 companies included in the Index represented approximately 79% of the aggregate market value of United States domestic, public companies. Standard & Poor's chooses companies for inclusion in the S&P 500 Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the NYSE, which Standard & Poor's uses as an assumed model for the composition of the total market.

Please note that an investment in the MITTS Securities does not entitle you to any ownership interest in the stocks of the companies included in the S&P 500 Index.

How has the S&P 500 Index performed historically?

We have included tables showing the year-end closing value of the S&P 500 Index for each year from 1947 through 1998 and the month-end closing value of the S&P 500 Index from January 1990 through February 1999 in the section "The S&P 500 Index--Historical Data on the S&P 500 Index", in this prospectus. We have provided this historical information to help you evaluate the behavior of the S&P 500 Index in various economic environments; however, past performance of the S&P 500 Index is not necessarily indicative of how the S&P 500 Index will perform in the future.

Will the MITTS Securities be listed on a stock exchange?

The MITTS Securities are listed on the AMEX under the trading symbol "FML". You should be aware that the listing of the MITTS Securities on the AMEX will not necessarily ensure that a liquid trading market will be available for the MITTS Securities. You should review "Risk Factors--There may be an uncertain trading market for the MITTS Securities in the future".

What is the role of MLPF&S?

Our subsidiary, MLPF&S, is the underwriter for the offering and sale of the MITTS Securities. MLPF&S is also our agent for purposes of calculating, among other things, the Adjusted Ending Value and the Supplemental Redemption Amount. Under certain circumstances, these duties could result in a conflict of interest between MLPF&S's status as a subsidiary of ML&Co. and its responsibilities as calculation agent.

Who is ML&Co.?

Merrill Lynch & Co., Inc. is a holding company with various subsidiary and affiliated companies that provide investment, financing, insurance and related services on a global basis. For information about ML&Co. see the section "Merrill Lynch & Co., Inc." in the accompanying prospectus. You should also read the other documents we have filed with the SEC, which you can find by referring to the section "Where You Can Find More Information" in this prospectus.

Are there any risks associated with my investment?

Yes, an investment in the MITTS Securities is subject to risk. Please refer to the section "Risk Factors" in this prospectus.

#### RISK FACTORS

Your investment in the MITTS Securities will involve certain risks. You should carefully consider the following discussion of risks before deciding whether an investment in the MITTS Securities is suitable for you.

You may not earn a return on your investment

You should be aware that if the Adjusted Ending Value does not exceed the Starting Value at the stated maturity, the Supplemental Redemption Amount will be zero. This will be true even if, at some time during the life of the MITTS Securities the value of the S&P 500 Index, as reduced by the Adjustment Factor, was higher than Starting Value but later falls below the Starting Value. If the Supplemental Redemption Amount is zero, we will pay you only the principal amount of your MITTS Securities.

Your yield may be lower than the yield on a standard debt security of comparable maturity

The amount we pay you at maturity may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a standard senior non-callable Merrill Lynch & Co., Inc. debt security with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors, like inflation, that affect the time value of money.

Your return will not reflect the return of owning the stocks included in the S&P 500 Index

Your return will not reflect the return you would realize if you actually owned the stocks included in the S&P 500 Index and received the dividends paid on those stocks because of the reduction caused by the Adjustment Factor and because the S&P 500 Index is calculated by reference to the prices of the common stocks included in the S&P 500 Index without taking into consideration the value of dividends paid on those stocks.

There may be an uncertain trading market for the MITTS Securities in the future

Although the MITTS Securities are listed on the AMEX under the trading symbol "FML", you cannot assume that a trading market will continue to exist for the MITTS Securities. If a trading market in the MITTS Securities continues to exist, you cannot assume that there will be liquidity in the trading market. The continued existence of a trading market for the MITTS Securities will depend on our financial performance, and other factors such as the increase, if any, of the value of the S&P 500 Index.

If the trading market for the MITTS Securities is limited and you do not wish to hold your investment until maturity, there may be a limited number of buyers for your MITTS Securities. This may affect the price you receive if you sell before maturity.

There are many factors affecting the trading value of the MITTS Securities

We believe that the value of the index and a number of other factors will affect the trading value of the MITTS Securities. Some of these factors interrelate in complex ways; as a result, the effect of any one factor may offset or magnify the effect of another factor. The following paragraphs describe the expected impact on the trading value of the MITTS Securities given a change in a specific factor, assuming all other conditions remain constant.

- o S&P 500 Index Value. We expect that the market value of the MITTS Securities will depend substantially on the amount by which the index, as reduced by the adjustment factor, exceeds the Starting Value. If you choose to sell your MITTS Securities when the value of the index, as reduced by the adjustment factor, exceeds the Starting Value you may receive substantially less than the amount that would be payable at maturity based on

this value because of the expectation that the index will continue to fluctuate until shortly before the maturity date when the average value of the index is determined. If you choose to sell your MITTS Securities when the value of the index is below the Starting Value, you may receive less than the \$10 principal amount per unit of MITTS Securities. In general, rising U.S. dividend rates, or dividends per share, may increase the value of the index while falling U.S. dividend rates may decrease the value of the index. Political, economic and other developments that affect the stocks included in the index may also affect the value of the index and the value of the MITTS Securities.

- o Interest Rates. Because we will pay, at a minimum, the principal amount per unit of MITTS Securities at maturity, we expect that changes in interest rates will affect the trading value of the MITTS Securities. In general, if U.S. interest rates increase, we expect that the trading value of the MITTS Securities will decrease and, conversely, if U.S. interest rates decrease, we expect the trading value of the MITTS Securities will 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, the MITTS Securities. Falling interest rates may increase the value of the index and, thus, may increase the value of the MITTS Securities.
- o Volatility of the Index. Volatility is the term used to describe the size and frequency of market fluctuations. Generally, if the volatility of the index increases, we expect that the trading value of the MITTS Securities will increase. If the volatility of the index decreases, we expect that the trading value of the MITTS Securities will decrease.
- o Time Remaining to Maturity. We anticipate that before the maturity of the MITTS Securities the MITTS Securities may trade at a value above that which would be expected based on the level of interest rates and the index value. This difference will reflect a "time premium" due to expectations concerning the value of the index during the period before the stated maturity of the MITTS Securities. However, as the time remaining to the stated maturity of the MITTS Securities decreases, we expect that this time premium will decrease, lowering the trading value of the MITTS Securities.
- o Dividend Yields. If dividend yields on the stocks included in the index increase, we expect that the value of the MITTS Securities will decrease. Conversely, if dividend yields on the stock included in the index decrease, we expect that the value of the MITTS Securities will increase.
- o Changes in Our Credit Ratings. Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the MITTS Securities. However, because your return on your MITTS Securities is dependent upon factors in addition to our ability to pay our obligations under the MITTS Securities, such as the percentage increase in the value of the index at maturity, an improvement in our credit ratings will not reduce investment risks related to the MITTS Securities.

It is important for you to understand that the impact of one of the factors specified above, such as an increase in interest rates, may offset some or all of any increase in the trading value of the MITTS Securities attributable to another factor, such as an increase in the index value.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the MITTS Securities of a given change in most of the factors listed above will be less if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities. However, we expect that the effect on the trading value of the MITTS Securities of a given increase in the value of the index will be greater if it occurs later in the term of the MITTS Securities than if it occurs earlier in the term of the MITTS Securities.

Amounts payable on the MITTS Securities may be limited by state law

New York State law governs the indenture under which the MITTS Securities will be issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the MITTS Securities. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or Federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a

borrower. We will promise, for the benefit of the holders of the MITTS Securities, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

Purchases and sales by us and our affiliates may affect your return

We and our other affiliates may from time to time buy or sell the stocks included in the S&P 500 Index for our own accounts, for business reasons or in connection with hedging our obligations under the MITTS Securities. These transactions could affect the price of these stocks and the value of the S&P 500 Index in a manner that would be adverse to your investment in the MITTS Securities.

#### Potential conflicts

The calculation agent is our subsidiary. Under certain circumstances, MLPF&S's role as our subsidiary and its responsibilities as calculation agent for the MITTS Securities could give rise to conflicts of interests. These conflicts could occur, for instance, in connection with the calculation agent's determination as to whether a Market Disruption Event has occurred, or in connection with judgments that it would be required to make in the event of a discontinuance of the S&P 500 Index. See "Description of the MITTS Securities--Adjustments to the S&P 500 Index; Market Disruption Events" and "--Discontinuance of the S&P 500 Index" in this prospectus. MLPF&S is required to carry out its duties as calculation agent in good faith and using its reasonable judgment. However, you should be aware that because we control MLPF&S, potential conflicts of interest could arise.

We have entered into an arrangement with our subsidiary to hedge the market risks associated with our obligation to pay the Supplemental Redemption Amount. Our subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for such an arrangement from unaffiliated parties.

#### Other considerations

You should reach an investment decision with regard to the MITTS Securities only after carefully considering the suitability of the MITTS Securities in the light of your particular circumstances.

You should also consider the tax consequences of investing in the MITTS Securities and should consult with your tax adviser.

#### MERRILL LYNCH & CO., INC.

We are a holding company that, through our U.S. and non-U.S. subsidiaries and affiliates such as Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Government Securities Inc., Merrill Lynch Capital Services, Inc., Merrill Lynch International, Merrill Lynch Capital Markets Bank Ltd., Merrill Lynch Asset Management L.P. and Merrill Lynch Mercury Asset Management, provides investment, financing, advisory, insurance, and related products on a global basis, including:

- o securities brokerage, trading and underwriting;
- o investment banking, strategic services, including mergers and acquisitions and other corporate finance advisory activities;
- o asset management and other investment advisory and recordkeeping services;
- o trading and brokerage of swaps, options, forwards, futures and other derivatives;
- o securities clearance services;
- o equity, debt and economic research;
- o banking, trust and lending services, including mortgage lending and related services; and
- o insurance sales and underwriting services.

We provide these products and services to a wide array of clients, including individual investors, small businesses, corporations, governments, governmental agencies and financial institutions.

Our principal executive office is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; our telephone number is (212) 449-1000.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "ML&Co.", "we", "us" and "our" refer specifically to Merrill Lynch & Co., Inc., the holding company. ML&Co. is the issuer of the MITTS Securities described in this prospectus.

RATIO OF EARNINGS TO FIXED CHARGES

In 1998, we acquired the outstanding shares of Midland Walwyn, Inc., in a transaction accounted for as a pooling-of-interests. The following information for the fiscal years 1994 through 1997 has been restated as if the two entities had always been combined.

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	Year Ended Last Friday in December				
	1994	1995	1996	1997	1998
	----	----	----	----	----
Ratio of earnings to fixed charges(a).....	1.2	1.2	1.2	1.2	1.1

(a) The effect of combining Midland Walwyn did not change the ratios reported for the fiscal years 1994 through 1997.

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

DESCRIPTION OF THE MITTS SECURITIES

On March 26, 1999, ML&Co. issued an aggregate principal amount of \$70,000,000 or 7,000,000 units of the MITTS Securities. The MITTS Securities were issued as a series of senior debt securities under the 1983 Indenture which is more fully described in this prospectus.

The MITTS Securities will mature on March 27, 2006.

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

The MITTS Securities are not subject to redemption by ML&Co. or at the option of any beneficial owner before maturity. Upon the occurrence of an Event of Default with respect to the MITTS Securities, beneficial owners of the MITTS Securities may accelerate the maturity of the MITTS Securities, as described under "- Events of Default and Acceleration" and "Other Terms - Events of Default" in this prospectus.

The MITTS Securities were issued in denominations of whole units.

Payment at Maturity

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

Determination of the Supplemental Redemption Amount

The Supplemental Redemption Amount for a MITTS Security will be determined by the calculation agent and will equal:

<TABLE>	
<CAPTION>	
<S>	
Principal amount of the MITTS Security (\$10 per unit)	X
	(Adjusted Ending Value - Starting Value)
	(-----)
	( Starting Value )
</TABLE>	

provided, however, that in no event will the Supplemental Redemption Amount be less than zero.

The "Starting Value" equals 1,262.14, the closing value of the S&P 500 Index on March 23, 1999, the date the MITTS Securities were priced for initial sale to the public.

The "Adjusted Ending Value" will be determined by the calculation agent and will equal the average or arithmetic mean of the closing values of



the S&P 500 Index, as reduced by the application of the Adjustment Factor on each Calculation Day, determined on each of the first five Calculation Days during the Calculation Period. If there are fewer than five Calculation Days, then the Adjusted Ending Value will equal the average or arithmetic mean of the closing values of the S&P 500 Index on those Calculation Days as reduced by the application of the Adjustment Factor on each Calculation Day. If there is only one Calculation Day, then the Adjusted Ending Value will equal the closing value of the S&P 500 Index on that Calculation Day as reduced by the application of the Adjustment Factor on that Calculation Day. If no Calculation Days occur during the Calculation Period, then the Adjusted Ending Value will equal the closing value of the S&P 500 Index determined on the last scheduled Index Business Day in the Calculation Period as reduced by the application of the Adjustment Factor on that Calculation Day, regardless of the occurrence of a Market Disruption Event on that day.

The "Adjustment Factor" equals 2.6% and will be prorated based on a 365-day year and applied each calendar day during the term of the MITTS Securities to reduce the value of the S&P 500 Index. As a result of the Adjustment Factor, the adjusted value of the S&P 500 Index used to calculate your Supplemental Redemption Amount at the stated maturity of the MITTS Securities will be approximately 16.66% less than the actual value of the S&P 500 Index on any day during the Calculation Period.

The "Calculation Period" means the period from and including the seventh scheduled Index Business Day before the maturity date to and including the second scheduled Index Business Day before the maturity date.

"Calculation Day" means any Index Business Day during the Calculation Period on which a Market Disruption Event has not occurred.

An "Index Business Day" is a day on which the NYSE and the AMEX are open for trading and the S&P 500 Index or any Successor Index, as defined on page S-14, 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 ML&Co. and beneficial owners of the MITTS Securities.

Hypothetical Returns

The following table illustrates, for a range of hypothetical closing values of the S&P 500 Index during the Calculation Period:

- o the Adjusted Ending Value used to calculate the Supplemental Redemption Amount;
- o the percentage change from the Starting Value to the Adjusted Ending Value;
- o the total amount payable per unit of MITTS Securities;
- o the total rate of return on the MITTS Securities; o the pretax annualized rate of return on the MITTS Securities; and
- o the pretax annualized rate of return of the stocks included in the S&P 500 Index, which includes an assumed aggregate dividend yield of 1.27% per annum, as more fully described below.

This table assumes an Adjustment Factor of 2.6% per year.

<TABLE>  
<CAPTION>

Pretax Hypothetical Annualized Rate Closing Value of Return of S&P 500 Index Stocks Included During the Calculation Period Index(1) (2)	Adjusted Ending Value	Adjusted		Total Rate of Return on the MITTS Securities	Pretax Annualized Rate of Return on the MITTS Securities(1)	of in
		Ending Value Percentage Change Over the Starting Value	Total Amount Payable at Maturity per Unit of MITTS Securities			
<S>	<C>	<C>	<C>	<C>	<C>	
<C>						
631.07	525.94	-58.33%	\$10.00	0.00%	0.00%	
-8.39%						
757.28	631.13	-49.99%	\$10.00	0.00%	0.00%	
-5.91%						
883.50	736.32	-41.66%	\$10.00	0.00%	0.00%	
-3.77%						
1,009.71	841.51	-33.33%	\$10.00	0.00%	0.00%	
-1.90%						

1,135.93 -0.24%	946.70	-24.99%	\$10.00	0.00%	0.00%
1,262.14 (4) 1.27%	1,051.89	-16.66%	\$10.00	0.00%	0.00%
1,388.35 2.64%	1,157.08	-8.32%	\$10.00	0.00%	0.00%
1,514.57 3.91%	1,262.27	0.01%	\$10.00	0.01%	0.00%
1,640.78 5.08%	1,367.46	8.34%	\$10.83	8.34%	1.15%
1,767.00 6.17%	1,472.65	16.68%	\$11.67	16.68%	2.21%
1,893.21 7.20%	1,577.83	25.01%	\$12.50	25.01%	3.21%
2,019.42 8.16%	1,683.02	33.35%	\$13.33	33.35%	4.15%
2,145.64 9.07%	1,788.21	41.68%	\$14.17	41.68%	5.03%
2,271.85 9.93%	1,893.40	50.02%	\$15.00	50.02%	5.87%
2,398.07 10.75%	1,998.59	58.35%	\$15.83	58.35%	6.67%
2,524.28 11.53%	2,103.78	66.68%	\$16.67	66.68%	7.42%
2,650.49 12.27%	2,208.97	75.02%	\$17.50	75.02%	8.15%
2,776.71 12.99%	2,314.16	83.35%	\$18.34	83.35%	8.84%
2,902.92 13.67%	2,419.35	91.69%	\$19.17	91.69%	9.50%
3,029.14 14.33%	2,524.54	100.02%	\$20.00	100.02%	10.14%
3,155.35 14.97%	2,629.72	108.35%	\$20.84	108.35%	10.75%

</TABLE>

- 
- (1) The Adjusted Ending Values in this column are approximately 16.66% less than the hypothetical closing values of the S&P 500 Index during the Calculation Period as a result of the application of the Adjustment Factor of 2.6% over the term of the MITTS Securities.
  - (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:
    - (a) a dividend yield of 1.27% per annum, paid quarterly from the date of initial delivery of MITTS Securities, applied to the value of the S&P 500 Index at the end of each quarter assuming this value increases or decreases linearly from the Starting Value to the hypothetical closing value of the S&P 500 Index during the Calculation Period;
    - (b) no transaction fees or expenses;
    - (c) an investment term equal to the term of the MITTS Securities, and
    - (d) a final closing value of the S&P 500 Index equal to the hypothetical closing value of the S&P 500 Index during the Calculation Period.
  - (4) The Starting Value of the S&P 500 Index.

