

PROSPECTUS SUPPLEMENT  
 -----

(TO PROSPECTUS DATED JANUARY 19, 1996)

[LOGO]

\$45,000,000

MERRILL LYNCH & CO., INC.

AMEX HONG KONG 30 INDEX\*

EQUITY PARTICIPATION NOTES DUE FEBRUARY 16, 1999

The AMEX Hong Kong 30 Index Equity Participation Notes due February 16, 1999 (the "Notes") are debt securities of Merrill Lynch & Co., Inc. (the "Company"), which are being issued in denominations of \$1,000 and integral multiples thereof, will bear no periodic payments of interest and will mature on February 16, 1999. At maturity, a beneficial owner of a Note will be entitled to receive, with respect to each Note, the principal amount thereof plus an interest payment (the "Supplemental Redemption Amount") based on the percentage increase, if any, in the AMEX Hong Kong 30 Index (the "Index") over the Benchmark Index Value. The Supplemental Redemption Amount will in no event be less than zero or more than \$1,000 per \$1,000 principal amount of Notes, representing a maximum annualized rate of return of 24.28% compounded semi-annually over a term of three years. The Notes are not redeemable or callable by the Company prior to maturity. While at maturity a beneficial owner of a Note will receive the principal amount of such Note plus the Supplemental Redemption Amount, if any, there will be no other payment of interest, periodic or otherwise.

The Supplemental Redemption Amount payable with respect to a Note at maturity will equal the product of (A) the principal amount of the applicable Note, and (B) the percentage increase from the Benchmark Index Value to the Ending Index Value. The Benchmark Index Value equals 664.83 and was determined as described herein. The closing value of the Index on the date of this Prospectus Supplement was 579.79, and the Benchmark Index Value exceeds such closing value by 14.67%. The Ending Index Value, as more particularly described herein, will be the average (arithmetic mean) of the closing values of the Index on certain days, or, if certain events occur, the closing value of the Index on a single day prior to the maturity of the Notes.

FOR INFORMATION AS TO THE CALCULATION OF THE SUPPLEMENTAL REDEMPTION AMOUNT WHICH WILL BE PAID AT MATURITY, THE CALCULATION AND THE COMPOSITION OF THE INDEX, AND CERTAIN TAX CONSEQUENCES TO BENEFICIAL OWNERS OF THE NOTES, SEE "DESCRIPTION OF NOTES", "THE INDEX", AND "CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS", RESPECTIVELY, IN THIS PROSPECTUS SUPPLEMENT. FOR OTHER INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" BEGINNING ON PAGE S-7 OF THIS PROSPECTUS SUPPLEMENT.

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

The Notes have been approved for listing on the American Stock Exchange (the "AMEX") under the symbol "HKN.A", subject to official notice of issuance.

-----

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

<TABLE>  
 <CAPTION>

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT (1)	PROCEEDS TO THE COMPANY (2)
Per Note.....	100%	2.25%	97.75%
Total.....	\$45,000,000	\$1,012,500	\$43,987,500

(1) The "Price to Public" and "Underwriting Discount" for any single transaction to purchase \$1,000,000 to \$10,000,000 principal amount of Notes will be 98.5% per Note and .75% per Note, respectively, and the

"Price to Public" and "Underwriting Discount" for any single transaction to purchase in excess of \$10,000,000 principal amount of Notes will be 98% per Note and .25% per Note, respectively.

(2) Before deduction of expenses payable by the Company.

The Notes are offered by the Underwriter, subject to prior sale, when, as, and if issued by the Company and accepted by the Underwriter and subject to certain other conditions. The Underwriter reserves the right to reject orders in whole or in part. It is expected that delivery of the Notes will be made in New York, New York on or about February 7, 1996.

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

-----  
MERRILL LYNCH & CO.  
-----

The date of this Prospectus Supplement is February 2, 1996.

\*The use and reference to the term "AMEX Hong Kong 30 Index" herein has been consented to by the American Stock Exchange.

The "AMEX Hong Kong 30 Index" is a service mark of the American Stock Exchange.