The above figures are for purposes of illustration only. The actual Supplemental Redemption Amount received by investors and the resulting total and pretax annualized rate of return will depend entirely on the actual Adjusted Ending Value determined by the calculation agent as provided in this prospectus. Historical data regarding the S&P 500 Index is included in this prospectus under "The S&P 500 Index--Historical Data on the S&P 500 Index".

#### Adjustments to the S&P 500 Index; Market Disruption Events

If at any time the method of calculating the S&P 500 Index, or its value, is changed in any material respect, or if the S&P 500 Index is in any other way modified so that the S&P 500 Index does not, in the opinion of the calculation agent, fairly represent the value of the S&P 500 Index had these changes or modifications not been made, then, from and after that 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 Adjusted Ending Value is to be calculated, make any 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 S&P 500 Index as if the changes or modifications had not been made, and calculate a closing value with reference to the S&P 500 Index, as adjusted. Accordingly, if the method of calculating the S&P 500 Index is modified so that the value of the S&P 500 Index is a fraction or a multiple of what it would have been if it had not been modified,

for example, due to a split in the S&P 500 Index, then the calculation agent shall adjust the S&P 500 Index in order to arrive at a value of the S&P 500 Index as if it had not been modified, for example, as if the split had not occurred.

"Market Disruption Event" means either of the following events; as determined by the calculation agent:

- (a) the suspension or material limitation on trading for more than two hours of trading, or during the one-half hour period preceding the close of trading on the applicable exchange, in 20% or more of the stocks which then comprise the S&P 500 Index; or
- (b) 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
  - (1) futures contracts related to the S&P 500 Index, or options on those futures contracts, which are traded on any major U.S. exchange or
  - (2) option contracts related to the S&P 500 Index which are traded on any major U.S. exchange.

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.

For the purposes of clause (a) above, any limitations on trading during significant market fluctuations under NYSE Rule 80A, or any applicable rule or regulation enacted or promulgated by the NYSE or any other self regulatory organization or the SEC of similar scope as determined by the calculation agent, will be considered "material".

#### Discontinuance of the S&P 500 Index

If Standard & Poor's discontinues publication of the S&P 500 Index and S&P or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the S&P 500 Index (a "Successor Index"), then, upon the calculation agent's notification of that determination to the trustee and ML&Co., the calculation agent will substitute the Successor Index as calculated by Standard & Poor's or any other entity for the S&P 500 Index. Upon any selection by the calculation agent of a Successor Index, ML&Co. shall cause notice to be given to holders of the MITTS Securities.

If Standard & Poor's discontinues publication of the S&P 500 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 S&P 500 Index for any 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 S&P 500 Index before the discontinuance. If a Successor Index is selected or the calculation agent calculates a value as a substitute for the S&P 500 Index as described below, that Successor Index or value shall be substituted for the S&P 500 Index for all purposes, including for purposes of determining whether a Market Disruption Event exists. If the calculation agent calculates a value as a substitute for the S&P 500 Index, "Index Calculation Day" shall mean any day on which the calculation agent is able to calculate that value.

If Standard & Poor's discontinues publication of the Index before the period during which the Supplemental Redemption Amount is to be determined and the calculation agent determines that no Successor Index is available at that time, then on each Business Day until the earlier to occur of the determination of the Adjusted Ending Value and 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 that day were a Calculation Day. The calculation agent will cause notice of each value to be published not less often than once each month in The Wall Street Journal or another newspaper of general circulation, and for this information to be made available by telephone. Despite these alternative arrangements, discontinuance of the publication of the S&P 500 Index may adversely affect trading in the MITTS Securities.

#### Events of Default and Acceleration

In case an Event of Default with respect to any MITTS Securities occurs and is continuing, the amount payable to a beneficial owner of a MITTS Security upon any acceleration permitted by the MITTS Securities, with respect to each \$10 principal amount of the MITTS Securities, will be equal to the principal amount and the Supplemental Redemption Amount, if any, calculated as though the date of early repayment were the stated maturity date of the MITTS

Securities. See "Description of the MITTS Securities--Payment at Maturity" in this prospectus. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the beneficial owner of a MITTS Security may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the MITTS 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 MITTS Securities.

In case of default in payment of the MITTS Securities, whether at the stated maturity or upon acceleration, from and after the maturity date the MITTS Securities shall bear interest, payable upon demand of the beneficial owners, at the rate of 6.13% per annum, to the extent that payment of any interest shall be legally enforceable, on the unpaid amount due and payable on that date in accordance with the terms of the MITTS Securities to the date payment of the amount has been made or duly provided for.

#### Depository

Upon issuance, all MITTS Securities will be represented by one or more fully registered global securities. Each global security will be deposited with, or on behalf of, DTC, (DTC, together with any successor thereto, being a "depository"), as depository, registered in the name of Cede & Co., DTC's partnership nominee. Unless and until it is exchanged in whole or in part for MITTS Securities in definitive form, no global security may be transferred except as a whole by the depository to a nominee of depository or by a nominee of the depository to depository or another nominee of the depository or by the depository or any nominee to a successor of the depository or a nominee of that successor.

So long as DTC, or its nominee, is a 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 MITTS Securities represented by the global security for all purposes under the 1983 Indenture. Except as provided below, the beneficial owners of the MITTS Securities represented by a global security will not be entitled to have the MITTS Securities represented by a global security registered in their names, will not receive or be entitled to receive physical delivery of the MITTS Securities in definitive form and will not be considered the owners or holders of the MITTS Securities including for purposes of receiving any reports delivered by ML&Co. or the Trustee under the 1983 Indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a participant of DTC, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the 1983 Indenture. ML&Co. understands that under existing industry practices, in the event that ML&Co. requests any action of holders or that an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the 1983 Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take that action, and those participants would authorize beneficial owners owning through those participants to give or take that 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.

If:

- o the depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by ML&Co. within 60 days,
- o ML&Co. executes and delivers to the trustee a company order to the effect that the global securities shall be exchangeable, or
- o an Event of Default under the 1983 Indenture has occurred and is continuing with respect to the MITTS Securities,

the global securities will be exchangeable for MITTS Securities in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$10 and integral multiples of \$10. The definitive MITTS Securities will be registered in the name or names as the depository shall instruct the trustee. It is expected that instructions may be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the global securities.

The following is based on information furnished by DTC:

DTC will act as securities depository for the MITTS Securities. The MITTS Securities will be issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One or more fully registered global securities will be issued for the MITTS Securities in the aggregate principal amount of that issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York

Banking Law, 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 holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants of DTC include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the NYSE, the AMEX, and the National Association of Securities Dealers, Inc. Access to the DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of MITTS Securities under DTC's system must be made by or through direct participants, which will receive a credit for the MITTS Securities on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct and indirect participants. 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 direct or indirect participants through which that beneficial owner entered into the transaction. Transfers of ownership interests in the MITTS Securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners.

To facilitate subsequent transfers, all MITTS Securities deposited with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of MITTS Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the MITTS Securities; DTC's records reflect only the identity of the direct participants to whose accounts the MITTS Securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct 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.

Neither DTC nor Cede & Co. will consent or vote with respect to the MITTS Securities. Under its usual procedures, DTC mails an omnibus proxy to ML&Co. as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the MITTS Securities are credited on the record date.

Principal, premium, if any, and/or interest, if any, payments made in cash on the MITTS Securities will be made in immediately available funds to DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on the depository's records unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the participant and not of DTC, the trustee or ML&Co., subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and/or interest, if any, to DTC is the responsibility of ML&Co. or the trustee, disbursement of these payments to direct participants shall be the responsibility of DTC, and disbursement of these payments to the beneficial owners shall be the responsibility of direct participants and indirect participants.

DTC may discontinue providing its services as securities depository with respect to the MITTS Securities at any time by giving reasonable notice to ML&Co. or the trustee. Under these circumstances, in the event that a successor securities depository is not obtained, MITTS Security certificates are required to be printed and delivered.

ML&Co. may decide to discontinue use of the system of book-entry transfers through DTC or a successor securities depository. In that event, MITTS Security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's system has been obtained from sources that ML&Co. believes to be reliable, but ML&Co. takes no responsibility for its accuracy.

#### Same-Day Settlement and Payment

Settlement for the MITTS Securities will be made by the underwriter

in immediately available funds. ML&Co. will make all payments of principal and the Supplemental Redemption Amount, if any, in immediately available funds so long as the MITTS Securities are maintained in book-entry form.

#### THE S&P 500 INDEX

Standard & Poor's publishes the S&P 500 Index. The index is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of the S&P 500 Index, discussed below in further detail, is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of March 22, 1999, the 500 companies included in the S&P 500 Index represented approximately 78% of the aggregate market value of common stocks traded on the NYSE; however, these 500 companies are not the 500 largest companies listed on the NYSE and not all of these 500 companies are listed on the NYSE. As of March 22, 1999, the aggregate market value of the 500 companies included in the S&P 500 Index represented approximately 79% of the aggregate market value of United States domestic, public companies. Standard & Poor's chooses companies for inclusion in the S&P 500 Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the NYSE, which Standard & Poor's uses as an assumed model for the composition of the total market. Relevant criteria employed by Standard & Poor's include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. Four main groups of companies comprise the S&P 500 Index with the number of companies currently included in each group indicated in parentheses: Industrials (380), Utilities (39), Transportation (10) and Financial (71). Standard & Poor's may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 500 Index to achieve the objectives stated above.

The S&P 500 Index does not reflect the payment of dividends on the stocks included in the S&P 500 Index. Because of this, and due to the application of the Adjustment Factor, the return on the MITTS Securities will not be the same that you would receive if you were to purchase these stocks and hold them for a period equal to the term of the MITTS Securities.

#### Computation of the S&P 500 Index

Standard & Poor's currently computes the S&P 500 Index as of a particular time as follows:

- (a) the product of the market price per share and the number of then outstanding shares of each component stock is determined as of that time (referred to as the "market value" of that stock);
- (b) the market values of all component stocks as of that time are aggregated;
- (c) the mean average of the market values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;
- (d) the mean average market values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "base value");
- (e) the current aggregate market value of all component stocks is divided by the Base Value; and
- (f) the resulting quotient, expressed in decimals, is multiplied by ten.

While Standard & Poor's currently employs the above methodology to calculate the S&P 500 Index, no assurance can be given that Standard & Poor's will not modify or change this methodology in a manner that may affect the Supplemental Redemption Amount, if any, payable to beneficial owners of MITTS Securities upon maturity or otherwise.

Standard & Poor's adjusts the foregoing formula to offset the effects of changes in the market value of a component stock that are determined by Standard & Poor's to be arbitrary or not due to true market fluctuations. These changes may result from causes such as

- o the issuance of stock dividends,
- o the granting to shareholders of rights to purchase additional shares of stock,
- o the purchase of shares by employees pursuant to employee benefit



March.....	339.94	375.22	403.69	451.67	445/77	500.71	645.50	757.12	1,101.75	--
April.....	330.80	375.34	414.95	440.19	450.91	514.71	654.17	801.34	1,111.75	--
May.....	361.23	389.83	415.35	450.19	456.51	533.40	669.12	848.28	1,090.82	--
June.....	358.02	371.16	408.14	450.53	444.27	544.75	670.63	885.14	1,133.84	--
July.....	356.15	387.81	424.22	448.13	458.26	562.06	639.95	954.29	1,120.67	--
August.....	322.56	395.43	414.03	463.56	475.50	561.88	651.99	899.47	957.28	-
-										
September.....	306.05	387.86	417.80	458.93	462.71	584.41	687.31	947.28	1,017.01	--
October.....	304.00	392.45	418.68	467.83	472.35	581.50	705.27	914.62	1,098.67	--
November.....	322.22	375.22	431.35	461.79	453.69	605.37	757.02	955.40	1,163.63	--
December.....	330.22	417.09	435.71	466.45	459.27	615.93	740.74	970.43	1,229.23	--

</TABLE>

#### License Agreement

Standard & Poor's does not guarantee the accuracy and/or the completeness of the S&P 500 Index or any data included in that index. Standard & Poor's makes no warranty, express or implied, as to results to be obtained by ML&Co., MLPF&S, holders of the MITTS Securities, or any other person or entity from the use of the S&P 500 Index or any data included therein in connection with the rights licensed under the license agreement described in this prospectus supplement or for any other use. Standard & Poor's makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the S&P 500 Index or any data included therein. Without limiting any of the above, in no event shall Standard & Poor's have any liability for any special, punitive, indirect or consequential damage, including lost profits, even if notified of the possibility of these damages.

Standard & Poor's and Merrill Lynch Capital Services, Inc. have entered into a non-exclusive license agreement providing for the license to Merrill Lynch Capital Services, Inc., in exchange for a fee, of the right to use indices owned and published by Standard & Poor's in connection with certain securities, including the MITTS Securities, and ML&Co. is an authorized sublicensee under that agreement.

The license agreement between Standard & Poor's and Merrill Lynch Capital Services, Inc. provides that the following language must be stated in this prospectus:

"The MITTS Securities are not sponsored, endorsed, sold or promoted by Standard & Poor's. Standard & Poor's makes no representation or warranty, express or implied, to the holders of the MITTS Securities or any member of the public regarding the advisability of investing in securities generally or in the MITTS Securities particularly or the ability of the S&P 500 Index to track general stock market performance. Standard & Poor's only relationship to Merrill Lynch Capital Services, Inc. and ML&Co. (other than transactions entered into in the ordinary course of business) is the licensing of certain servicemarks and trade names of Standard & Poor's and of the S&P 500 Index which is determined, composed and calculated by Standard & Poor's without regard to ML&Co. or the MITTS Securities. Standard & Poor's has no obligation to take the needs of ML&Co. or the holders of the MITTS Securities into consideration in determining, composing or calculating the S&P 500 Index. Standard & Poor's is not responsible for and has not participated in the determination of the timing of the sale of the MITTS Securities, prices at which the MITTS Securities are to initially be sold, or quantities of the MITTS Securities to be issued or in the determination or calculation of the equation by which the MITTS Securities are to be converted into cash. Standard & Poor's has no obligation or liability in connection with the administration, marketing or trading of the MITTS Securities."

All disclosures contained in this prospectus regarding the above S&P 500 Index, including its make-up, method of calculation and changes in its components, are derived from publicly available information prepared by Standard & Poor's. ML&Co. and MLPF&S do not assume any responsibility for the accuracy or completeness of this information.

#### OTHER TERMS

ML&Co. issued the MITTS Securities as a series of senior debt securities under the 1983 Indenture, dated as of April 1, 1983, as amended and restated, between ML&Co. and The Chase Manhattan Bank, as trustee. A copy of the 1983 Indenture is filed as an exhibit to the registration statement relating to the MITTS Securities of which this prospectus is a part. The following summaries of the material provisions of the 1983 Indenture are not complete and are subject to, and qualified in their entirety by reference to, all provisions of the 1983 Indenture, including the definitions of terms in the 1983 Indenture.

ML&Co. may issue series of senior debt securities from time to time under the 1983 Indenture, without limitation as to aggregate principal amount, in one or more series and upon terms as ML&Co. may establish under the provisions of the 1983 Indenture.

The 1983 Indenture and the MITTS Securities are governed by and construed in accordance with the laws of the State of New York.



ML&Co. may issue senior debt securities with terms different from those of senior debt securities previously issued, and issue additional senior debt securities of a previously issued series of senior debt securities.

The senior debt securities are unsecured and rank equally with all other unsecured and unsubordinated indebtedness of ML&Co. However, because ML&Co. is a holding company, the rights of ML&Co. and its creditors, including the holders of senior debt securities, to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that a bankruptcy court may recognize claims of ML&Co. itself as a creditor of the subsidiary. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to ML&Co. are restricted by net capital requirements under the Exchange Act, and under rules of exchanges and other regulatory bodies.

#### Limitations Upon Liens

ML&Co. may not, and may not permit any majority-owned subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance, other than those liens specifically permitted by the 1983 Indenture, on the Voting Stock owned directly or indirectly by ML&Co. of any majority-owned subsidiary, other than a majority-owned subsidiary which, at the time of the incurrence of the secured indebtedness, has a net worth of less than \$3,000,000, unless the outstanding senior debt securities are secured equally and ratably with the secured indebtedness.

"Voting Stock" is defined in the 1983 Indenture as the stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation provided that, for the purposes of the 1983 Indenture, stock that carries only the right to vote conditionally on the occurrence of an event is not considered voting stock whether or not the event has happened.

#### Limitation on Disposition of Voting Stock of, and Merger and Sale of Assets by, MLPF&S

ML&Co. may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary.

"Controlled Subsidiary" is defined in the 1983 Indenture to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by ML&Co.

In addition, ML&Co. may not permit MLPF&S to:

- o merge or consolidate, unless the surviving company is a Controlled Subsidiary, or
- o convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

#### Merger and Consolidation

ML&Co. may consolidate or merge with or into any other corporation and ML&Co. may sell, lease or convey all or substantially all of its assets to any corporation, provided that:

- o the resulting corporation, if other than ML&Co., is a corporation organized and existing under the laws of the United States of America or any U.S. state and assumes all of ML&Co.'s obligations to:
  - o pay any amounts due and payable or deliverable with respect to all the senior debt securities; and
  - o perform and observe all of ML&Co.'s obligations under the 1983 Indenture, and
- o ML&Co. or the successor corporation, as the case may be, is not, immediately after any consolidation or merger, in default under the 1983 Indenture.

#### Modification and Waiver

ML&Co. and the trustee may modify and amend the 1983 Indenture with the consent of holders of at least 66 2/3% in principal amount of each outstanding series of senior debt securities affected. However, without the consent of each holder of any outstanding senior debt security affected, no amendment or modification to the 1983 Indenture may:

- o change the stated maturity date of the principal of, or any

installment of interest or Additional Amounts payable on, any senior debt security or any premium payable on redemption, or change the redemption price;

- o reduce the principal amount of, or the interest or Additional Amounts payable on, any senior debt security or reduce the amount of principal which could be declared due and payable before the stated maturity date;
- o change the place or currency of any payment of principal or any premium, interest or Additional Amounts payable on any senior debt security;
- o impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- o reduce the percentage in principal amount of the outstanding senior debt securities of any series, the consent of whose holders is required to modify or amend the 1983 Indenture; or
- o modify the foregoing requirements or reduce the percentage of outstanding senior debt securities necessary to waive any past default to less than a majority.

No modification or amendment of ML&Co.'s Subordinated Indenture or any Subsequent Indenture for subordinated debt securities may adversely affect the rights of any holder of ML&Co.'s senior indebtedness without the consent of each holder affected. The holders of at least a majority in principal amount of outstanding senior debt securities of any series may, with respect to that series, waive past defaults under the 1983 Indenture and waive compliance by ML&Co. with provisions in the 1983 Indenture, except as described under "--Events of Default".

#### Events of Default

Each of the following will be Events of Default with respect to senior debt securities of any series:

- o default in the payment of any interest or Additional Amounts payable when due and continuing for 30 days;
- o default in the payment of any principal or premium when due;
- o default in the deposit of any sinking fund payment, when due;
- o default in the performance of any other obligation of ML&Co. contained in the 1983 Indenture for the benefit of that series or in the senior debt securities of that series, continuing for 60 days after written notice as provided in the 1983 Indenture;
- o specified events in bankruptcy, insolvency or reorganization of ML&Co.; and
- o any other Event of Default provided with respect to senior debt securities of that series which are not inconsistent with the 1983 Indenture.

If an Event of Default occurs and is continuing for any series of senior debt securities, other than as a result of the bankruptcy, insolvency or reorganization of ML&Co., the trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare all amounts, or any lesser amount provided for in the senior debt securities, due and payable or deliverable immediately. At any time after a declaration of acceleration has been made with respect to senior debt securities of any series but before the trustee has obtained a judgment or decree for payment of money, the holders of a majority in principal amount of the outstanding senior debt securities of that series may rescind any declaration of acceleration and its consequences, if all payments due, other than those due as a result of acceleration, have been made and all Events of Default have been remedied or waived.

The holders of a majority in principal amount or aggregate issue price of the outstanding senior debt securities of that series may waive any Event of Default with respect to that series, except a default:

- o in the payment of any amounts due and payable or deliverable under the debt securities of that series; or
- o in respect of an obligation or provision of the 1983 Indenture which cannot be modified under the terms of that Indenture without the consent of each holder of each outstanding security of each series of senior debt securities affected.

The holders of a majority in principal amount of the outstanding senior debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or

exercising any trust or power conferred on the trustee with respect to those senior debt securities, provided that any direction shall not be in conflict with any rule of law or the 1983 Indenture. Before proceeding to exercise any right or power under the 1983 Indenture at the direction of the holders, the trustee shall be entitled to receive from the holders reasonable security or indemnification against the costs, expenses and liabilities which might be incurred by it in complying with any direction.

The MITTS Securities and other series of senior debt securities issued under the 1983 Indenture do not have the benefit of any cross-default provisions with other indebtedness of ML&Co.

ML&Co. is required to furnish to the trustee annually a statement as to the fulfillment by ML&Co. of all of its obligations under the 1983 Indenture.

#### PROJECTED PAYMENT SCHEDULE

Solely for purposes of applying the final Treasury Department Regulations (the "Final Regulations") concerning the proper United States Federal income tax treatment of contingent payment debt instruments to the MITTS Securities, ML&Co. has determined that the projected payment schedule for the MITTS Securities will consist of payment on the maturity date of the principal amount thereof and a projected Supplemental Redemption Amount equal to \$5.2665 per unit (the "Projected Supplemental Redemption Amount"). This represents an estimated yield on the MITTS Securities equal to 6.13% per annum (compounded semiannually).

The projected payment schedule (including both the Projected Supplemental Redemption Amount and the estimated yield on the MITTS Securities) has been determined solely for United States federal income tax purposes (i.e., for purposes of applying the Final Regulations to the MITTS Securities), and is neither a prediction nor a guarantee of what the actual Supplemental Redemption Amount will be, or that the actual Supplemental Redemption Amount will even exceed zero.

The following table sets forth the amount of interest that would be deemed to have accrued with respect to each unit of the MITTS Securities during each accrual period over an assumed term of approximately seven years for the MITTS Securities based upon a projected payment schedule for the MITTS Securities, including both the Projected Supplemental Redemption Amount and the estimated yield equal to 6.13% per annum, compounded semiannually, as determined by ML&Co. for purposes of illustrating the application of the Final Regulations to the MITTS Securities:

<TABLE>  
<CAPTION>

Accrual Period	Interest Deemed to Accrue During Accrual Period (per unit)	Total Interest Deemed to Have Accrued on the MITTS Securities as of End of Accrual Period (per unit)
<S>	<C>	<C>
March 26, 1999 through September 27, 1999	\$0.3108	\$0.3108
September 28, 1999 through March 27, 2000	\$0.3160	\$0.6268
March 28, 2000 through September 27, 2000	\$0.3257	\$0.9525
September 28, 2000, through March 27, 2001	\$0.3357	\$1.2882
March 28, 2001 through September 27, 2001	\$0.3460	\$1.6342
September 28, 2001, through March 27, 2002	\$0.3566	\$1.9908
March 28, 2002 through September 27, 2002	\$0.3675	\$2.3583
September 28, 2002, through March 27, 2003	\$0.3788	\$2.7371
March 28, 2003 through September 27, 2003	\$0.3904	\$3.1275
September 28, 2003, through March 27, 2004	\$0.4023	\$3.5298
March 28, 2004 through September 27, 2004	\$0.4147	\$3.9445
September 28, 2004, through March 27, 2005	\$0.4274	\$4.3719
March 28, 2005 through September 27, 2005	\$0.4405	\$4.8124
September 28, 2005, through March 27, 2006	\$0.4541	\$5.2665

</TABLE>  
Projected Supplemental Redemption Amount = \$5.2665 per unit.

All prospective investors in the MITTS Securities should consult their own tax advisors concerning the application of the Final Regulations to their investment in the MITTS Securities. Investors in the MITTS Securities may also obtain the projected payment schedule, as determined by ML&Co. for purposes of the application of the Final Regulations to the MITTS Securities, by submitting a written request for such information to Merrill Lynch & Co., Inc., Attn: Darryl W. Colletti, Corporate Secretary's Office, 100 Church Street, 12th Floor, New York, New York 10080-6512.

#### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file by

visiting the SEC's public reference rooms in Washington, D.C., New York, New York, and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the MITTS Securities and other securities. For further information on ML&Co. and the MITTS Securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

#### INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them, which means:

- o incorporated documents are considered part of the prospectus;
- o we can disclose important information to you by referring you to those documents; and
- o information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the documents listed below which were filed with the SEC under the Exchange Act:

- o annual report on Form 10-K for the year ended December 25, 1998; and
- o current reports on Form 8-K dated December 28, 1998, January 19, 1999, February 17, 1999, February 18, 1999, February 22, 1999, February 23, 1999 and March 26, 1999.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- o reports filed under Sections 13(a) and (c) of the Exchange Act;
- o definitive proxy or information statements filed under Section 14 of the Exchange Act in connection with any subsequent stockholders' meeting; and
- o any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not, and MLPF&S has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and MLPF&S is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address: Mr. Lawrence M. Egan, Jr., Corporate Secretary's Office, Merrill Lynch & Co., Inc., 100 Church Street, New York, New York 10080-6512, Telephone: (212) 602-8435.

#### PLAN OF DISTRIBUTION

This prospectus has been prepared in connection with secondary sales of the MITTS Securities and is to be used by MLPF&S when making offers and sales related to market-making transactions in the MITTS Securities.

MLPF&S may act as principal or agent in these market-making transactions.

The MITTS Securities may be offered on the NYSE or off the exchange in negotiated transactions or otherwise.

The distribution of the MITTS Securities will conform to the requirements set forth in the applicable sections of Rule 2720 of the Conduct Rules of the NASD.

#### EXPERTS

The consolidated financial statements and the related financial

statement schedule incorporated in this prospectus by reference from the Annual Report on Form 10-K of Merrill Lynch & Co., Inc. and subsidiaries have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

PART II  
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses in connection with the issuance and distribution of the securities being registered. All the amounts shown are estimates, except the registration fee and the NASD fee.

Registration fee.....	\$4,170,000
Fees and expenses of accountants.....	400,000
Fees and expenses of counsel.....	1,500,000
NASD fee.....	30,500
Fees and expenses of Trustees and Warrant Agents.....	800,000
Printing expenses.....	800,000
Printing and engraving of securities.....	100,000
Rating agency fees.....	500,000
Stock exchange listing fees.....	300,000
Miscellaneous.....	4,500
	-----
Total.....	\$8,605,000
	=====

Item 15. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware, as amended, provides that under certain circumstances a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at its request in such capacity in another corporation or business association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, has no reasonable cause to believe such person's conduct was unlawful.

Article XIII, Section 2 of the Restated Certificate of Incorporation of the Company provides in effect that, subject to certain limited exceptions, the Company shall indemnify its directors and officers to the extent authorized or permitted by the General Corporation Law of the State of Delaware.

Each of the underwriting and distribution agreements and forms thereof filed as Exhibit 1 provides for the indemnification of the Company, its controlling persons, its directors and certain of its officers by the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Act").

The directors and officers of the Company are insured under policies of insurance maintained by the Company, subject to the limits of the policies, against certain losses arising from any claim made against them by reason of being or having been such directors or officers. In addition, the Company has entered into contracts with all of its directors providing for indemnification of such persons by the Company to the full extent authorized or permitted by law, subject to certain limited exceptions.

The Declaration of Trust of the Trust provides, to the fullest extent permitted by applicable law, for indemnity of the Regular Trustees, any Affiliate of any Regular Trustee, any officer, director, shareholder, member, partner, employees, representative or agent of any Regular Trustee, or any officer, director, shareholder member, partner, employee representative or agent of the Trust or its Affiliates (each a "Company Indemnified Person"), from and against losses and expenses incurred by such Company Indemnified Person in connection with any action, suit or proceeding, except that if such action, suit or proceedings is by or in the right of the Trust, the indemnity shall be limited to expenses of such Company Indemnified Person.

The Limited Partnership Agreement of the Partnership provides that to the fullest extent permitted by applicable law, the Partnership shall indemnify and hold harmless each of the General Partner, and any Special Representative, any Affiliate of the General Partner or any Special Representative, any officer, director, shareholder, member, partner, employee representative or agent of the

General Partner or any Special Representative, or any of their respective Affiliates, or any employee of agent of the Partnership or its Affiliates (each, a "Partnership Indemnified Person"), from and against any loss, damage or claim incurred by such Partnership Indemnified Person by reason of any act or omission performed or omitted by such Partnership Indemnified Person in good faith on behalf of the Partnership and in a manner such Partnership Indemnified Person reasonably believed to be within the scope of authority conferred on such Partnership Indemnified Person by the Limited Partnership Agreement, except that no Partnership Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Partnership Indemnified Person by reason of gross negligence or willful misconduct with respect to such acts or omissions. The Limited Partnership Agreement also provides that, to the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Partnership Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of any undertaking by or on behalf of the Partnership Indemnified Person to repay such amount if it shall be determined that the Partnership Indemnified Person is not entitled to be indemnified as authorized in the Limited Partnership Agreement.

The Regular Trustees of the Trust are covered by insurance policies indemnifying them against certain liabilities, including certain liabilities arising under the Act, which might be incurred by them in such capacity and against which they cannot be indemnified by the Company or the Trust. Any agents, dealers or underwriters who execute the agreements filed as Exhibit 1 of this Registration Statement with respect to Trust Originated Preferred Securities<sup>SM</sup> will agree to indemnify the Company's directors and their officers and the Trustees who signed the Registration Statement with respect to such securities against certain liabilities that may arise under the Act with respect to information furnished to the Company or the Trust by or on behalf of any such indemnifying party.

Item 16. List of Exhibits.

<S> Exhibit Reference Number ----- --	<C>	Description -----	<C> Incorporation by to Filings Indicated -----
1(a) Registration 59997).		Form of Underwriting Agreement for Debt Securities and Debt, Currency and Index Warrants, including forms of Terms Agreement.	Exhibit 1(a) to Company's Statement on Form S-3 (No. 333-
1(b) Registration 51489).		Form of Distribution Agreement, including form of Terms Agreement, relating to Medium-Term Notes, Series B (a series of Senior Debt Securities).	Exhibit 1(b) to Company's Statement on Form S-3 (No. 33-
1(c) Registration 333-59997).		Form of Underwriting Agreement for Preferred Stock and Common Stock Warrants, Preferred Stock, Depositary Shares and Common Stock.	Exhibit 1(c) to Company's Statement on Form S-3 (No.
1(d) Registration 333-42859).		Form of Purchase Agreement relating to the Trust Preferred Securities.	Exhibit 1.1 to Company's Statement on Form S-3 (No.
4(a)(i) Registration July 20, 1992.		Senior Indenture, dated as of April 1, 1983, as amended and restated (the "1983 Senior Indenture"), between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company)	Exhibit 99(c) to Company's Statement on Form 8-A dated
4(a)(ii) Report on		Senior Indenture, dated as of October 1, 1993 (the "1993 Senior Indenture"), between the Company and the Chase Manhattan Bank (successor by merger to The Chase Manhattan Bank, N.A.).	Exhibit 4 to Company's Current Form 8-K dated October 7, 1993.
4(a)(iii)		Form of initial Subsequent Indenture with respect to Senior Debt Securities.*	
4(a)(iv)		Form of Subsequent Indenture with respect to Senior Debt Securities.*	
4(b)(i) Registration		Supplemental Indenture to the 1983 Senior Indenture, dated March 15, 1990, between the Company	Exhibit 99(c) to Company's Statement on Form 8-A dated

July 20, 1992.

and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).

4 (b) (ii) Amendment	Eighth Supplemental Indenture to the 1983 Senior Indenture, dated March 1, 1996, between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 4(b) to Post-Effective No. 1 to Company's on Form S-3 (No. 33-65135).
4 (b) (iii) Amendment	Ninth Supplemental Indenture to the 1983 Senior Indenture, dated June 1, 1996, between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 4(b) to Post-Effective No. 4 to Company's on Form S-3 (No. 33-65135).
<hr/> * Previously filed.		
4 (b) (iv) Amendment	Tenth Supplemental Indenture to the 1983 Senior Indenture, dated July 1, 1996, between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 4(b) to Post-Effective No. 5 to Company's on Form S-3 (No. 33-65135).
4 (b) (v) Registrations	Supplemental Indenture to the 1983 Senior Indenture, dated October 25, 1993, between the Company and The Chase Manhattan Bank Statement (successor by merger to The Chase Manhattan Bank, N.A.).	Exhibit 4(b) (ii) to Company' on Form S-3 (No. 33-61559).
4 (b) (vi) Current report on 1998.	Twelfth Supplemental Indenture to the 1983 Senior Indenture dated as of September 1, 1998 between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 4(a) to Company's Form 8-K dated October 21,
4 (b) (vii) Current Report on	First Supplemental Indenture to the 1993 Senior Indenture, dated as of June 1, 1998, between the Company and The Chase Manhattan Bank Form 8-K dated July 2, 1998. (successor by merger to The Chase Manhattan Bank N.A.).	Exhibit 4(a) to Company's
4 (c) (i) Registration 333-16603).	Form of Subordinated Indenture between the Company and The Chase Manhattan Bank.	Exhibit 4.7 to Company's Statement on Form S-3 (No.
4 (c) (ii)	Form of Subsequent Indentures with respect to Subordinated Debt Securities.*	
4 (d) Report on 1999.	Form of 6% Note due February 17, 2009.	Exhibit 4 to Company's Current Form 8-K dated February 17,
4 (e) Report on	Form of 6 3/8% Note due March 30, 1999.	Exhibit 4 to Company's Current Form 8-K dated March 30, 1994.
4 (f) 1 to Statement on Form S-3	Form of Equity Participation Security with Minimum Return Protection due June 30, 1999.	Exhibit 4(ooo) to Amendment No. Company's Registration (No. 33-54218).
4 (g) Report on 1993.	Form of European Portfolio Market Index Target-Term Security due June 30, 1999.	Exhibit 4 to Company's Current Form 8-K dated December 30,
4 (h) Registration 45327).	Form of 8 1/4% Note due November 15, 1999.	Exhibit 4(cc) to Company's Statement on Form S-3 (No. 33-

4 (i) Report on	Form of Stock Market Annual Reset Term Note due December 31, 1999 (Series A).	Exhibit 4 to Company's Current Form 8-K dated April 29, 1993.
4 (j) Report on 1994.	Form of Japan Index Equity Participation Security with Minimum Return Protection due January 31, 2000.	Exhibit 4 to Company's Current Form 8-K dated January 27,
4 (k) Report on 1995.	Form of 8 3/8% Note due February 9, 2000.	Exhibit 4 to Company's Current Form 8-K dated February 9,
4 (l) on Form 8-K	Form of 6.70% Note due August 1, 2000.	Exhibit 4 to Company's Report dated August 1, 1995.
4 (m) Report on	Form of AMEX Oil Index Stock Market Annual Reset Term Note due December 29, 2000.	Exhibit 4 to Company's Current Form 8-K dated March 31, 1994.
4 (n) Report on 1992.	Form of 8% Note due February 1, 2002.	Exhibit 4 to Company's Current Form 8-K dated February 4,
<hr/> * Previously filed.		
4 (o) Report on	Form of Step-Up Note due April 30, 2002.	Exhibit 4 to Company's Current Form 8-K dated April 30, 1992.
4 (p) Report on	Form of Step-Up Note due May 6, 2002.	Exhibit 4 to Company's Current Form 8-K dated May 6, 1992.
4 (q) Report on 1992.	Form of 7 3/8% Note due August 17, 2002.	Exhibit 4 to Company's Current Form 8-K dated August 17,
4 (r) Report on	Form of Major 8 European Index Market Index Target-Term Security due August 30, 2002.	Exhibit 4 to Company's Current Form 8-K dated August 1, 1997.
4 (s) Report on 1995.	Form of 6.64% Note due September 19, 2002.	Exhibit 4 to Company's Current Form 8-K dated September 19,
4 (t) Report on	Form of 8.30% Note due November 1, 2002.	Exhibit 4 to Company's Current Form 8-K dated May 4, 1992.
4 (u) Report on 1997.	Form of Major 11 European Market Index Target-Term Security due December 6, 2002.	Exhibit 4 to Company's Current Form 8-K dated November 26,
4 (v) Report on	Form of 6 7/8% Note due March 1, 2003.	Exhibit 4 to Company's Current Form 8-K dated March 1, 1993.
4 (w) Report on	Form of 7.05% Note due April 15, 2003.	Exhibit 4 to Company's Current Form 8-K dated April 15, 1993.
4 (x) Report on	Form of 6.55% Note due August 1, 2004.	Exhibit 4 to Company's Current Form 8-K dated August 1, 1997.
4 (y) Report on 1997.	Form of Russell 2000 Index Market Index Target-Term Security due September 30, 2004.	Exhibit 4 to Company's Current Form 8-K dated September 29,
4 (z) Report on 1994.	Form of 6 1/4% Note due January 15, 2006	Exhibit 4 to Company's Current Form 8-K dated January 20,
4 (aa)	Form of 6 3/8% Note due September 8, 2006.	Exhibit 4 to Company's Current