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

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

S-2

SUMMARY

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

Issuer..... Merrill Lynch & Co., Inc.  
Notes Offered..... \$45,000,000 of Equity Participation Notes due February 16, 1999. The Notes are to be issued as a series of Senior Debt Securities under the Chemical Indenture described herein.  
Listing..... The Notes have been approved for listing on the American Stock Exchange under the symbol "HKN.A", subject to official notice of issuance.  
Denominations..... \$1,000 and integral multiples thereof.  
Maturity..... February 16, 1999.  
Payment at Maturity..... At maturity, a beneficial owner of a Note will be entitled to receive (i) the principal amount thereof and (ii) the Supplemental Redemption Amount equal to:

<TABLE>  
<S> Principal Amount X <C> 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 or more than \$1,000 per \$1,000 principal amount of Notes. The Benchmark Index Value equals 664.83 and was determined as described herein. The closing value of the Index on the date of this

Prospectus Supplement was 579.79 and the Benchmark Index Value exceeds such closing value by 14.67%. The Ending Index Value will equal the average (arithmetic mean) of the closing value of the Index on certain days prior to the maturity of the Notes, or, if Market Disruption Events occur on certain days, then the Ending Index Value will equal the closing value of the Index on a single day.

Index..... The AMEX Hong Kong 30 Index (the "Index") is a capitalization-weighted stock index designed, developed, maintained and operated by, and is a service mark of, the American Stock Exchange (the "AMEX"). The AMEX commenced the daily calculation and public dissemination of the Index on September 1, 1993.

The Index is being used by the Company with the permission of the AMEX. The Index measures the composite price performance of 30 selected stocks trading on the Stock Exchange of Hong Kong Ltd. (the "Hong Kong Stock Exchange" or "HKSE") and is designed to represent a substantial segment of the Hong Kong

S-3

stock market. Business sector representation of the component stocks comprising the Index (the "Underlying Stocks") consists primarily of property development, financing, utilities, conglomerates, hotel/leisure, airlines, transportation, property investment and publishing. The Index was established on June 25, 1993, on which date the Index was set at a value of 350.00.

As of February 2, 1996, the total capitalization of the Underlying Stocks ranged from approximately U.S.\$551 million to a high of U.S.\$29.17 billion, with the median being U.S.\$4.49 billion.

Stocks that constitute the Index may be changed or substituted by the AMEX based on certain criteria. See "The Index" herein. The AMEX is under no obligation to continue the calculation and the dissemination of the Index. If the AMEX or any third party discontinues publication of the Index or any Successor Index, the Calculation Agent shall determine for the remaining term of the Notes the applicable Cash Settlement Value based on the formula and method used in calculating the Index in effect on the date the Index or any Successor Index was last published. See "Risk Factors" herein.

Risk Factors..... The Notes are subject to certain special considerations. The Benchmark Index Value exceeds the closing value of the Index on the date of this Prospectus Supplement which was also the date the Notes were priced by the Company for individual sale to the public (the "Pricing Date") by 14.67%. Investors should be aware that if the Ending Index Value does not exceed the closing Index value on the Pricing Date by more than 14.67%, beneficial owners of the Notes will receive only the principal amount thereof. A beneficial owner of the Notes may receive no Supplemental Redemption Amount at maturity, or a Supplemental Redemption Amount that is below what the Company would pay as interest as of the date hereof if the Company issued non-callable senior debt securities with a similar maturity as that of the Notes. The return of principal of the Notes at maturity and the payment of the Supplemental Redemption Amount, if any, may not reflect the full opportunity costs implied by inflation or other factors relating to the time value of money.

In no event will the Supplemental Redemption Amount exceed \$1,000 per \$1,000 principal amount of Notes. As a result, beneficial owners of Notes

will not benefit from Index increases in excess of approximately 229% of the closing value of the Index on the Pricing Date (the "Maximum Index Value").

There is no precedent to indicate how the Notes will trade in the secondary market or whether such market will be liquid. It is expected that the secondary market for the Notes will be affected by the creditworthiness of the Company and by a number of other factors. The trading value of the Notes is expected to depend

S-4

substantially on the extent of the appreciation, if any, of the Index over the Benchmark Index Value. See "The Index--Historical Data on the Index" in this Prospectus Supplement for historical values of the Index. If, however, Notes are sold prior to the maturity date at a time when the Index exceeds the Benchmark Index Value, the sale price may be at a substantial discount from the amount expected to be payable to the beneficial owner if such excess of the Index over the Benchmark Index Value were to prevail until maturity of the Notes because of the possible fluctuation of the Index between the time of such sale and the time that the Ending Index Value is determined. Furthermore, the price at which a beneficial owner will be able to sell Notes prior to maturity may be at a discount, which could be substantial, from the principal amount thereof, if, at such time the Index is below, equal to or not sufficiently above the Benchmark Index Value. The limitation that the Supplemental Redemption Amount may not exceed \$1,000 per \$1,000 principal amount of Notes may adversely affect the secondary market value of the Notes and such adverse effect could occur even if the value of the Index is below the Maximum Index Value. A discount could also result from rising interest rates.