Report on 1993.		Form 8-K dated September 8,
4(bb) Report on	Form of 8% Note due June 1, 2007.	Exhibit 4 to Company's Current Form 8-K dated June 1, 1992.
4(cc) Current Report on 1997.	Form of S&P 500 Inflation Adjusted Market Index Target-Term Security due September 24, 2007.	Exhibit 4 to Company's Form 8-K dated September 24,
4(dd) Report on	Form of 7% Note due April 27, 2008.	Exhibit 4 to Company's Current Form 8-K dated April 27, 1993.
4(ee) Report on 1993.	Form of 6 1/4% Note due October 15, 2008.	Exhibit 4 to Company's Current Form 8-K dated October 15,
4(ff) Registration 35456).	Form of 8.40% Note due November 1, 2019.	Exhibit 4(z) to Company's Statement on Form S-3 (No. 33-
4(gg) Registration 54218).	Form of Fixed Rate Medium-Term Note (without redemption provisions).	Exhibit 4(kk) to Company's Statement on Form S-3 (No. 33-
4(hh) Registration 54218).	Form of Fixed Rate Medium-Term Note (with redemption provisions).	Exhibit 4(ll) to Company's Statement on Form S-3 (No. 33-
4(ii) Registration 38879).	Form of Fixed Rate Medium-Term Note (without redemption provisions, minimum denomination \$1,000).	Exhibit 4(d) to Company's Statement on Form S-3 (No. 33-
4(jj) Registration 38879).	Form of Fixed Rate Medium-Term Note (with redemption provisions, minimum denominations \$1,000).	Exhibit 4(c) to Company's Statement on Form S-3 (No. 33-
4(kk)	Form of Fixed Rate Medium-Term Note, Series B.	
4(ll) Registration 54218).	Form of Federal Funds Rate Medium-Term Note.	Exhibit 4(oo) to Company's Statement on Form S-3 (No. 33-
4(mm)	Form of Floating Rate Medium-Term Note, Series B.	
4(nn) Registration 54218).	Form of Commercial Paper Rate Medium-Term Note.	Exhibit 4(qq) to Company's Statement on Form S-3 (No. 33-
4(oo) Registration No. 33-38879).	Form of Commercial Paper Index Rate Medium-Term Note.	Exhibit 4(i) to Company's Statement on Form S-3 (File
4(pp) Registration 52647).	Form of Constant Maturity Treasury Rate Indexed Medium-Term Note, Series B.	Exhibit 4(ccc) to Company's Statement on Form S-3 (No. 33-
4(qq) Annual Report on December 30,	Form of Constant Maturity Treasury Rate Indexed Medium-Term Note II, Series B.	Exhibit 4(xv) to Company's Form 10-K for the year ended 1994.
4(rr) Registration 52647).	Form of JPY Yield Curve Flattening Medium-Term Note, Series B.	Exhibit 4(ddd) to Company's Statement on Form S-3 (No. 33-
4(ss) Registration	Form of LIBOR Medium-Term Note.	Exhibit 4(pp) to Company's Statement on Form S-3 (No. 33-

54218).		
4(tt) Registration	Form of Multi-Currency Medium-Term Note, Series B.	Exhibit 4(fff) to Company's Statement on Form S-3 (No. 33-
52647).		
4(uu) Quarterly Report ended	Form of Nine Month Renewable Floating Rate Medium-Term Note, Series B.	Exhibit 4(ix) to Company's on Form 10-Q for the quarter September 24, 1993.
4(vv) Registration	Form of Treasury Rate Medium-Term Note.	Exhibit 4(aaa) to Company's Statement on Form S-3 (No. 33-
54218).		
4(ww) Registration	Form of Collared LIBOR Medium-Term Note due February 14, 2000.	Exhibit 4(ww) to Company's Statement on Form S-3 (No. 33-
54218).		
4(xx) Registration	Form of Japanese Yen Swap Rate Linked Medium-Term Note, Series B.	Exhibit 4(mmm) to Company's Statement on Form S-3 (No. 33-
52647).		
4(yy) 1 to	Form of Step-Up Medium-Term Note due May 20, 2008.	Exhibit 4(ggg) to Amendment No. Company's Registration (No. 33-54218).
Statement on Form S-3		
4(zz) Registration	Form of Warrant Agreement, including form of Warrant Certificate.	Exhibit 4(aa) to Company's Statement on Form S-3 (No. 33-
35456).		
4(aaa) Registration	Form of Currency [Put/Call] Warrant Agreement, including form of Global Currency Warrant Certificate.	Exhibit 4 to Company's Statement on Form S-3 (No. 33-
17965).		
4(bbb) 1 to	Form of Index Warrant Agreement, including form of Global Index Warrant Certificate.	Exhibit 4(kkk) to Amendment No. Company's Registration (No. 33-54218).
Statement on Form S-3		
4(ccc) 1 to	Form of Index Warrant Trust Indenture, including form of Global Index Warrant Certificate.	Exhibit 4(lll) to Amendment No. Company's Registration (No. 33-54218).
Statement on Form S-3		
4(ddd) Report on	Form of 6 1/2% Note due April 1, 2001.	Exhibit 4 to Company's Current Form 8-K dated April 1, 1996.
4(eee) Report on	Form of 6% Note due January 15, 2001.	Exhibit 4 to Company's Current Form 8-K dated January 17,
1996.		
4(fff) Report on	Form of 6% Note due March 1, 2001.	Exhibit 4 to Company's Current Form 8-K dated February 29,
1996.		
4(ggg) Report on	Form of 7% Note due March 15, 2006.	Exhibit 4 to Company's Current Form 8-K dated March 18, 1996.
4(hhh) Report on	Form of 7 3/8% Note due May 15, 2006.	Exhibit 4 to Company's Current Form 8-K dated May 15, 1996.
4(iii) 8-K/A dated	Form of 6% STRYPES due June 1, 1999.	Exhibit 4(c) to Company's Form June 7, 1996.
4(jjj) Amendment	Form of 7 1/4% STRYPES due June 15, 1999.	Exhibit 4(c) to Post-Effective No. 4 to Company's

Registration Statement on

4(kkk) Current Report on	Form of 6 1/4% STRYPES due July 1, 2001.	Form S-3 (33-65135). Exhibit 4(c) to Company's Form 8-K dated July 9, 1996.
4(111) Report on	Form of S&P 500 Market Index Target-Term Security due May 10, 2001.	Exhibit 4 to Company's Current Form 8-K dated May 13, 1996.
4(mmm) Report on	Form of S&P 500 Market Index Target-Term Security due March 27, 2006.	Exhibit 4 to Company's Current Form 8-K dated March 26, 1999.
4(nnn) Current Report on 1996.	Form of Technology Market Index Target-Term Security due August 15, 2001.	Exhibit 4(a) to Company's Form 8-K dated August 12,
4(ooo) Current Report on 1996.	Form of Top Ten Yield Market Index Target-Term Security due August 15, 2006.	Exhibit 4(b) to Company's Form 8-K dated August 12,
4(ppp) Report on 1996.	Form of Healthcare/Biotechnology Portfolio Market Index Target-Term Security due October 31, 2001.	Exhibit 4 to Company's Current Form 8-K dated October 30,
4(qqq) Report on 1997.	Form of 7% Note due January 15, 2007.	Exhibit 4 to Company's Current Form 8-K dated January 13,
4(rrr) Report on	Form of S&P 500 Market Index Target-Term Security due September 16, 2002.	Exhibit 4 to Company's Current Form 8-K dated March 14, 1997.
4(sss) Report on	Form of Nikkei 225 Market Index Target-Term Security due June 14, 2002.	Exhibit 4 to Company's Current Form 8-K dated June 3, 1997.
4(ttt) Report on 1997.	Form of 6.56% Note due December 16, 2007.	Exhibit 4 to Company's Current Form 8-K dated December 16,
4(uuu) Current Report on 1998.	Form of 7 7/8% STRYPES due February 1, 2001 (Payable with Shares of Common Stock of CIBER, Inc.).	Exhibit 4(c) to Company's Form 8-K dated January 30,
4(vvv) Report on 1998.	Form of Floating Rate Note due February 4, 2003.	Exhibit 4 to Company's Current Form 8-K dated February 4,
4(www) Report on 1998.	Form of 6% Note due February 12, 2003.	Exhibit 4 to Company's Current Form 8-K dated February 12,
4(xxx) Report on	Form of Oracle Corporation Indexed Callable Protected Growth Security due March 31, 2003.	Exhibit 4 to Company's Current Form 8-K dated March 19, 1998.
4(yyy) Report on	Form of Telebras Indexed Callable Protected Growth Security due May 19, 2005.	Exhibit 4 to Company's Current Form 8-K dated May 19, 1998.
4(zzz) Report on	Form of 6 3/4% Note due June 1, 2028.	Exhibit 4 to Company's Current Form 8-K dated June 3, 1998.
4(aaaa) Report on	Form of Floating Rate Note due June 24, 2003.	Exhibit 4 to Company's Current Form 8-K dated June 24, 1998.
4(bbbb) Report on	Form of S&P 500 Market Index Target-Term Security due July 1, 2005.	Exhibit 4 to Company's Current Form 8-K dated June 26, 1998.

4(cccc) Current Report on	Form of Medium-Term Notes, Series B, 3% Stock Linked Note due June 10, 2000 (Linked to the performance of Honda Motor Co., Ltd. Common Stock)	Exhibit 4 to Company's Form 8-K dated June 10, 1998.
4(dddd) Current Report on	Form of Medium-Term Notes, Series B, 5% Stock Linked Note due July 3, 2000 (Linked to the performance of the Common Stock of Travelers Group, Inc.).	Exhibit 4(c) to Company's Form 8-K dated July 2, 1998.
4(eeee)	Form of Medium-Term Notes, Series B, 7% Stock Portfolio Linked Note due August 18, 2000 (Linked to the performance of the Common Stock of Intuit Inc., CKS Group, Inc. and CNET, Inc.).*	
4(ffff)	Form of Medium-Term Notes, Series B, Single Stock Linked Note due August 13, 1999 (Linked to the performance of the Common Stock of Case Corporation).*	
4(gggg) Report on 1998.	Form of 5 3/4% STock Return Income DEbt Securities due June 1, 2000.	Exhibit 4 to Company's Current Form 8-K dated December 1,
4(hhhh) Current Report 1998.	Form of 6% Note due July 15, 2003.	Exhibit (4) (a) to Company's on Form 8-K dated July 15,
4(iiii) Current Report 1998.	Form of 6 1/2% Note due July 15, 2018.	Exhibit (4) (b) to Company's on Form 8-K dated July 15,
4(jjjj) Registration No. 333-44173).	Form of Preferred Stock and Common Stock Warrant Agreement, including forms of Preferred Stock and Common Stock Warrant Certificates.	Exhibit 4(cccc) to Company's Statement on Form S-3 (File
4(kkkk) Registration 333-44173).	Form of Deposit Agreement, including form of Depository Receipt Certificate representing the Depository Shares.	Exhibit 4(ffff) to Company's Statement on Form S-3 (File No.
4(llll)	Certificate of Trust of Merrill Lynch Preferred Capital Trust VI.*	
* Previously filed.		
4(mmmm)	Form of Amended and Restated Declaration of Trust of Merrill Lynch Preferred Capital Trust VI, including form of Trust Preferred Security.*	
4(nnnn)	Certificate of Limited Partnership of Merrill Lynch Preferred Funding VI, L.P.*	
4(oooo)	Form of Amended and Restated Limited Partnership Agreement of Merrill Lynch Preferred Funding VI, L.P.*	
4(pppp)	Form of Trust Preferred Securities Guarantee Agreement, between the Company and The Chase Manhattan Bank, as guarantee trustee, including form of Partnership Preferred Security.*	
4(qqqq)	Form of Partnership Preferred Securities Guarantee Agreement between the Company and The Chase Manhattan Bank, as guarantee trustee.*	
4(rrrr) Statement on	Form of Subordinated Debenture Indenture between the Company and The Chase Manhattan Bank, as guarantee trustee.	Exhibit 4 to Registration Form S-3 (File No. 333-16603).
4(ssss)	Form of Affiliate Debenture Guarantee Agreement between the Company and The Chase Manhattan Bank, as guarantee trustee.*	
4(tttt)	Form of Subordinated Debenture.*	
4(uuuu) Quarterly Report ended March 27,	Restated Certificate of Incorporation of the Company, dated April 28, 1998.	Exhibit 3(i) to Company's on Form 10-Q for the quarter 1998.

4(vvvv) Quarterly Report ended March 27,	By-Laws of the Company, effective as of April 15, 1997.	Exhibit 3(ii) to Company's on Form 10-Q for the quarter 1997.
4(www) Registration No. 333-44173).	Form of Certificate of Designations of the Company establishing the rights, preferences, privileges, qualifications, restrictions, and limitations relating to a series of the Preferred Stock.	Exhibit 4(ssss) to Company's Statement on Form S-3 (File
4(xxxx) Registration No. 33-55363).	Form of certificate representing Preferred Stock.	Exhibit 4(d) to Company's Statement on Form S-3 (File
4(yyyy) Registration No. 333-44173).	Form of certificate representing Common Stock.	Exhibit 4(uuuu) to Company's Statement on Form S-3 (File
4(zzzz) Registration No. 333-44173).	Form of Liquid Yield Option Note Indenture.	Exhibit 4(vvvv) to Company's Statement on Form S-3 (File
4(aaaaa) Registration No. 333-44173).	Form of Subsequent Liquid Yield Option Note Indenture.	Exhibit 4(www) to Company's Statement on Form S-3 (File
4(bbbbb) Report on 1997.	Form of Market Index Target-Term Security based upon the Dow Jones Industrial Average due January 14, 2003.	Exhibit 4 to Company's Current Form 8-K dated December 23,
4(ccccc) Registration 333-44173).	Supplemental Indenture to the 1983 Senior Indenture, the 1993 Senior Indenture and the Subordinated Indenture between the Company and The Chase Manhattan Bank, as trustee.	Exhibit 4(yyyy) to Company's Statement on Form S-3 (File No.
<hr/> * Previously filed.		
4(ddddd) Current Report on 1997.	Amended and Restated Rights Agreement, dated as of December 2, 1997 between the Company and ChaseMellon Shareholder Services,L.L.C., as Rights Agent.	Exhibit 4 to Company's Form 8-K dated December 2,
4(eeeee) Registration 33-19975).	Certificate of Designations of the Company establishing the rights, preferences, privileges, qualifications, restrictions and limitations relating to the Company's Series A Junior Preferred Stock.	Exhibit 3(f) to Company's Statement on Form S-3 (File No.
4(fffff) Registration No. 333-19975).	Amendment No. 1 to the Form of Distribution Agreement.	Exhibit 4(bbbbb) to Company's Statement on Form S-3 (File
4(ggggg) Report 3, 1998.	Form of EuroFund Market Index Target-Term Security due February 28, 2006.	Exhibit 4 to Company's Current on Form 8-K dated September
4(hhhhh) Report on 1998.	Form of S&P 500 Market Index Target-Term Security due September 28, 2005.	Exhibit 4 to Company's Current Form 8-K dated September 29,
4(iiiii) Report on 1998.	Form of 6 3/8% Note due October 15, 2008.	Exhibit 4 to Company's Current Form 8-K dated October 28,
4(jjjjj) Current Report 1998.	Form of 6% Note due November 15, 2004.	Exhibit (4) (b) to Company's on Form 8-K dated November 24,

4(kkkkk) Current Report 1998.	Form of 6 7/8% Note due November 15, 2018.	Exhibit (4) (c) to Company's on Form 8-K dated November 24,
4(l1111) Registration 1998.	Form of Medium-Term Notes, Series B, 1.5% Principal Protected Note due December 15, 2005  (Linked to the performance of the Dow Jones Statement Euro STOXX 50 Index).	Exhibit 99(b) to Company's on Form 8-A dated December 3,
4(mmmmm) Current Report on 1998.	Form of Nikkei 225 Market Index Target-Term Security due September 21, 2005.	Exhibit 4 to Company's Form 8-K dated December 28,
4(nnnnn) Report on 1999.	Form of Energy Select Sector SPDR(R) Fund Market Index Target-Term Securities due February 21, 2006.	Exhibit 4 to Company's Current Form 8-K dated February 18,
4(ooooo) Current Report on 1999.	Form of 5 1/4% STock Return Income DEbt Securities due August 23, 2000.	Exhibit 4 to Company's Form 8-K dated February 23,
5(a)	Opinion of Brown & Wood LLP.*	
5(b)	Opinion of Brown & Wood LLP.*	
5(c)	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP.*	
5(d)	Opinion of Brown & Wood LLP.*	
12(a) Report on December 25,	Computation of Ratio of Earnings to Fixed Charges of the Company.	Exhibit 12 to Company's Annual Form 10-K for the year ended 1998.
12(b) Report on December 25,	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends of the Company.	Exhibit 12 to Company's Annual Form 10-K for the year ended 1998.
23(a)	Consents of Brown & Wood LLP. (included as part of Exhibit 5).*	
23(b)	Consent of Deloitte & Touche LLP.	
24	Power of Attorney of the Company.*	
25(a)	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Chase Manhattan Bank.*	
25(b)	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Chase Manhattan Bank under the Amended and Restated Declaration of Trust (contained in Exhibit 4(mmmmm)); Trust Preferred Securities Guarantee Agreement (contained in Exhibit 4(pppp)); Subordinated Indenture (contained in Exhibit 4(rrrr)); and Affiliate Debenture Guarantee Agreement (contained in Exhibit 4(ssss)).*	
99(a) Annual Report December 25,	Opinion of Deloitte & Touche LLP with respect to certain financial data appearing in the Registration Statement.	Exhibit (99) (i) to Company's on Form 10-k for year ended 1998.
99(b) Annual Report December 25,	Opinion of Deloitte & Touche LLP with respect to certain summary financial information and selected financial data incorporated by reference in the Registration Statement.	Exhibit (99) (ii) to Company's on Form 10-k for year ended 1998.

</TABLE>

- -----  
\* Previously filed.

Item 17. Undertakings

Each of the undersigned registrants hereby undertakes:

(a) (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the securities act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the Securities being registered which remain unsold at the termination of the offering.

(b) That, for purpose of determining any liability under the Securities Act of 1933, each filing of such registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of such registrant pursuant to the provisions referred to in Item 15 of this registration statement, or otherwise, such registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by such registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act (the "Act") in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in The City of New York and State of New York on the 29th day of March, 1999.

MERRILL LYNCH & CO., INC.

By: /s/ E. Stanley O'Neal

-----  
 E. Stanley O'Neal  
 (Executive Vice President and  
 Chief Financial Officer)

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement has been signed by the following persons in the capacities indicated on the 29th day of March, 1999.

<S> Signature	<C> Title
* ----- (David H. Komansky)	Chairman of the Board, Chief Executive Officer and Director
* ----- (Herbert M. Allison, Jr.)	President, Chief Operating Officer and Director
/s/ E. Stanley O'Neal ----- (E. Stanley O'Neal)	Executive Vice President and Chief Financial Officer (Principal Officer)
/s/ Ahmass L. Fakahany ----- (Ahmass L. Fakahany)	Senior Vice President and Controller (Principal Accounting Officer)
* ----- (W. H. Clark)	Director
* ----- (Jill K. Conway)	Director
* ----- (Stephen L. Hammerman)	Director
* ----- (Earle H. Harbison, Jr.)	Director
* ----- (George B. Harvey)	Director
* ----- (William R. Hoover)	Director
* ----- (Robert P. Luciano)	Director
* ----- (Aulana L. Peters)	Director
* ----- (John J. Phelan, Jr.)	Director
* ----- (John L. Steffens)	Director
* -----	Director



\*By: /s/ E. Stanley O'Neal  
-----  
E. Stanley O'Neal  
(Attorney-in-Fact)  
</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 29th of March, 1999.

MERRILL LYNCH PREFERRED FUNDING VI, L.P.  
BY: MERRILL LYNCH & CO., INC.,  
as General Partner

By: /s/ E. Stanley O'Neal  
-----  
Name: E. Stanley O'Neal  
Title: Executive Vice President and Chief  
Financial Officer

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 29th of March, 1999.

MERRILL LYNCH PREFERRED CAPITAL TRUST VI

By: /s/ Raymond Disco  
-----  
Name: Raymond Disco  
Title: Regular Trustee

By: /s/ Stanley Schaefer  
-----  
Name: Stanley Schaefer  
Title: Regular Trustee

EXHIBIT INDEX

<TABLE> <S> Exhibit Reference Number Indicated ----- -----	<C>	Description	<C> Incorporation by to Filings -----
1(a) Registration (No. 333-59997).		Form of Underwriting Agreement for Debt Securities and Debt, Currency and Index Warrants, including forms of Terms Agreement.	Exhibit 1(a) to Company's Statement on Form S-3
1(b) Registration 51489).		Form of Distribution Agreement, including form of Terms Agreement, relating to Medium-Term Notes, Series B (a series of Senior Debt Securities).	Exhibit 1(b) to Company's Statement on Form S-3 (No. 33-
1(c) Company's 333-59997).		Form of Underwriting Agreement for Preferred Stock and Common Stock Registration Warrants, Preferred Stock, Depositary Shares and Common Stock.	Exhibit 1(c) to Statement on Form S-3 (No.
1(d)		Form of Purchase Agreement relating to the Trust Preferred	Exhibit 1.1 to Company's

Registration 333-42859).	Securities.	Statement on Form S-3 (No.
4(a)(i) Registration 1992.	Senior Indenture, dated as of April 1, 1983, as amended and restated (the "1983 Senior Indenture"), between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 99(c) to Company's on Form 8-A dated July 20,
4(a)(ii) Report on	Senior Indenture, dated as of October 1, 1993 (the "1993 Senior Indenture"), between the Company and the Chase Manhattan Bank (successor by merger to The Chase Manhattan Bank, N.A.).	Exhibit 4 to Company's Current Form 8-K dated October 7, 1993.
4(a)(iii)	Form of initial Subsequent Indenture with respect to Senior Debt Securities.*	
4(a)(iv)	Form of Subsequent Indenture with respect to Senior Debt Securities.*	
4(b)(i) Registration 1992.	Supplemental Indenture to the 1983 Senior Indenture, dated March 15, 1990, between the Company and The Chase Manhattan Bank, formerly Statement known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 99(c) to Company's on Form 8-A dated July 20,
4(b)(ii) Effective Amendment Statement on	Eighth Supplemental Indenture to the 1983 Senior Indenture, dated March 1, 1996, between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 4(b) to Post-No. 1 to Company's Registration Form S-3 (No. 33-65135).
4(b)(iii) Effective Amendment Statement	Ninth Supplemental Indenture to the 1983 Senior Indenture, dated June 1, 1996, between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 4(b) to Post-No. 4 to Company's Registration on Form S-3 (No. 33-65135).
4(b)(iv) Effective Amendment Statement on	Tenth Supplemental Indenture to the 1983 Senior Indenture, dated July 1, 1996, between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 4(b) to Post-No.5 to Company's Registration Form S-3 (No. 33-65135).
4(b)(v) Registration	Supplemental Indenture to the 1983 Senior Indenture, dated October 25, 1993, between the Company and The Chase Manhattan Bank Statement (successor by merger to The Chase Manhattan Bank, N.A.).	Exhibit 4(b)(ii) to Company's on Form S-3 (No. 33-61559).
* Previously filed.		
4(b)(vi) Current report on	Twelfth Supplemental Indenture to the 1983 Senior Indenture dated as of September 1, 1998 between the Company and The Chase Manhattan Bank, formerly known as Chemical Bank (successor by merger to Manufacturers Hanover Trust Company).	Exhibit 4(a) to Company's Form 8-K dated October 21, 1998.
4(b)(vii) Current Report	First Supplemental Indenture to the 1993 Senior Indenture, dated as of June 1, 1998, between the Company and The Chase Manhattan Bank (successor by merger to The Chase Manhattan Bank N.A.).	Exhibit 4(a) to Company's on Form 8-K dated July 2, 1998.
4(c)(i) Registration 333-16603).	Form of Subordinated Indenture between the Company and The Chase Manhattan Bank.	Exhibit 4.7 to Company's Statement on Form S-3 (No.
4(c)(ii)	Form of Subsequent Indentures with respect to Subordinated Debt Securities.*	

4 (d) Report on  1999.	Form of 6% Note due February 17, 2009.	Exhibit 4 to Company's Current Form 8-K dated February 17,
4 (e) Report on	Form of 6 3/8% Note due March 30, 1999.	Exhibit 4 to Company's Current Form 8-K dated March 30, 1994.
4 (f) 1 to  Statement on Form S-3	Form of Equity Participation Security with Minimum Return Protection due June 30, 1999.	Exhibit 4 (ooo) to Amendment No. Company's Registration (No. 33-54218).
4 (g) Report on  1993.	Form of European Portfolio Market Index Target-Term Security due June 30, 1999.	Exhibit 4 to Company's Current Form 8-K dated December 30,
4 (h) Registration  45327).	Form of 8 1/4% Note due November 15, 1999.	Exhibit 4 (cc) to Company's Statement on Form S-3 (No. 33-
4 (i) Report on	Form of Stock Market Annual Reset Term Note due December 31, 1999 (Series A).	Exhibit 4 to Company's Current Form 8-K dated April 29, 1993.
4 (j) Report on  1994.	Form of Japan Index Equity Participation Security with Minimum Return Protection due January 31, 2000.	Exhibit 4 to Company's Current Form 8-K dated January 27,
4 (k) Report on  1995.	Form of 8 3/8% Note due February 9, 2000.	Exhibit 4 to Company's Current Form 8-K dated February 9,
4 (l) on Form 8-K	Form of 6.70% Note due August 1, 2000.	Exhibit 4 to Company's Report dated August 1, 1995.
4 (m) Report on	Form of AMEX Oil Index Stock Market Annual Reset Term Note due December 29, 2000.	Exhibit 4 to Company's Current Form 8-K dated March 31, 1994.
4 (n) Report on  1992.	Form of 8% Note due February 1, 2002.	Exhibit 4 to Company's Current Form 8-K dated February 4,
4 (o) Report on	Form of Step-Up Note due April 30, 2002.	Exhibit 4 to Company's Current Form 8-K dated April 30, 1992.
4 (p) Report on	Form of Step-Up Note due May 6, 2002.	Exhibit 4 to Company's Current Form 8-K dated May 6, 1992.
4 (q) Report on  1992.	Form of 7 3/8% Note due August 17, 2002.	Exhibit 4 to Company's Current Form 8-K dated August 17,

\* Previously filed.

4 (r) Current Report on	Form of Major 8 European Index Market Index Target-Term Security due August 30, 2002.	Exhibit 4 to Company's Form 8-K dated August 1, 1997.
4 (s) Report on  1995.	Form of 6.64% Note due September 19, 2002.	Exhibit 4 to Company's Current Form 8-K dated September 19,
4 (t) Report on	Form of 8.30% Note due November 1, 2002.	Exhibit 4 to Company's Current Form 8-K dated May 4, 1992.
4 (u) Report on	Form of Major 11 European Market Index Target-Term Security due	Exhibit 4 to Company's Current

1997.	December 6, 2002.	Form 8-K dated November 26,
4 (v) Report on	Form of 6 7/8% Note due March 1, 2003.	Exhibit 4 to Company's Current Form 8-K dated March 1, 1993.
4 (w) Report on	Form of 7.05% Note due April 15, 2003.	Exhibit 4 to Company's Current Form 8-K dated April 15, 1993.
4 (x) Report on	Form of 6.55% Note due August 1, 2004.	Exhibit 4 to Company's Current Form 8-K dated August 1, 1997.
4 (y) Report on 1997.	Form of Russell 2000 Index Market Index Target-Term Security due September 30, 2004.	Exhibit 4 to Company's Current Form 8-K dated September 29,
4 (z) Report on 1994.	Form of 6 1/4% Note due January 15, 2006.	Exhibit 4 to Company's Current Form 8-K dated January 20,
4 (aa) Report 1993.	Form of 6 3/8% Note due September 8, 2006.	Exhibit 4 to Company's Current on Form 8-K dated September 8,
4 (bb) Report on	Form of 8% Note due June 1, 2007.	Exhibit 4 to Company's Current Form 8-K dated June 1, 1992.
4 (cc) Report on 1997.	Form of S&P 500 Inflation Adjusted Market Index Target-Term Security due September 24, 2007.	Exhibit 4 to Company's Current Form 8-K dated September 24,
4 (dd) Report on	Form of 7% Note due April 27, 2008.	Exhibit 4 to Company's Current Form 8-K dated April 27, 1993.
4 (ee) Report on 1993.	Form of 6 1/4% Note due October 15, 2008.	Exhibit 4 to Company's Current Form 8-K dated October 15,
4 (ff) Registration 35456).	Form of 8.40% Note due November 1, 2019.	Exhibit 4(z) to Company's Statement on Form S-3 (No. 33-
4 (gg) Registration 54218).	Form of Fixed Rate Medium-Term Note (without redemption provisions).	Exhibit 4(kk) to Company's Statement on Form S-3 (No. 33-
4 (hh) Registration 54218).	Form of Fixed Rate Medium-Term Note (with redemption provisions).	Exhibit 4(ll) to Company's Statement on Form S-3 (No. 33-
4 (ii) Registration 38879).	Form of Fixed Rate Medium-Term Note (without redemption provisions, minimum denomination \$1,000).	Exhibit 4(d) to Company's Statement on Form S-3 (No. 33-
4 (jj) Registration 38879).	Form of Fixed Rate Medium-Term Note (with redemption provisions, minimum denominations \$1,000).	Exhibit 4(c) to Company's Statement on Form S-3 (No. 33-
4 (kk)	Form of Fixed Rate Medium-Term Note, Series B.	
4 (ll) Registration 54218).	Form of Federal Funds Rate Medium-Term Note.	Exhibit 4(oo) to Company's Statement on Form S-3 (No. 33-

4 (mm)	Form of Floating Rate Medium-Term Note, Series B.	
4 (nn) Registration 54218).	Form of Commercial Paper Rate Medium-Term Note.	Exhibit 4 (qq) to Company's Statement on Form S-3 (No. 33-
4 (oo) Registration No. 33-38879).	Form of Commercial Paper Index Rate Medium-Term Note.	Exhibit 4 (i) to Company's Statement on Form S-3 (File
4 (pp) Registration 52647).	Form of Constant Maturity Treasury Rate Indexed Medium-Term Note, Series B.	Exhibit 4 (ccc) to Company's Statement on Form S-3 (No. 33-
4 (qq) Annual Report on December 30,	Form of Constant Maturity Treasury Rate Indexed Medium-Term Note II, Series B.	Exhibit 4 (xv) to Company's Form 10-K for the year ended 1994.
4 (rr) Registration 52647).	Form of JPY Yield Curve Flattening Medium-Term Note, Series B.	Exhibit 4 (ddd) to Company's Statement on Form S-3 (No. 33-
4 (ss) Registration 54218).	Form of LIBOR Medium-Term Note.	Exhibit 4 (pp) to Company's Statement on Form S-3 (No. 33-
4 (tt) Registration 52647).	Form of Multi-Currency Medium-Term Note, Series B.	Exhibit 4 (fff) to Company's Statement on Form S-3 (No. 33-
4 (uu) Quarterly Report ended	Form of Nine Month Renewable Floating Rate Medium-Term Note, Series B.	Exhibit 4 (ix) to Company's on Form 10-Q for the quarter September 24, 1993.
4 (vv) Registration 54218).	Form of Treasury Rate Medium-Term Note.	Exhibit 4 (aaa) to Company's Statement on Form S-3 (No. 33-
4 (ww) Registration 54218).	Form of Collared LIBOR Medium-Term Note due February 14, 2000.	Exhibit 4 (ww) to Company's Statement on Form S-3 (No. 33-
4 (xx) Registration 52647).	Form of Japanese Yen Swap Rate Linked Medium-Term Note, Series B.	Exhibit 4 (mmm) to Company's Statement on Form S-3 (No. 33-
4 (yy) 1 to Statement on Form S-3	Form of Step-Up Medium-Term Note due May 20, 2008.	Exhibit 4 (ggg) to Amendment No. Company's Registration (No. 33-54218).
4 (zz) Registration 35456).	Form of Warrant Agreement, including form of Warrant Certificate.	Exhibit 4 (aa) to Company's Statement on Form S-3 (No. 33-
4 (aaa) Registration Statement	Form of Currency [Put/Call] Warrant Agreement, including form of Global Currency Warrant Certificate.	Exhibit 4 to Company's on Form S-3 (No. 33-17965).
4 (bbb) 1 to Statement on Form S-3	Form of Index Warrant Agreement, including form of Global Index Warrant Certificate.	Exhibit 4 (kkk) to Amendment No. Company's Registration (No. 33-54218).
4 (ccc) 1 to Statement on Form S-3	Form of Index Warrant Trust Indenture, including form of Global Index Warrant Certificate.	Exhibit 4 (lll) to Amendment No. Company's Registration (No. 33-54218).