The Index does not reflect the payment of dividends on the stocks underlying it and, therefore, the yield based on the Index to the maturity of the Notes will not produce the same yield as if such underlying stocks were purchased and held for a similar period. See "Risk Factors" in this Prospectus Supplement.

The value of the Index and the Supplemental Redemption Amount, if any, may be adversely affected by foreign political, economic and other developments. Since Underlying Stocks representing approximately one-third of the market capitalization of the Index (as of December 29, 1995) are companies engaged in real estate asset management, development, leasing, property sales and other related activities, factors affecting these real estate companies may indirectly affect the Index. See "Risk Factors--The Index" and "Risk Factors--Important Considerations Relating to Hong Kong".

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

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

S-5

#### RISK FACTORS

##### PAYMENT AT MATURITY

Benchmark Index Value will Exceed Value of Index on the Pricing Date. The Benchmark Index Value exceeds the closing value of the Index on the Pricing

Date by 14.67%. Investors should be aware that if the Ending Index Value does not exceed the closing value of the Index on the Pricing Date by more than 14.67%, beneficial owners of the Notes will receive only the principal amount thereof.

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

Limitation of Supplemental Redemption Amount. Because the Supplemental Redemption Amount will not exceed \$1,000 per \$1,000 principal amount of Notes, beneficial owners of Notes will not benefit from Index increases in excess of approximately 229% of the closing value of the Index on the Pricing Date (the "Maximum Index Value"). In no event will the Supplemental Redemption Amount exceed \$1,000 per \$1,000 principal amount of Notes.

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

State Law Limit on Interest Paid. Because the Chemical Indenture provides that the Notes will be governed by and construed in accordance with the laws of New York, certain usury laws of New York State may apply. 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 Notes in which \$2,500,000 or more has been invested. While the Company 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 such laws. The Company will covenant for the benefit of the Holders 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 Holder of the Notes.

#### TRADING

The Notes have been approved for listing on the American Stock Exchange, subject to official notice of issuance. There is no precedent to indicate how the Notes will trade in the secondary market or whether such market will be liquid. It is expected that the secondary market for the Notes will be affected by the creditworthiness of the Company and by a number of other factors.

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

S-6

will not exceed \$1,000 per \$1,000 principal amount of Notes may adversely affect the secondary market value of the Notes and such adverse effect could occur even if the value of the Index is below the Maximum Index Value. A discount could also result from rising interest rates.

In addition to the value of the Index, the trading value of the Notes may be affected by a number of interrelated factors, including the creditworthiness of the Company and those factors listed below. The relationship among these factors is complex, including how these factors affect the relative value of the principal amount of the Notes to be repaid at maturity and the value of the Supplemental Redemption Amount. Accordingly, investors should be aware that factors other than the level of the Index are likely to affect the Notes' trading value. The expected effect on the trading value of the Notes 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, the trading value of the Notes is expected to decrease. If U.S. interest rates decrease, the trading value of the Notes is expected to increase. If

interest rates in Hong Kong increase, the trading value of the Notes is expected to increase; however, increased Hong Kong interest rates may adversely affect the economy of Hong Kong and, in turn, the Index, and the trading value of the Notes could then be expected to decrease. If interest rates in Hong Kong decrease, the trading value of the Notes is expected to decrease; however, decreased Hong Kong interest rates may favorably affect the economy of Hong Kong and, in turn, the Index, and consequently, the trading value of the Notes could then be expected to increase.

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

"Time Remaining to Maturity." The Notes 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 Notes. As the time remaining to maturity of the Notes decreases, however, this time premium is expected to decrease, thus decreasing the trading value of the Notes. In addition, the price at which a beneficial owner may be able to sell Notes prior to maturity may be at a discount, which may be substantial, from the principal amount of the Notes if the value of the Index is below, equal to, or not sufficiently above the Benchmark Index Value.

"Dividend Rates in Hong Kong." If dividend rates on the stocks comprising the Index increase, the value of the Notes is expected to decrease. Conversely, if dividend rates on the stocks comprising the Index decrease, the value of the Notes is expected to increase. However, in general, rising corporate dividend rates in Hong Kong may increase the value of the Index and, in turn, increase the value of the Notes. Conversely, falling dividend rates in Hong Kong may decrease the value of the Index and, in turn, decrease the value of the Notes.

"Hong Kong Dollar/U.S. Dollar Exchange Rates." The Supplemental Redemption Amount is based on a given level of the Index and will not be affected by changes in the Hong Kong dollar/U.S. dollar exchange rate. However, a number of economic factors, including the Hong Kong dollar/U.S. dollar exchange rate, could affect the value of the Underlying Stocks and, therefore, the value of the Index.

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 Notes that is attributable to an increase in the value of the Index. For example, an increase in U.S. interest rates may cause the Notes 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 Notes 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 Notes than if it occurs earlier in the term of the Notes. The effect on the trading value of the Notes of a given appreciation of the Index in excess of the Benchmark Index Value is expected to be greater if it occurs later in the term of the Notes than if it occurs earlier in the term of the Notes, assuming all other relevant factors are held constant.

S-7

#### THE INDEX

The stocks underlying the Index have been issued by companies organized in Hong Kong. The prices of such Underlying Stocks will be affected by foreign political, economic and other developments.

The Hong Kong Stock Exchange has adopted certain measures intended to prevent any extreme short-term price fluctuations resulting from order imbalances or market volatility. Where the Hong Kong Stock Exchange considers it necessary for the protection of the investor or the maintenance of an orderly market, it may at any time suspend dealings in any securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the listed issuer or not. The Hong Kong Stock Exchange may also do so when: (1) an issuer fails, in a manner which the Hong Kong Stock Exchange considers material, to comply with the Hong Kong Stock Exchange Listing Rules or its Listing Agreements; or (2) the Hong Kong Stock Exchange considers there are insufficient securities in the hands of the public; or (3) the Hong Kong Stock Exchange considers that the listed issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the issuer's securities; or (4) the Hong Kong Stock Exchange considers that the issuer or its business is no longer suitable for listing. Investors should also be aware that the Hong Kong Stock Exchange may suspend the trading of individual stocks in certain limited and extraordinary circumstances, until certain price-sensitive information has been disclosed to the public. Since the stocks underlying the Index are traded on the Hong Kong Stock Exchange, changes in the Index may be affected by suspensions of trading

generally or of one or more of the stocks underlying the Index, which limitations may, in turn, adversely affect the value of the Notes.

#### IMPORTANT CONSIDERATIONS RELATING TO HONG KONG

Investors should realize that the value of the Index, and therefore the potential Supplemental Redemption Amount, if any, may be adversely affected by political, economic or social instability, developments and changes in law or regulations, particularly in Hong Kong and the People's Republic of China ("China"). Certain of these factors are discussed below.

In December 1984, Great Britain and China signed an agreement (the "Sino-British Accord") under which Hong Kong will revert to Chinese sovereignty effective July 1, 1997. Although China has committed by treaty to preserve for 50 years the economic and social freedoms currently enjoyed in Hong Kong, the continuation of the economic system in Hong Kong after the reversion will be affected by the Chinese government. Any increase in uncertainty as to the future economic and political status of Hong Kong could have a material adverse effect on the economy of Hong Kong and the Index.

The Sino-British Accord provides that the basic policies of China regarding Hong Kong and the elaboration of these policies in the Sino-British Accord will be stipulated by the National People's Congress of China in a Basic Law of the Hong Kong Special Administrative Region (the "Hong Kong SAR") (the "Basic Law"). The Basic Law was finalized in February 1990 and adopted by the National People's Congress on April 4, 1990. The Basic Law provides that the Chief Executive of the Hong Kong SAR will be recommended by a committee composed of Hong Kong residents representing a broad spectrum of distinct constituencies, such as industry, labor and the various professions, and appointed by the government of China. The power of amendment of the Basic Law is vested in the National People's Congress of China. The Basic Law provides that the Hong Kong dollar will remain the legal tender in the Hong Kong SAR after the transfer of sovereignty. It also provides that no exchange control policies will be applied in the Hong Kong SAR and that the Hong Kong dollar will remain freely convertible.