4(ddd) Report on	Form of 6 1/2% Note due April 1, 2001.	Exhibit 4 to Company's Current Form 8-K dated April 1, 1996.
4(eee) Report on 1996.	Form of 6% Note due January 15, 2001.	Exhibit 4 to Company's Current Form 8-K dated January 17,
4(fff) Report on 1996.	Form of 6% Note due March 1, 2001.	Exhibit 4 to Company's Current Form 8-K dated February 29,
4(ggg) Report on	Form of 7% Note due March 15, 2006.	Exhibit 4 to Company's Current Form 8-K dated March 18, 1996.
4(hhh) Report on	Form of 7 3/8% Note due May 15, 2006.	Exhibit 4 to Company's Current Form 8-K dated May 15, 1996.
4(iii) 8-K/A dated	Form of 6% STRYPES due June 1, 1999.	Exhibit 4(c) to Company's Form June 7, 1996.
4(jjj) Amendment Registration Statement on	Form of 7 1/4% STRYPES due June 15, 1999.	Exhibit 4(c) to Post-Effective No. 4 to Company's Form S-3 (33-65135).
4(kkk) Current Report on	Form of 6 1/4% STRYPES due July 1, 2001.	Exhibit 4(c) to Company's Form 8-K dated July 9, 1996.
4(lll) Report on	Form of S&P 500 Market Index Target-Term Security due May 10, 2001.	Exhibit 4 to Company's Current Form 8-K dated May 13, 1996.
4(mmm) Report on	Form of S&P 500 Market Index Target-Term Security due March 27, 2006.	Exhibit 4 to Company's Current Form 8-K dated March 26, 1999.
4(nnn) Current Report on 1996.	Form of Technology Market Index Target-Term Security due August 15, 2001.	Exhibit 4(a) to Company's Form 8-K dated August 12,
4(ooo) Current Report on 1996.	Form of Top Ten Yield Market Index Target-Term Security due August 15, 2006.	Exhibit 4(b) to Company's Form 8-K dated August 12,
4(ppp) Current Report on 1996.	Form of Healthcare/Biotechnology Portfolio Market Index Target-Term Security due October 31, 2001.	Exhibit 4 to Company's Form 8-K dated October 30,
4(qqq) Report on 1997.	Form of 7% Note due January 15, 2007.	Exhibit 4 to Company's Current Form 8-K dated January 13,
4(rrr) Report on	Form of S&P 500 Market Index Target-Term Security due September 16, 2002.	Exhibit 4 to Company's Current Form 8-K dated March 14, 1997.
4(sss) Report on	Form of Nikkei 225 Market Index Target-Term Security due June 14, 2002.	Exhibit 4 to Company's Current Form 8-K dated June 3, 1997.
4(ttt) Report on 1997.	Form of 6.56% Note due December 16, 2007.	Exhibit 4 to Company's Current Form 8-K dated December 16,
4(uuu) Current Report on	Form of 7 7/8% STRYPES due February 1, 2001 (Payable with Shares of	Exhibit 4(c) to Company's

1998.	Common Stock of CIBER, Inc.)	Form 8-K dated January 30,
4(vvv) Report on	Form of Floating Rate Note due February 4, 2003.	Exhibit 4 to Company's Current
1998.		Form 8-K dated February 4,
4(www) Report on	Form of 6% Note due February 12, 2003.	Exhibit 4 to Company's Current
1998.		Form 8-K dated February 12,
4(xxx) Report on	Form of Oracle Corporation Indexed Callable Protected Growth Security due March 31, 2003.	Exhibit 4 to Company's Current
		Form 8-K dated March 19, 1998.
4(yyy) Report on	Form of Telebras Indexed Callable Protected Growth Security due May 19, 2005.	Exhibit 4 to Company's Current
		Form 8-K dated May 19, 1998.
4(zzz) Report on	Form of 6 3/4% Note due June 1, 2028.	Exhibit 4 to Company's Current
		Form 8-K dated June 3, 1998.
4(aaaa) Report on	Form of Floating Rate Note due June 24, 2003.	Exhibit 4 to Company's Current
		Form 8-K dated June 24, 1998.
4(bbbb) Report on	Form of S&P 500 Market Index Target-Term Security due July 1, 2005.	Exhibit 4 to Company's Current
		Form 8-K dated June 26, 1998.
4(cccc) Current Report on	Form of Medium-Term Notes, Series B, 3% Stock Linked Note due June 10, 2000 (Linked to the performance of Honda Motor Co., Ltd. Common Stock).	Exhibit 4 to Company's Form 8-K dated June 10, 1998.
4(dddd) Current Report on	Form of Medium-Term Notes, Series B, 5% Stock Linked Note due July 3, 2000 (Linked to the performance of the Common Stock of Travelers Group, Inc.).	Exhibit 4(c) to Company's Form 8-K dated July 2, 1998.
4(eeee)	Form of Medium-Term Notes, Series B, 7% Stock Portfolio Linked Note due August 18, 2000 (Linked to the performance of the Common Stock of Intuit Inc., CKS Group, Inc. and CNET, Inc.).*	
4(ffff)	Form of Medium-Term Notes, Series B, Single Stock Linked Note due August 13, 1999 (Linked to the performance of the Common Stock of Case Corporation).*	
4(gggg) Report on	Form of 5 3/4% Stock Return Income DEbtSecurities due June 1, 2000.	Exhibit 4 to Company's Current
1998.		Form 8-K dated December 1,
4(hhhh) Current Report on	Form of 6% Note due July 15, 2003.	Exhibit (4) (a) to Company's Form 8-K dated July 15, 1998.
4(iiii) Current Report on	Form of 6 1/2% Note due July 15, 2018.	Exhibit (4) (b) to Company's Form 8-K dated July 15, 1998.
4(jjjj) Registration	Form of Preferred Stock and Common Stock Warrant Agreement, including forms of Preferred Stock and Common Stock Warrant Certificates.	Exhibit 4(cccc) to Company's Statement on Form S-3 (File No. 333-44173).
4(kkkk) Registration	Form of Deposit Agreement, including form of Depositary Receipt Certificate representing the Depositary Shares.	Exhibit 4(ffff) to Company's Statement on Form S-3 (File No. 333-44173).
4(llll)	Certificate of Trust of Merrill Lynch Preferred Capital Trust VI.*	

4 (mmmm)	Form of Amended and Restated Declaration of Trust of Merrill Lynch Preferred Capital Trust VI, including form of Trust Preferred Security.*	
4 (nnnn)	Certificate of Limited Partnership of Merrill Lynch Preferred Funding VI, L.P.*	
4 (oooo)	Form of Amended and Restated Limited Partnership Agreement of Merrill Lynch Preferred Funding VI, L.P.*	
<hr/>		
* Previously filed.		
4 (pppp)	Form of Trust Preferred Securities Guarantee Agreement, between the Company and The Chase Manhattan Bank, as guarantee trustee, including form of Partnership Preferred Security.*	
4 (qqqq)	Form of Partnership Preferred Securities Guarantee Agreement between the Company and The Chase Manhattan Bank, as guarantee trustee.*	
4 (rrrr) Statement on	Form of Subordinated Debenture Indenture between the Company and The Chase Manhattan Bank, as guarantee trustee.	Exhibit 4 to Registration Form S-3 (File No. 333-16603).
4 (ssss)	Form of Affiliate Debenture Guarantee Agreement between the Company and The Chase Manhattan Bank, as guarantee trustee.*	
4 (tttt)	Form of Subordinated Debenture.*	
4 (uuuu) Quarterly Report on ended March 27,	Restated Certificate of Incorporation of the Company, dated April 28, 1998.	Exhibit 3(i) to Company's Form 10-Q for the quarter 1998.
4 (vvvv) Quarterly Report ended March 27,	By-Laws of the Company, effective as of April 15, 1997.	Exhibit 3(ii) to Company's on Form 10-Q for the quarter 1997.
4 (www) Registration 333-44173).	Form of Certificate of Designations of the Company establishing the rights, preferences, privileges, qualifications, restrictions, and limitations relating to a series of the Preferred Stock.	Exhibit 4(ssss) to Company's Statement on Form S-3 (File No.
4 (xxxx) Registration No. 33-55363).	Form of certificate representing Preferred Stock.	Exhibit 4(d) to Company's Statement on Form S-3 (File
4 (yyyy) Registration No.333-44173).	Form of certificate representing Common Stock.	Exhibit 4(uuuu) to Company's Statement on Form S-3 (File
4 (zzzz) Registration No. 333-44173).	Form of Liquid Yield Option Note Indenture.	Exhibit 4(vvvv) to Company's Statement on Form S-3 (File
4 (aaaa) Registration No. 333-44173).	Form of Subsequent Liquid Yield Option Note Indenture.	Exhibit 4(www) to Company's Statement on Form S-3 (File
4 (bbbb) Report on 1997.	Form of Market Index Target-Term Security based upon the Dow Jones Industrial Average due January 14, 2003.	Exhibit 4 to Company's Current Form 8-K dated December 23,
4 (cccc) Registration 333-44173).	Supplemental Indenture to the 1983 Senior Indenture, the 1993 Senior Indenture and the Subordinated Indenture between the Company and The Chase Manhattan Bank, as trustee.	Exhibit 4(yyyy) to Company's Statement on Form S-3 (File No.
4 (dddd) Current Report	Amended and Restated Rights Agreement, dated as of December 2, 1997 on between the Company and ChaseMellon	Exhibit 4 to Company's Form 8-K dated December 2,



1997.	Shareholder Services, L.L.C., as Rights Agent.	
4(eeeee) Registration 33-19975).	Certificate of Designations of the Company establishing the rights, preferences, privileges, qualifications, restrictions and limitations relating to the Company's Series A Junior Preferred Stock.	Exhibit 3(f) to Company's Statement on Form S-3 (File No.
4(fffff) Registration No. 333-19975).	Amendment No.1 to the Form of Distribution Agreement.	Exhibit 4(bbbbb) to Company's Statement on Form S-3 (File
<hr/> * Previously filed.		
4(ggggg) Report 1998.	Form of EuroFund Market Index Target-Term Security due February 28, 2006.	Exhibit 4 to Company's Current on Form 8-K dated September 3,
4(hhhhh) Report 29, 1998.	Form of S&P 500 Market Index Target-Term Security due September 28, 2005.	Exhibit 4 to Company's Current on Form 8-K dated September
4(iiiii) Report on 1998.	Form of 6 3/8% Note due October 15, 2008.	Exhibit 4 to Company's Current Form 8-K dated October 28,
4(jjjjj) Current Report 1998.	Form of 6% Note due November 15, 2004.	Exhibit (4) (b) to Company's on Form 8-K dated November 24,
4(kkkkk) Current Report on 1998.	Form of 6 7/8% Note due November 15, 2018.	Exhibit (4) (c) to Company's Form 8-K dated November 24,
4(lllll) Registration December 3, 1998.	Form of Medium-Term Notes, Series B, 1.5% Principal Protected Note due December 15, 2005 (Linked to the performance of the Dow Jones Euro STOXX 50 Index).	Exhibit 99(b) to Company's Statement on Form 8-A dated
4(mmmmm) Report on Form 1999	Form of Nikkei 225 Market Index Target-Term Security due September 21, 2005.	Exhibit 4 to Company's Current 8-K dated December 28, 1998.
4(nnnnn) Report on 1999	Form of Energy Select Sector SPDR(R) Fund Market Index Target-Term Securities due February 21, 2006.	Exhibit 4 to Company's Current Form 8-K dated February 18,
4(ooooo) Report on 1999	Form of 5 1/4% Stock Return Income DEbt Securities due August 23, 2000.	Exhibit 4 to Company's Current Form 8-K dated February 23,
5(a)	Opinion of Brown & Wood LLP.*	
5(b)	Opinion of Brown & Wood LLP.*	
5(c)	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP.*	
5(d)	Opinion of Brown & Wood LLP.*	
12(a) Report on December 25,	Computation of Ratio of Earnings to Fixed Charges of the Company.	Exhibit 12 to Company's Annual Form 10-K for the year ended 1998.
12(b) Report on December 25,	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends of the Company.	Exhibit 12 to Company's Annual Form 10-K for the year ended 1998.
23(a)	Consents of Brown & Wood LLP. (included as part of Exhibit 5).*	

23(b) Consent of Deloitte & Touche LLP.\*  
 24 Power of Attorney of the Company.\*  
 25(a) Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Chase Manhattan Bank.\*

\* Previously filed.

25(b) Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Chase Manhattan Bank under the Amended and Restated Declaration of Trust (contained in Exhibit 4(mmmm)); Trust Preferred Securities Guarantee Agreement (contained in Exhibit 4(pppp)); Subordinated Indenture (contained in Exhibit 4(vvvv)); and Affiliate Debenture Guarantee Agreement (contained in Exhibit 4(ssss)).\*

99(a) Opinion of Deloitte & Touche LLP with respect to Exhibit (99) (i) to Company's  
 Annual Report certain financial data appearing in the Registration on Form 10-k for year ended  
 December 25, Statement. 1998.

99(b) Opinion of Deloitte & Touche LLP with respect to certain Exhibit (99) (ii) to Company's  
 Annual Report summary financial information and selected financial data on Form 10-k for year ended  
 December 25, incorporated by reference in the Registration Statement. 1998.

</TABLE>

- - - - -  
 \* Previously filed.

Exhibit 4(kk)

FIXED RATE GLOBAL MEDIUM-TERM NOTE

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") TO A NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED PRINCIPAL AMOUNT  
 No. FX \_\_\_\_\_ CUSIP No. \_\_\_\_\_ \$ \_\_\_\_\_

MERRILL LYNCH & CO., INC.  
 MEDIUM-TERM NOTE,  
 SERIES B  
 (Fixed Rate)

ORIGINAL ISSUE DATE: INTEREST RATE: STATED MATURITY:

INTEREST PAYMENT DATES RECORD DATE:  
 (May 15 and November 15, (Fifteen days prior to the  
 unless otherwise specified) applicable Interest Payment  
 Date, unless otherwise  
 specified)

INITIAL REDEMPTION ANNUAL REDEMPTION  
 DATE: PERCENTAGE: PERCENTAGE

REDUCTION:

OPTIONAL REPAYMENT DATE(S):

DENOMINATIONS: ADDENDUM ATTACHED:  
 (Integral multiples of \$1,000, : Yes  
 unless otherwise : No  
 specified)

OTHER PROVISIONS:

MERRILL LYNCH & CO., INC., a Delaware corporation ("Issuer" or the "Company," which terms include any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of

DOLLARS

on the Stated Maturity specified above (except to the extent redeemed or repaid prior to the Stated Maturity), and to pay interest thereon at the Interest Rate per annum specified above, until the principal hereof is paid or duly made available for payment. Reference herein to "this Note", "hereof", "herein" and comparable terms shall include an Addendum hereto if an Addendum is specified above.

The Company will pay interest on each Interest Payment Date specified above, commencing on the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Stated Maturity or any Redemption Date or Optional Repayment Date (as defined below) (the date of each such Stated Maturity, Redemption Date and Optional Repayment Date and the date on which principal or an installment of principal is due and payable by declaration of acceleration pursuant to the Indenture being referred to hereinafter as a "Maturity" with respect to principal payable on such date); provided, however, that if the Original Issue Date is between a Regular Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date succeeding the Original Issue Date. Unless otherwise specified above, the "Regular Record Date" shall be the date 15 calendar days (whether or not a Business Day) prior to the applicable Interest Payment Date. Interest on this Note will accrue from and including the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the Original Issue Date specified above, to, but excluding such Interest Payment Date. If the Maturity or an Interest Payment Date falls on a day which is not a Business Day, the payment due on such Maturity or Interest Payment Date will be paid on the next succeeding Business Day with the same force and effect as if made on such Maturity or Interest Payment Date, as the case may be, and no interest shall accrue with respect to such payment for the period from and after such Maturity or Interest Payment Date. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will as provided in the Indenture be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such Interest Payment Date. Any such interest which is payable, but not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest"), shall forthwith cease to be payable to the registered Holder on such Regular Record Date, and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to the Holder of this Note not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture.

Payment of the principal of and interest on this Note will be made at the Office or Agency of the Company maintained by the Company for such purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Unless the certificate of authentication hereon has been executed by or on behalf of The Chase Manhattan Bank, the Trustee for this Note under the Indenture, or its successor thereunder, by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Note is one of a duly authorized issue of Securities (hereinafter called the "Securities") of the Company designated as its Medium-Term Notes, Series B (the "Notes"). The Securities are issued and to be issued under an indenture (the "Indenture") dated as of October 1, 1993, between the Company and The Chase Manhattan Bank (successor by merger to The Chase Manhattan Bank (National Association)) (herein called the "Trustee," which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Company, the Trustee and the Holders of the Notes and the terms upon which the Notes are to be authenticated and delivered. The terms of individual Notes may vary with respect to interest rates or interest rate formulas, issue dates, maturity, redemption, repayment, currency of payment and otherwise as provided in the Indenture.

The Notes are issuable only in registered form without coupons in denominations, unless otherwise specified above, of \$1,000 and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes as requested by the Holder surrendering the same. If

(x) the 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 this Note shall be exchangeable or (z) an Event of Default has occurred and is continuing with respect to the Notes, this Note shall be exchangeable for Notes in definitive form of like tenor and of an equal aggregate principal amount, in authorized denominations. Such definitive Notes shall be registered in such name or names as the Depository shall instruct the Trustee. If definitive Notes are so delivered, the Company may make such changes to the form of this Note as are necessary or appropriate to allow for the issuance of such definitive Notes.

This Note is not subject to any sinking fund.

This Note may be subject to repayment at the option of the Holder prior to its Stated Maturity on any Holder's Optional Repayment Date(s), if any, indicated above. If no Optional Repayment Dates are set forth above, this Note may not be so repaid at the option of the Holder hereof prior to the Stated Maturity. On any Optional Repayment Date this Note shall be repayable in whole or in part in an amount equal to \$1,000 or any integral multiple thereof (provided that any remaining principal amount shall be an authorized denomination) at the option of the Holder hereof at a repayment price equal to 100% of the principal amount to be repaid, together with interest thereon payable to the date of repayment. For this Note to be repaid in whole or in part at the option of the Holder hereof, this Note must be received, with the form entitled "Option to Elect Repayment" below duly completed, by the Trustee at its office at 55 Water Street, Room 234, Corporate Trust Securities Window, New York, New York 10041 or such address which the Company shall from time to time notify the Holder hereof ("Corporate Trust Office"), not more than 60 nor less than 30 days prior to an Optional Repayment Date. This Note must be received by the Trustee by 5:00 P.M., New York City time, on the last day for giving such notice. Exercise of such repayment option by the Holder hereof shall be irrevocable. In the event of payment of this Note in part only, a new Note for the unpaid portion hereof shall be issued in the name of the Holder hereof upon the surrender hereof.

This Note may be redeemed at the option of the Company prior to its Stated Maturity on any date on and after the Initial Redemption Date, if any, specified above (the "Redemption Date"). If no Initial Redemption Date is set forth above, this Note may not be redeemed at the option of the Company prior to the Stated Maturity. On and after the Initial Redemption Date, if any, this Note may be redeemed at any time in whole or from time to time in part in increments of \$1,000 (provided that any remaining principal amount shall be an authorized denomination) at the option of the Company at the applicable Redemption Price (as defined below) together with interest thereon payable to the Redemption Date, on notice given not more than 60 nor less than 30 days prior to the Redemption Date. In the event of redemption of this Note in part only, a new Note for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the surrender hereof.