In the past, the prices of shares on the HKSE and Hong Kong property market values have experienced substantial fluctuations in response to political developments affecting China and relations between China and the United Kingdom. Although China has agreed by treaty that the Hong Kong SAR will have a high degree of legislative, legal and economic autonomy, there can be no assurance as to the consequence of the exercise of Chinese sovereignty over Hong Kong on the future economic and political status of Hong Kong and the Index.

S-8

It is not clear how future developments in Hong Kong and China may affect the implementation of the Basic Law after the transfer of sovereignty in 1997. As a result of this political and legal uncertainty, the economic prospects of Hong Kong and the companies whose stocks comprise the Index are uncertain. Accordingly, the Hong Kong Stock Exchange has been, and can be expected to remain, highly volatile and sensitive to adverse political developments with regard to Hong Kong's future and perceptions of actual or potential political developments of that kind. For this reason, among others, the Index and the value of the Notes can also be expected to be volatile.

"Underlying Stocks." The performance of certain companies listed on the Hong Kong Stock Exchange is linked to the economic climate of China. Any downturn in economic growth or other negative developments affecting the economic climate of China could have a material adverse effect on the value of the Index. In addition, the Hong Kong securities markets are currently characterized by a high level of investment by and interest among United States and other non-Hong Kong persons. Changes in the level of investment or interest could have a material adverse effect on the level of the Index.

Although none of the companies whose stocks comprise the Underlying Stocks are currently organized under the laws of China, the level of the Index nonetheless can be affected by developments in China. China currently indirectly influences political and economic developments in various parts of Asia, including Hong Kong, and its influence is expected to continue to grow. The government of China, a socialist state controlled by the Communist Party of China, now permits private economic activities to a certain extent. Political, economic or social instability in, and diplomatic and other developments associated with, China could have a significant effect on economic conditions in Hong Kong and on the market prices and liquidity of securities traded on the Hong Kong Stock Exchange, including the Underlying Stocks. Moreover, many of the issuers of the Underlying Stocks have substantial investments in China, which investments could be adversely affected by political, economic, market and other developments in or affecting China. Accordingly, adverse political or economic developments in China could adversely affect the level of the Index and thus the value of the Notes.

Underlying Stocks representing approximately one-third of the market capitalization of the Index (as of December 29, 1995) are companies engaged in

real estate asset management, development, leasing, property sales and other related activities. Many factors may have an adverse impact on the credit quality of these real estate companies and, indirectly, the Index. Generally, these include economic recession, the cyclical nature of real estate markets, overbuilding, changing demographics, changes in governmental regulations (including tax laws and environmental, building, zoning and sales regulations), increases in real estate taxes or costs of material and labor, the inability to secure performance guarantees or insurance as required, the unavailability of investment capital and the inability to obtain construction financing or mortgage loans at rates acceptable to builders and purchasers of real estate. Additional risks include an inability to reduce expenditures associated with a property (such as mortgage payments and property taxes) when rental revenue declines, and possible loss upon foreclosure of mortgaged properties if mortgage payments are not paid when due.

OTHER CONSIDERATIONS

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

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

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") or its affiliates may from time to time engage in transactions involving the Underlying Stocks for their proprietary accounts and for other accounts under their management, which may influence the value of such Underlying Stocks and therefore the value of the Notes. MLPF&S and its affiliates will also be the counterparties to the hedge of the Company's obligations under the Notes. See "Use of Proceeds" herein. Accordingly, under certain

S-9

circumstances, conflicts of interest may arise between MLPF&S's responsibilities as Calculation Agent with respect to the Notes and its obligations under its hedge and its status as a subsidiary of the Company. Under certain circumstances, the duties of MLPF&S as Calculation Agent in determining the existence of Market Disruption Events could conflict with the interests of MLPF&S as an affiliate of the issuer of the Notes, Merrill Lynch & Co., Inc., and with the interests of the holders of the Notes.

RECENT DEVELOPMENTS

The following summary of consolidated financial information was derived from, and is qualified in its entirety by reference to, the financial statements, condensed financial statements, and other information and data contained in the Company's Annual Report on Form 10-K for the year ended December 30, 1994, Quarterly Report on Form 10-Q for the period ended September 29, 1995, as amended by Form 10-Q/A (Amendment No. 1), (the "Quarterly Report") and Current Report on Form 8-K, dated January 22, 1996 (the "Current Report"). The Current Report, which includes preliminary unaudited financial information for the year ended December 29, 1995, will be superseded in its entirety by the Company's Annual Report on Form 10-K for the year ended December 29, 1995. See "Incorporation of Certain Documents by Reference" in the accompanying Prospectus. The condensed consolidated financial statements contained in the Quarterly Report are unaudited; however, in the opinion of management of the Company, all adjustments (consisting only of normal recurring accruals) necessary for a fair statement of the results of operations have been included.

The Company conducts its business in highly volatile markets. Consequently, the Company's results can be affected by many factors, including general market conditions, the liquidity of secondary markets, the level and volatility of interest rates and currency values, the valuation of securities positions, competitive conditions, and the size, number, and timing of transactions. In periods of unfavorable market activity, profitability can be adversely affected because certain expenses remain relatively fixed. As a result, net earnings and revenues can vary significantly from period to period. Thus, interim results may not necessarily be representative of the full year results of operations.

<TABLE>  
<CAPTION>

INCOME STATEMENT INFORMATION	YEAR ENDED	
	DECEMBER 30, 1994	DECEMBER 29, 1995
(IN MILLIONS, EXCEPT RATIOS)		
<S>	<C>	<C>
Revenues.....	\$18,234	\$21,513
Net revenues(1).....	\$ 9,625	\$10,265



Earnings before income taxes.....	\$ 1,730	\$ 1,811
Net earnings.....	\$ 1,017	\$ 1,114
Ratio of earnings to fixed charges(2).....	1.2	--

</TABLE>

<TABLE>  
<CAPTION>

BALANCE SHEET INFORMATION(3)	AT DECEMBER 30, AT SEPTEMBER 29,	
	1994	1995
-----		
(IN MILLIONS)		
<S>	<C>	<C>
Total assets.....	\$163,749	\$185,473
Long-term borrowings.....	\$ 14,863	\$ 16,156
Stockholders' equity.....	\$ 5,818	\$ 6,077

</TABLE>

-----

- (1) Net revenues are revenues net of interest expense.
- (2) The ratio of earnings to fixed charges for the year ended December 29, 1995 is not available as of the date of this Prospectus Supplement. The ratio of earnings to fixed charges for the nine months ended September 29, 1995 was 1.2. For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consists of earnings from continuing operations before income taxes and fixed charges. "Fixed charges" consists of interest costs, amortization of debt expense, preferred stock dividend requirements of majority-owned subsidiaries, and that portion of rentals estimated to be representative of the interest factor.
- (3) Balance Sheet information as of December 29, 1995 is not available as of the date of this Prospectus Supplement. To finance its diverse activities, the Company and certain of its subsidiaries borrow substantial amounts of short-term funds on a regular basis. Although the amount of short-term borrowings significantly varies with the level of general business activity, on September 29, 1995, \$1,476 million of bank loans and \$16,048 million of commercial paper were outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At September 29, 1995, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to \$4,453 million and \$54,274 million, respectively. From September 30, 1995 to February 1, 1996, long-term borrowings, net of repayments and repurchases, increased by approximately \$2,459 million.

S-10

#### FISCAL YEAR 1995

Global financial markets, which steadily weakened during most of 1994, generally improved during 1995, led by a more stable U.S. economy, declining interest rates, and heightened investor activity. Inflationary fears eased throughout 1995 as key U.S. economic statistics indicated slow to moderate growth. The Federal Reserve decreased short-term interest rates in July and December following seven rate increases between February 1994 and February 1995. Investors reacted favorably to these events and were more active in stock and bond markets during 1995. Net earnings for the 1995 fourth quarter were \$303 million, up 1% from the 1995 third quarter and up 88% from the 1994 fourth quarter.

Net earnings for 1995 were \$1,114 million, up 10% from 1994 net earnings of \$1,017 million. Earnings per common share were \$5.44 primary and \$5.42 fully diluted in 1995, compared with \$4.75 primary and \$4.74 fully diluted in 1994.

Total revenues were a record \$21,513 million, up 18% from 1994. Net revenues (revenues after interest expense) totaled \$10,265 million in 1995, up 7% from 1994.

Commission revenues increased 9% to a record \$3,126 million from \$2,871 million in 1994, due primarily to higher levels of listed and over-the-counter securities transactions and mutual fund commissions, partially offset by lower revenues from commodities. Commissions from listed and over-the-counter securities increased due primarily to higher stock trading volumes, including records on the New York Stock Exchange and Nasdaq. Mutual fund commissions increased due primarily to higher distribution and redemption fees. Distribution fees from deferred-charge funds increased due to strong fund sales in prior periods and higher asset levels. Redemption fees increased as clients repositioned invested assets.