If this Note is redeemable at the option of the Company prior to its Stated Maturity, the "Redemption Price" shall initially be the Initial Redemption Percentage, specified above, of the principal amount of this Note to be redeemed and shall decline at each anniversary of the Initial Redemption Date by the Annual Redemption Percentage Reduction, if any, specified above, of the principal amount to be redeemed until the Redemption Price is 100% of such principal amount.

Interest payments on this Note shall include interest accrued from, and including, the Original Issue Date indicated above, or the most recent date to which interest has been paid or duly provided for, to, but excluding, the related Interest Payment Date or Maturity, as the case may be, at the rate per annum stated on the face hereof until the principal amount hereof is paid or made available for payment. Unless otherwise specified above, interest will be computed on the basis of a 360-day year of twelve 30-day months for the period specified hereunder.

Any provision contained herein with respect to the calculation of the rate of interest applicable to this Note, its payment dates or any other matter relating hereto may be modified as specified in an Addendum relating hereto if so specified above or as set forth under Other Provisions if so set forth above.

If an Event of Default (as defined in the Indenture) with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66 2/3% in aggregate principal amount of the Securities at the time Outstanding, as defined in the Indenture, of each series affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the

Securities of each series at the time Outstanding, on behalf of the Holders of all the Securities of each series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations set forth therein and on the face hereof, the transfer of this Note may be registered on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed, manually or in facsimile, and an imprint or facsimile of its corporate seal to be imprinted hereon.

Dated: \_\_\_\_\_

MERRILL LYNCH & CO., INC.

By: \_\_\_\_\_  
E. Stanley O'Neal  
Executive Vice President and  
Chief Financial Officer

[FACSIMILE OF SEAL]

Attest:

By: \_\_\_\_\_  
Andrea L. Dulberg  
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE CHASE MANHATTAN BANK,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Company

to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to the principal amount hereof together with interest to the repayment date, to the undersigned, at

-----  
(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its Corporate Trust Office, or at such other place or places of which the Company shall from time to time notify the Holder of this Note, not more than 60 nor less than 30 days prior to an Optional Repayment Date, if any, shown on the face of this Note, this Note with this "Option to Elect Repayment" form duly completed. This Note notice must be received by the Trustee by 5:00 P.M., New York City time, on the last day for giving such notice.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be in an amount equal to \$1,000 or an integral multiple thereof, provided that any remaining principal amount is equal to an authorized denomination) which the Holder elects to have repaid and specify the denomination or denominations (which shall be in an amount equal to an authorized denomination) of the Notes to be issued to the Holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

\$ \_\_\_\_\_

Date \_\_\_\_\_

NOTICE: The signature on this Option to Elect Repayment must correspond with the name as written upon the face of this Note in every particular, without alteration or enlargement or any change whatever

ASSIGNMENT/TRANSFER FORM

FOR VALUE RECEIVED the undersigned registered Holder hereby sell(s), assign(s) and transfer(s) unto  
(insert Taxpayer Identification No.) \_\_\_\_\_

\_\_\_\_\_  
(Please print or typewrite name and address including postal zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Note on the books of the Company with full power of substitution in the premises.

Date \_\_\_\_\_

NOTICE: The signature of the registered registered Holder to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

Exhibit 4 (mm)

FLOATING RATE GLOBAL MEDIUM-TERM NOTE

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") TO A NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED PRINCIPAL AMOUNT  
No. BFLR \_\_\_\_\_ CUSIP No. \_\_\_\_\_ \$ \_\_\_\_\_

MEDIUM-TERM NOTE,  
SERIES B  
(Floating Rate)

INTEREST RATE BASIS: ORIGINAL ISSUE DATE: STATED MATURITY:  
INDEX MATURITY: INITIAL INTEREST RATE: SPREAD:  
INITIAL INTEREST REGULAR RECORD DATE: INTEREST PAYMENT DATES:  
RESET DATE: (Fifteen days prior to the  
applicable Interest Payment  
Date, unless otherwise  
specified)  
SPREAD MULTIPLIER: INTEREST RESET DATES:  
MAXIMUM INTEREST RATE: MINIMUM INTEREST RATE: INITIAL REDEMPTION DATE:  
INITIAL REDEMPTION PERCENTAGE: ANNUAL REDEMPTION PERCENTAGE REDUCTION: OPTIONAL REPAYMENT  
DATE(S):  
CALCULATION AGENT: IF INTEREST RATE BASIS  
(Merrill Lynch, Pierce, IS LIBOR:  
Fenner & Smith Incorporated, INDEX CURRENCY:  
unless otherwise specified) DESIGNATED LIBOR PAGE:  
: Reuters Page: \_\_\_\_\_  
: Telerate Page: \_\_\_\_\_  
INTEREST CALCULATION: DAY COUNT CONVENTION  
:Regular Floating Rate Note : Actual/360 for the  
:Floating Rate/Fixed Rate period from  
Fixed Rate Commencement Date: to .  
Fixed Interest Rate: Actual/Actual to the  
:Inverse Floating Rate Note period from to .  
Fixed Interest Rate:  
ADDENDUM ATTACHED: DENOMINATIONS:  
: Yes (Integral multiples of  
\$1,000, unless otherwise  
: No  
IF INTEREST RATE BASIS OTHER PROVISIONS:  
IS PRIME RATE:  
: Prime Rate--Major Ban  
: Prime Rate--H.15  
IF INTEREST RATE BASIS IS CMT  
RATE:  
: Designated CMT Telerate Page is 7051  
: Designated CMT Telerate Page is 7052  
: Weekly Average  
: Monthly Average  
: Designated CMT Maturity Index:

MERRILL LYNCH & CO., INC., a Delaware corporation ("Issuer" or the "Company," which terms include any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of

DOLLARS on the Stated Maturity specified above (except to the extent redeemed or repaid prior to the Stated Maturity Date), and to pay interest thereon, at a rate per annum equal to the Initial Interest Rate specified above until the Initial Interest Reset Date specified above and thereafter at a rate per annum determined in accordance with the provisions hereof and any Addendum relating hereto depending upon the Interest Rate Basis or Bases, and such other terms specified above, until the principal hereof is paid or duly made available for payment. Reference herein to "this Note", "hereof", "herein" and comparable terms shall include an Addendum hereto if an Addendum is specified above.

The Company will pay interest on each Interest Payment Date specified above, commencing on the first Interest Payment Date specified above next succeeding the Original Issue Date specified above, and on the Stated Maturity or any Redemption Date or Optional Repayment Date (as defined below) (the date of each such Stated Maturity, Redemption Date and Optional Repayment Date and the date on which principal or an installment of principal is due and payable by declaration of acceleration pursuant to the Indenture being referred to hereinafter as a "Maturity" with respect to principal payable on such date); provided, however, that if the Original Issue Date is between a Regular Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date succeeding the Original Issue Date; and provided, further, that if an Interest Payment

Date (other than an Interest Payment Date at Maturity) would fall on a day that is not a Business Day (as defined below), such Interest Payment Date shall be postponed to the following day that is a Business Day, except that in the case the Interest Rate Basis is LIBOR, as indicated above, if such next Business Day falls in the next calendar month, such Interest Payment Date shall be the next preceding day that is a Business Day. Except as provided above, interest payments will be made on the Interest Payment Dates shown above. Unless otherwise specified above, the "Regular Record Date" shall be the date 15 calendar days (whether or not a Business Day) prior to the applicable Interest Payment Date. Interest on this Note will accrue from and including the Original Issue Date specified above, at the rates determined from time to time as specified herein, until the principal hereof has been paid or made available for payment. If the Maturity falls on a day which is not a Business Day as defined below, the payment due on such Maturity will be paid on the next succeeding Business Day with the same force and effect as if made on such Maturity and no interest shall accrue with respect to such payment for the period from and after such Maturity. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will as provided in the Indenture be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such Interest Payment Date. Any such interest which is payable, but not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest"), shall forthwith cease to be payable to the registered Holder on such Regular Record Date, and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to the Holder of this Note not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture.

Payment of the principal of and interest on this Note will be made at the Office or Agency of the Company maintained by the Company for such purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Unless the certificate of authentication hereon has been executed by or on behalf of The Chase Manhattan Bank, the Trustee with respect to the Notes under the Indenture, or its successor thereunder, by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Note is one of a duly authorized issue of Securities (hereinafter called the "Securities") of the Company designated as its Medium-Term Notes, Series B (the "Notes"). The Securities are issued and to be issued under an indenture (the "Indenture") dated as of October 1, 1993, between the Company and The Chase Manhattan Bank (successor by merger to The Chase Manhattan Bank (National Association)) (herein called the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Company, the Trustee and the Holders of the Notes and the terms upon which the Notes are to be authenticated and delivered. The terms of individual Notes may vary with respect to interest rates or interest rate formulas, issue dates, maturity, redemption, repayment, currency of payment and otherwise as provided in the Indenture.

The Notes are issuable only in registered form without coupons in denominations of, unless otherwise specified above, \$1,000 and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes as requested by the Holder surrendering the same. If (x) the 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 this Note shall be exchangeable or (z) an Event of Default has occurred and is continuing with respect to the Notes, this Note shall be exchangeable for Notes in definitive form of like tenor and of an equal aggregate principal amount, in authorized denominations. Such definitive Notes shall be registered in such name or names as the Depository shall instruct the Trustee. If definitive Notes are so delivered, the Company may make such changes to the form of this Note as are necessary or appropriate to allow for the issuance of such definitive Notes.

This Note is not subject to any sinking fund.

This Note may be subject to repayment at the option of the Holder prior to its Stated Maturity on the Holder's Optional Repayment Date(s), if any, indicated on the face hereof. If no Holder's Optional Repayment Dates are set forth on the face hereof, this Note may not be so repaid at the option of the Holder hereof prior to the Stated Maturity. On any Holder's Optional Repayment Date, this Note shall be repayable in whole or in part in an amount equal to \$1,000 or integral multiples thereof (provided that any remaining principal amount shall be an authorized denomination) at the option of the Holder hereof at a repayment price equal to 100% of the principal amount to be



repaid, together with interest thereon payable to the date of repayment. For this Note to be repaid in whole or in part at the option of the Holder hereof, this Note must be received, with the form entitled "Option to Elect Repayment" below duly completed, by the Trustee at its office at 55 Water Street, Room 234, Corporate Trust Securities Window, New York, New York 10041 or such address which the Company shall from time to time notify the Holders of the Medium-Term Notes (the "Corporate Trust Office"), not more than 60 nor less than 30 days prior to a Holder's Optional Repayment Date. This Note must be received by the Trustee by 5:00 P.M., New York City time, on the last day for giving such notice. Exercise of such repayment option by the Holder hereof shall be irrevocable. In the event of payment of this Note in part only, a new Note for the unpaid portion hereof shall be issued in the name of the Holder hereof upon the surrender hereof.

This Note may be redeemed at the option of the Company prior to its Stated Maturity on any date on and after the Initial Redemption Date, if any, specified on the face hereof (the "Redemption Date"). If no Initial Redemption Date is set forth on the face hereof, this Note may not be redeemed at the option of the Company prior to the Stated Maturity. On and after the Initial Redemption Date, if any, this Note may be redeemed at any time in whole or from time to time in part in increments of \$1,000 or integral multiples thereof (provided that any remaining principal amount shall be an authorized denomination) at the option of the Company at the applicable Redemption Price (as defined below) together with interest thereon payable to the Redemption Date, on notice given not more than 60 nor less than 30 days prior to the Redemption Date. In the event of redemption of this Note in part only, a new Note for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the surrender hereof.

If this Note is redeemable at the option of the Company prior to its Stated Maturity, the "Redemption Price" shall initially be the Initial Redemption Percentage, specified on the face hereof, of the principal amount of this Note to be redeemed and shall decline at each anniversary of the Initial Redemption Date by the Annual Redemption Percentage Reduction, if any, specified on the face hereof, of the principal amount to be redeemed until the Redemption Price is 100% of such principal amount.

The interest rate borne by this Note shall be determined as follows:

1. If this Note is designated as a Regular Floating Rate Note above, then, except as described below, this Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases shown above (1) plus or minus the applicable Spread, if any, and/or (2) multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described above. Commencing on the first Interest Reset Date, the rate at which interest on this Note is payable will be reset as of each Interest Reset Date specified above; provided, however, that the interest rate in effect for the period from the Original Issue Date to the first Interest Reset Date will be the Initial Interest Rate.

2. If this Note is designated as a Floating Rate/Fixed Rate Note above, then, except as described below, this Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases shown above (1) plus or minus the applicable Spread, if any, and/or (2) multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described above. Commencing on the first Interest Reset Date, the rate at which interest on this Note is payable will be reset as of each Interest Reset Date specified above; provided, however, that (i) the interest rate in effect for the period from the date of issue to the first Interest Reset Date will be the Initial Interest Rate, and (ii) the interest rate in effect commencing on, and including, the date on which interest begins to accrue on a fixed rate basis to Maturity will be the Fixed Interest Rate, if the rate is specified above, or if no Fixed Interest Rate is specified, the interest rate in effect on the Floating Rate/Fixed Rate Note on the day immediately preceding the date on which interest begins to accrue on a fixed rate basis.

3. If this Note is designated as an Inverse Floating Rate Note above, then, except as described below, this Note will bear interest equal to the Fixed Interest Rate indicated above minus the rate determined by reference to the applicable Interest Rate Basis or Bases shown above (1) plus or minus the applicable Spread, if any, and/or (2) multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described above; provided, however, that unless otherwise specified on the face hereof, the interest rate hereon will not be less than zero percent. Commencing on the first Interest Reset Date, the rate at which interest on this Note is payable shall be reset as of each Interest Reset Date specified above; provided, however, that the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate.

4. Notwithstanding the foregoing, if this Note is designated

above as having an Addendum attached or as having Other Provisions apply, the Note shall bear interest in accordance with the terms described in such Addendum or specified under Other Provisions.

Except as provided above, the interest rate in effect on each day shall be (a) if such day is an Interest Reset Date, the interest rate determined as of the Interest Determination Date (as defined below) immediately preceding such Interest Reset Date or (b) if such day is not an Interest Reset Date, the interest rate determined as of the Interest Determination Date immediately preceding the immediately preceding Interest Reset Date. Each Interest Rate Basis shall be the rate determined in accordance with the applicable provision below. If any Interest Reset Date (which term includes the term first Interest Reset Date unless the context otherwise requires) would otherwise be a day that is not a Business Day, that Interest Reset Date shall be postponed to the next succeeding day that is a Business Day, except that if an Interest Rate Basis specified on the face hereof is LIBOR and the next Business Day falls in the next succeeding calendar month, that Interest Reset Date shall be the immediately preceding Business Day. In addition, if an Interest Rate Basis specified on the face hereof is the Treasury Rate and the Interest Determination Date would otherwise fall on an Interest Reset Date, then that Interest Reset Date shall be postponed to the next succeeding Business Day.

Unless otherwise specified above, interest payable on this Note on any Interest Payment Date shall be the amount of interest accrued from and including the immediately preceding Interest Payment Date in respect of which interest has been paid (or from and including the Original Issue Date specified above, if no interest has been paid), to but excluding the related Interest Payment Date; provided, however, that the interest payments on Maturity will include interest accrued to but excluding such Maturity. Unless otherwise specified above, accrued interest hereon shall be an amount calculated by multiplying the face amount hereof by an accrued interest factor. The accrued interest factor shall be computed by adding the interest factor calculated for each day from the date of issue or from the last date to which interest shall have been paid or duly provided for, to the date for which accrued interest is being calculated. Unless otherwise specified above, the interest factor for each such day shall be computed by dividing the interest rate applicable to such day by 360, if the Day Count Convention specified above is "Actual/360" for the period specified thereunder or by the actual number of days in the year if the Day Count Convention specified above is "Actual/Actual" for the period specified thereunder. In the case of notes for which the Interest Rate Basis is the CD Rate, the Commercial Paper Rate, the Eleventh District Cost of Funds Rate, the Federal Funds Rate, LIBOR or the Prime Rate, the interest factor for each day will be computed by dividing the interest rate applicable to each day by 360. In the case of notes for which the Interest Rate Basis is the CMT Rate or the Treasury Rate, the interest factor for each day will be computed by dividing the interest rate applicable to each day by the actual number of days in the year. The interest factor for notes for which the interest rate is calculated with reference to two or more Interest Rate Bases will be calculated in each period in the same manner as if only one of the applicable Interest Rate Bases applied.

Unless otherwise specified above, the "Interest Determination Date" with respect to the CD Rate, the CMT Rate and the Commercial Paper Rate shall be the second Business Day preceding each Interest Reset Date; the "Interest Determination Date" with respect to the Federal Funds Rate and the Prime Rate shall be the Business Day immediately preceding each Interest Reset Date; the "Interest Determination Date" with respect to LIBOR shall be the second London Business Day (as defined below) preceding each Interest Reset Date; the "Interest Determination Date" with respect to the Eleventh District Cost of Funds Rate shall be the last working day of the month immediately preceding each Interest Reset Date on which the Federal Home Loan Bank of San Francisco (the "FHLB of San Francisco") publishes the Index (as defined below); and the "Interest Determination Date" with respect to the Treasury Rate shall be the day in the week in which the related Interest Reset Date falls on which day Treasury bills (as defined below) are normally auctioned. Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday; provided, however, that if an auction is held on the Friday of the week preceding the related Interest Reset Date, the related Interest Determination Date shall be such preceding Friday; and provided, further, that if an auction shall fall on any Interest Reset Date, then the related Interest Reset Date shall instead be the first Business Day following such auction. If the interest rate of this Note is determined with reference to two or more Interest Rate Bases, the Interest Determination Date pertaining to this Note will be the latest Business Day which is at least two Business Days prior to such Interest Reset Date on which each Interest Rate Basis shall be determinable. Each Interest Rate Basis shall be determined and compared on such date, and the applicable interest rate shall take effect on the related Interest Reset Date.

Unless otherwise specified above, the "Calculation Date", if applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day, or (ii) the Business Day preceding the applicable Interest Payment Date or date of

Maturity, as the case may be. All calculations on this Note shall be made by the calculation agent specified above or such successor thereto as is duly appointed by the Company.

All percentages resulting from any calculation on this Note will be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards. For example, 9.876545% or .09876545 would be rounded to 9.87655% or .0987655. All dollar amounts used in or resulting from such calculation will be rounded to the nearest cent with one-half cent being rounded upward.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York; provided, however, that, with respect to non-United State dollar denominated Notes, such day is also not a day on which commercial banks are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as hereinafter defined) of the country issuing the Specified Currency or, if the Specified Currency is EURO, the day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open; provided, further, that, with respect to Notes as to which LIBOR is an applicable Interest Rate Basis, such day is also a London Business Day (as hereinafter defined).

As used herein, "London Business Day" means a day on which commercial banks are open for business, including dealings in the Index Currency in London.

Determination of CD Rate. If an Interest Rate Basis for this Note is the CD Rate, as indicated above, the CD Rate shall be determined on the applicable Interest Determination Date (a "CD Rate Interest Determination Date"), as:

- (1) the rate on the applicable Interest Determination Date for negotiable United States dollar certificates of deposit having the Index Maturity specified above published in H.15(519) under the heading "CDs (secondary market)", or
- (2) if the rate referred to in clause (1) above is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date for negotiable United States dollar certificates of deposit of the Index Maturity specified above as published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "CDs (secondary market)", or
- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on the applicable Interest Determination Date, of three leading non-bank dealers in negotiable United States dollar certificates of deposit in The City of New York selected by the calculation agent for negotiable United States dollar certificates of deposit of major United States money center banks for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity specified above in an amount that is representative for a single transaction in that market at that time, or
- (4) if the dealers selected by the calculation agent are not quoting as mentioned in clause (3) above, the CD rate in effect on the applicable Interest Determination Date.

"H.15(519)" means the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

"H.15 Daily Update" means the daily update of H.15(519), available through the world-wide-web site of the Board of Governors of the Federal Reserve System at <http://www.bog.frb.fed.us/releases/h15/update>, or any successor site or publication.

Determination of CMT Rate. If an Interest Rate Basis for this Note is the CMT Rate, as indicated above, the CMT Rate shall be determined as of the applicable Interest Determination Date (a "CMT Rate Interest Determination Date") as:

- (1) the rate displayed on the Designated CMT Telerate Page under the caption "...Treasury Constant Maturities... Federal Reserve Board Release H.15... Mondays Approximately 3:45 P.M.", under

the column for the Designated CMT Maturity Index for:

- (a) if the Designated CMT Telerate Page is 7051, the rate on the applicable Interest Determination Date, and
  - (b) if the Designated CMT Telerate Page is 7052, the weekly or the monthly average, as specified above, for the week or the month, as applicable, ended immediately preceding the week or the month, as applicable, in which the related Interest Determination Date falls, or
- (2) if the rate referred to in clause (1) is no longer displayed on the relevant page or is not so displayed by 3:00 P.M., New York City time, on the related calculation date, the treasury constant maturity rate for the Designated CMT Maturity Index published in H.15(519), or
  - (3) if the rate referred to in clause (2) is no longer published or is not published by 3:00 P.M., New York City time, on the related calculation date, the treasury constant maturity rate for the Designated CMT Maturity Index, or other United States Treasury rate for the Designated CMT Maturity Index, for the applicable Interest Determination Date with respect to the applicable Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the calculation agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in H.15(519), or
  - (4) if the rate referred to in clause (4) applicable information is not so published by 3:00 P.M., New York City time, on the applicable calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as a yield to maturity, based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 P.M., New York City time, on the applicable Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers in The City of New York, which may include the agent or its affiliates (each, a "Reference Dealer"), selected by the calculation agent after eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year, or
  - (5) if the calculation agent is unable to obtain three applicable Treasury Note quotations as referred to in clause (4), the rate on the applicable Interest Determination Date calculated by the calculation agent as a yield to maturity based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 P.M., New York City time, on the applicable Interest Determination Date of three Reference Dealers in The City of New York selected by the calculation agent from five Reference Dealers selected by the calculation agent after eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100 million, or
  - (6) if three or four and not five of Reference Dealers are quoting as referred to in clause (5) above, the rate will be calculated by the calculation agent as the arithmetic mean of the offered rates obtained and neither the highest nor the lowest of quotes will be eliminated, or
  - (7) if fewer than three Reference Dealers selected by the calculation agent are quoting as mentioned in clause (6), the rate in effect on the applicable Interest Determination Date.

If two Treasury Notes with an original maturity as described in clause (6) have remaining terms to maturity equally close to the Designated CMT Maturity Index, the calculation agent will obtain from five Reference Dealers quotations for the Treasury Notes with the shorter remaining term to maturity.

"Designated CMT Telerate Page" means the display on Bridge Telerate, Inc. or any successor service on the page specified above or any other page as

may replace the specified page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519), or, if no page is specified above, page 7052.

"Designated CMT Maturity Index" means the original period to maturity of the U.S. Treasury securities, either 1, 2, 3, 5, 7, 10, 20 or 30 years, specified above with respect to which the CMT Rate will be calculated or, if no maturity is specified above, 2 years.

Determination of Commercial Paper Rate. If an Interest Rate Basis for this Note is the Commercial Paper Rate, as indicated above, the Commercial Paper Rate shall be determined on the applicable Interest Determination Date (a "Commercial Paper Rate Interest Determination Date"), as:

- (1) the Money Market Yield on the applicable Interest Determination Date of the rate for commercial paper having the Index Maturity specified above published in H.15(519) under the caption "Commercial Paper-Nonfinancial", or
- (2) if the rate described in clause (1) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date for commercial paper having the Index Maturity specified above published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "Commercial Paper-Nonfinancial", or
- (3) if the rate is referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on the applicable Interest Determination Date of three leading dealers of United States dollar commercial paper in The City of New York, which may include the agent and its affiliates, selected by the calculation agent for commercial paper having the Index Maturity specified above placed for industrial issuers whose bond rating is "Aa", or the equivalent, from a nationally recognized statistical rating organization, or
- (4) if the dealers selected by the calculation agent are not quoting as mentioned in clause (3), the rate in effect on the applicable Interest Determination Date.

"Money Market Yield" means a yield calculated in accordance with the following formula and expressed as a percentage:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

Eleventh District Cost of Funds Rate. If an Interest Rate Basis for this Note is the Eleventh District Cost of Funds Rate, as indicated above, the Eleventh District Cost of Funds Rate shall be determined on the applicable Interest Determination Date (an "Eleventh District Cost of Funds Rate Interest Determination Date"), and shall be:

- (1) the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which the applicable Interest Determination Date falls as set forth under the caption "11th District" on the display on Bridge Telerate, Inc. or any successor service on page 7058 or any other page as may replace the specified page on that service ("Telerate Page 7058") as of 11:00 A.M., San Francisco time, on the applicable Interest Determination Date, or
- (2) if the rate referred to in clause (1) does not appear on Telerate Page 7058 on the related Interest Determination Date, the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "Index") by the Federal Home Loan Bank of San Francisco as the cost of funds for the calendar month immediately preceding the applicable Interest Determination Date, or
- (3) if the Federal Home Loan Bank of San Francisco fails to announce the Index on or before the applicable Interest Determination Date for the calendar month immediately preceding the applicable Interest Determination Date, the rate in effect

on the applicable Interest Determination Date.

Determination of Federal Funds Rate. If an Interest Rate Basis for this Note is the Federal Funds Rate, as indicated above, the Federal Funds Rate shall be determined on the applicable Interest Determination Date (a "Federal Funds Rate Interest Determination Date"), and shall be:

- (1) the rate on the applicable Interest Determination Date for United States dollar federal funds as published in H.15(519) under the heading "Federal Funds (Effective)", as displayed on Telerate, Inc. or any successor service on page 120 or any other page as may replace the applicable page on that service ("Telerate Page 120"), or
- (2) if the rate referred to in clause (1) does not appear on Telerate Page 120 or is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date for United States dollar federal funds published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "Federal Funds/Effective Rate", or
- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in The City of New York, which may include the agent or its affiliates, selected by the calculation agent before 9:00 A.M., New York City time, on the applicable Interest Determination Date, or
- (4) if the brokers selected by the calculation agent are not quoting as mentioned in clause (3), the rate in effect on the applicable Interest Determination Date.

Determination of LIBOR. "LIBOR" means the rate determined by the Calculation Agent in accordance with the following provisions:

- (1) if "LIBOR Telerate" is specified above or if neither "LIBOR Reuters" nor "LIBOR Telerate" is specified above as the method for calculating LIBOR, LIBOR will be the rate for deposits in the LIBOR Currency, as defined below, having the Index Maturity specified above, commencing on the second London Business Day immediately following that Interest Determination Date that appears on the Designated LIBOR Page as of 11:00 A.M., London time, on the applicable Interest Determination Date, or
- (2) if "LIBOR Reuters" is specified above, LIBOR will be the arithmetic mean of the offered rates for deposits in the LIBOR Currency having the Index Maturity specified above, commencing on the second London Business Day immediately following that Interest Determination Date, that appear, on the Designated LIBOR Page specified above as of 11:00 A.M., London time, on the applicable Interest Determination Date. If the Designated LIBOR Page by its terms provides only for a single rate, then the single rate will be used, or
- (3) with respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the designated LIBOR Page as specified in clauses (1) and (2), the rate calculated by the calculation agent as the arithmetic mean of at least two quotations obtained by the calculation agent after requesting the principal London offices of each of four major reference banks, which may include affiliates of the agent, in the London interbank market to provide the calculation agent with its offered quotation for deposits in the LIBOR Currency for the period of the Index Maturity specified above, commencing on the second London Business Day immediately following the applicable Interest Determination Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on the applicable Interest Determination Date and in a principal amount that is representative for a single transaction in the applicable LIBOR Currency in that market at that time, or
- (4) if fewer than two quotations referred to in clause (2) are so provided, the rate on the applicable Interest Determination Date calculated by the calculation agent as the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center(s), on the applicable Interest Determination Date by three major banks, which may include affiliates of the agent, in the applicable Principal Financial Center selected by the calculation agent for loans in

the LIBOR Currency to leading European banks, having the Index Maturity specified designated above and in a principal amount that is representative for a single transaction in the applicable LIBOR Currency in that market at that time, or

- (5) if the banks so selected by the calculation agent are not quoting as mentioned in clause (4), the rate in effect on the applicable Interest Determination Date.

"LIBOR Currency" means the currency specified above as to which LIBOR will be calculated or, if no currency is specified above, United States dollars.

"Designated LIBOR Page" means either:

- o if "LIBOR Telerate" is designated above or neither "LIBOR Reuters" nor "LIBOR Telerate" is specified above as the method for calculating LIBOR, the display on Bridge Telerate, Inc. or any successor service on the page specified in such pricing supplement or any page as may replace the specified page on that service for the purpose of displaying the London interbank rates of major banks for the applicable LIBOR Currency, or
- o if "LIBOR Reuters" is specified above, the display on the Reuter Monitor Money Rates Service or any successor service on the page specified above or any other page as may replace the specified page on that service for the purpose of displaying the London interbank rates of major banks for the applicable LIBOR Currency.

Determination of Prime Rate. "Prime Rate" means, with respect to any Interest Determination Date relating to a Prime Rate Note or any Floating Rate Note for which the interest rate is determined with reference to the Prime Rate (a "Prime Rate Interest Determination Date"), the "Prime Rate" means:

- (1) the rate on the applicable Interest Determination Date as published in H.15(519) under the heading "Bank Prime Loan", or
- (2) if the rate referred to in clause (1) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate under the caption "Bank Prime Loan", or
- (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate calculated by the calculation agent as the arithmetic mean of the rates of interest publicly announced by at least four banks that appear on the Reuters Screen US PRIME 1 Page as the particular bank's prime rate or base lending rate as of 11:00 A.M., New York City time, on the applicable Interest Determination Date, or
- (4) if fewer than four rates described in clause (2) by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on the applicable Interest Determination Date by three major banks, which may include affiliates of the agent, in The City of New York selected by the calculation agent, or
- (5) if the banks selected by the calculation agent are not quoting as mentioned in clause (4), the rate in effect on the applicable Interest Determination Date.

"Reuters Screen US PRIME 1 Page" means the display on the Reuter Monitor Money Rates Service or any successor service on the "US PRIME 1" Page or other page as may replace the US PRIME 1 Page on such service for the purpose of displaying prime rates or base lending rates of major United States banks.

Determination of Treasury Rate. If an Interest Rate Basis for this Note is the Treasury Rate, as specified above, the Treasury Rate shall be determined on the applicable Interest Determination Date (a "Treasury Rate Interest Determination Date") "Treasury Rate" means:

- (1) the rate from the auction held on the applicable Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified above under the caption "INVESTMENT RATE" on the display on Bridge Telerate, Inc. or any successor service on page 56 or any other page as may replace page 56 on that service ("Telerate Page 56") or page 57 or any other page as may replace page 57 on that service ("Telerate Page 57"), or

- (2) if the rate described in clause (1) is not so published by 3:00 P.M., New York City time, on the related calculation date, the Bond Equivalent Yield of the rate for the applicable Treasury Bills as published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Auction High", or
- (3) if the rate described in clause (2) is not so published by 3:00 P.M., New York City time, on the related calculation date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills announced by the United States Department of the Treasury, or
- (4) in the event that the rate referred to in clause (3) is not announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the applicable Interest Determination Date of Treasury Bills having the Index Maturity specified above published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or
- (5) if the rate referred to in clause (4) is not so published by 3:00 P.M., New York City time, on the related calculation date, the rate on the applicable Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or
- (6) if the rate referred to in clause (5) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the applicable Interest Determination Date calculated by the calculation agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on the applicable Interest Determination Date, of three primary United States government securities dealers, which may include the agent or its affiliates, selected by the calculation agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified above, or
- (7) if the dealers selected by the calculation agent are not quoting as mentioned in clause (6), the rate in effect on the applicable Interest Determination Date.

"Bond Equivalent Yield" means a yield calculated in accordance with the following formula and expressed as a percentage:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

Any provisions contained herein with respect to the determination of one or more Interest Rate Bases, the specification of one or more Interest Rate Bases, calculation of the Interest Rate applicable to this Note, its payment dates the stated maturity date, any redemption or repayment provisions, or any other matter relating hereto may be modified by the terms as specified above under "Other Provisions" or in an Addendum relating hereto if so specified above.

Notwithstanding the foregoing, the interest rate hereon shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, specified above. The Calculation Agent shall calculate the interest rate hereon in accordance with the foregoing on or before each Calculation Date. The Company hereby covenants for the benefit of the Holder hereof, to the extent permitted by applicable law, not to claim voluntarily the benefits of any laws concerning usurious rates of interest against such Holder.

Unless otherwise above, Merrill Lynch, Pierce, Fenner & Smith Incorporated will be the "Calculation Agent". At the request of the Holder hereof, the Calculation Agent shall provide to the Holder hereof the interest rate hereon then in effect and, if determined, the interest rate which shall become effective as of the next Interest Reset Date with respect to this Note.

If an Event of Default (as defined in the Indenture) with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.



The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66 2/3% in aggregate principal amount of the Securities at any time Outstanding, as defined in the Indenture, of each series affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all the Securities of each series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations set forth therein and on the face hereof, the transfer of this Note may be registered on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed, manually or in facsimile, and an imprint or facsimile of its corporate seal to be imprinted hereon.

Dated: \_\_\_\_\_

MERRILL LYNCH & CO., INC.

By: \_\_\_\_\_  
E. Stanley O'Neal  
Executive Vice President and  
Chief Financial Officer

[FACSIMILE OF SEAL]

Attest:

By: \_\_\_\_\_  
Andrea L. Dulberg  
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE CHASE MANHATTAN BANK,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Company to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to the principal amount hereof together with interest to the repayment date, to the undersigned, at \_\_\_\_\_

\_\_\_\_\_  
(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its Corporate Trust Office, or at such other place or places of which the Company shall from time to time notify the Holder of this Note, not more than 60 nor less than 30 days prior to an Optional Repayment Date, if any, shown on the face of this Note, this Note with this "Option to Elect Repayment" form duly completed. This Note must be received by the Trustee by 5:00 P.M., New York City time, on the last day for giving such notice.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be in an amount equal to \$1,000 or an integral multiple thereof, provided that any remaining principal amount shall be an authorized denomination) which the Holder elects to have repaid and specify the denomination or denominations (which shall be in an amount equal to an authorized denomination) of the Notes to be issued to the Holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

\$ \_\_\_\_\_

Date

\_\_\_\_\_  
NOTICE: The signature on this Option to Elect Repayment must correspond with the name as written upon the face of this Note in every particular, without alteration or enlargement or any change whatever.

ASSIGNMENT/TRANSFER FORM

FOR VALUE RECEIVED the undersigned registered Holder hereby sell(s), assign(s) and transfer(s) unto (insert Taxpayer Identification No.) \_\_\_\_\_

\_\_\_\_\_  
(Please print or typewrite name and address including postal zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_ attorney to transfer said Note on the books of the Company with full power of substitution in the premises.

Date: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature of the registered Holder to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

Exhibit 23(b)

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Amendment No. 2 to Registration Statement No. 333-68747 of Merrill Lynch & Co., Inc. and subsidiaries ("Merrill Lynch") on Form S-3 of our reports dated February 22, 1999 (which express an unqualified opinion and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method for certain internal-use software development costs), appearing or incorporated by reference in the Annual Report on Form 10-K of Merrill Lynch for the year ended December 25, 1998, and to the reference to us under the heading "Experts" in the Prospectuses, which are a part of this Registration Statement.

/s/ Deloitte & Touche LLP  
New York, New York

March 26, 1999