Interest and dividend revenues increased 28% to \$12,221 million from \$9,578 million in 1994. Interest expense, which includes dividend expense, increased 31% from 1994 to \$11,248 million. Net interest and dividend profit was \$973 million, virtually unchanged from \$969 million in 1994, as increases in net interest-earning assets were offset by declining interest spreads due to the flattening of the U.S. Treasury yield curve in 1995. The change in the yield curve resulted from long-term interest rates falling more than short-term rates during 1995.

Principal transactions revenues increased 8% from 1994 to \$2,519 million in

1995. Increases in equities and equity derivatives and taxable fixed-income trading revenues were partially offset by decreases in municipal securities, foreign exchange and commodities, and interest rate and currency swaps trading revenues. Taxable fixed-income trading revenues increased 10% to \$516 million due, in part, to higher revenues from corporate bonds and preferred stock, non-U.S. government and agencies securities, and high-yield bonds. Trading revenues from mortgage-backed products were negatively affected by reduced market liquidity, leading to a loss. Net trading results from mortgage-backed products were positive, however, when combined with related net interest profit. Trading revenues in U.S. Government and agencies securities were down from 1994 due to tighter spreads between U.S. Treasury securities and related futures hedges, as well as reduced investor demand attributable to lower interest rates. Equities and equity derivatives trading revenues, in the aggregate, increased 46% to \$912 million, due primarily to improved volumes in the convertible, over-the-counter, and international equities markets, partially offset by lower equity derivatives trading revenues. Interest rate and currency swaps revenues declined 2% to \$732 million. Decreases in U.S. dollar-denominated swap transactions were substantially offset by increased revenues in non-dollar-denominated swap transactions, particularly in Japanese and European markets. Foreign exchange and commodities revenues, in the aggregate, declined 22% to \$86 million. Commodities trading revenues decreased due to lower volumes. Increases in foreign exchange trading revenues resulted from higher customer volume caused by the strengthening of the U.S. dollar versus other major currencies during 1995. Municipal securities revenues decreased 28% to \$273 million as a result of decreased investor demand for tax-exempt investments due to potential tax law changes.

Investment banking revenues were \$1,308 million, up 5% from \$1,240 million in 1994. Strategic services revenues, which include fees for merger and acquisition activity, debt restructuring, and other advisory

S-11

services, increased, benefiting from record levels of announced merger and acquisition deals in various industries. Underwriting revenues were down, as lower revenues from equities, private placements, high yield debt, and mortgage-backed securities underwriting were partially offset by increases in corporate bonds and preferred stock and defined asset funds underwriting revenues.

Asset management and portfolio service fees rose 9% in 1995 to a record \$1,890 million from \$1,739 million in 1994, as a result of higher fees earned from asset management and other fee-based services. Other revenues decreased 5% from 1994 to \$449 million, due to lower net realized investment gains in 1995 compared with 1994.

Non-interest expenses were \$8,454 million, up 7% from \$7,895 million in the year-ago period. Compensation and benefits expense, which represented approximately 62% of non-interest expenses, increased 6% due primarily to increased production-related and incentive compensation and the addition of Smith New Court PLC ("Smith New Court") employees. Compensation and benefits expense as a percentage of net revenues was 51.3% in 1995, compared with 51.5% in 1994.

Occupancy costs increased 3% from 1994 primarily due to international growth. Other facilities-related costs, which include communications and equipment rental expense and depreciation and amortization expense, rose 13% primarily due to expanded use of market data services, as well as higher depreciation expense from the purchase of technology-related assets over the past year.

Advertising and market development expenses increased 6% from 1994 as a result of increased advertising, international travel, and sales promotion primarily related to international growth. Professional fees increased 16% from the year ago period, due to higher legal fees and systems development costs related to upgrading technology and processing capabilities in trading, credit, and customer systems. Brokerage, clearing, and exchange fees increased 7% as a result of higher securities volume, particularly in international markets. Other expenses increased 4% from 1994, due primarily to a \$26 million first quarter charge for the write-off of assets related to a technology contract and \$14 million of goodwill amortization related to Smith New Court.

Income tax expenses totaled \$697 million in 1995. The effective tax rate in 1995 was 38.5%, compared with 41.2% in 1994. The decrease in the effective tax rate was attributable to lower state income taxes, expanded international business activities in jurisdictions with lower tax rates, and increases in deductions for dividends received.

In 1995 the Company acquired Smith New Court, a U.K.-based global securities firm, for approximately \$800 million. The Company recorded approximately \$550 million of goodwill related to the acquisition, which is being amortized on a straight-line basis over 15 years. The Company's 1995 results include those of Smith New Court since mid-August 1995.

Balance Sheet information as of December 29, 1995 is not available as of the date of this Prospectus Supplement.

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

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

S-12

At September 29, 1995, the fair value of long and short non-investment grade trading inventories amounted to \$4,725 million and \$406 million, respectively, and in the aggregate (i.e. the sum of long and short trading inventories), represented 5.1% of aggregate consolidated trading inventories.

At September 29, 1995, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated \$327 million (excluding unutilized revolving lines of credit and other lending commitments of \$92 million), consisting primarily of senior term and subordinated financings to 36 medium-sized corporations. At September 29, 1995, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balances less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and consideration of economic, market, and credit conditions. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated \$228 million at September 29, 1995, representing investments in 81 enterprises. Equity investments in privately-held companies for which sale is restricted by government or contractual requirements are carried at the lower of cost or estimated net realizable value. At September 29, 1995, the Company held interests in partnerships, totaling \$109 million (recorded on the cost basis), that invest in highly leveraged transactions and non-investment grade securities. At September 29, 1995, the Company also committed to invest an additional \$81 million in partnerships that invest in leveraged transactions. As of November 13, 1995, the Company had additional lending commitments for \$520 million to non-investment grade counterparties or related to highly leveraged transactions, of which \$28 million had been drawn upon.

The Company's insurance subsidiaries hold non-investment grade securities. Non-investment grade securities were 3.7% of total insurance investments at September 29, 1995. Non-investment grade securities of insurance subsidiaries are classified as available-for-sale and are carried at fair value.

At September 29, 1995, the largest non-investment grade concentration consisted of government and corporate obligations of a South American sovereign totaling \$503 million, of which \$456 million represented on-balance-sheet hedges for off-balance-sheet financial instruments. No one industry sector accounted for more than 27% of total non-investment grade positions. At September 29, 1995, the Company held an aggregate carrying value of \$310 million in debt and equity securities of issuers in various stages of bankruptcy proceedings or in default, of which 83% resulted from the Company's market-making activities in such securities.

#### DESCRIPTION OF NOTES

##### GENERAL

The Notes are to be issued as a series of Senior Debt Securities under the Senior Indenture, referred to as the "Chemical Indenture", which is more fully described in the accompanying Prospectus. The Notes will mature on February 16, 1999.

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

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

The Notes are to be issued in denominations of \$1,000 and integral multiples thereof.

## PAYMENT AT MATURITY

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

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

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

provided, however, that in no event will the Supplemental Redemption Amount be less than zero or more than \$1,000 per \$1,000 principal amount of Notes. The Benchmark Index Value equals 664.83. The Benchmark Index Value was determined on the Pricing Date by multiplying the Starting Index Value by a factor equal to 115%. The Starting Index Value was determined by the Calculation Agent and equaled the average (arithmetic mean) of the Computed Index Value as of 10:30 A.M., 11:00 A.M., 11:30 A.M., 12:00 Noon, 12:30 P.M., 2:30 P.M., 3:00 P.M. and 3:30 P.M. (Hong Kong time) on the Pricing Date. The "Computed Index Value" as of any time means the number obtained by (i) multiplying the last reported sales prices of each Underlying Stock at such time (as reported by Reuters Information Services, Inc. with respect to intra-day prices and by The Stock Exchange of Hong Kong Ltd. (the "Hong Kong Stock Exchange" or "HKSE") with respect to official closing prices) by the number of shares outstanding (as provided by the AMEX) to obtain the market capitalization for each of the Underlying Stocks and (ii) dividing the aggregate market capitalization of all the Underlying Stocks by the divisor used to calculate the last reported Index (see "The Index" herein). The AMEX has confirmed that the methodology used by the Calculation Agent to calculate the Computed Index Value is consistent with that currently used by the AMEX to calculate the Index. The Ending Index Value will be determined by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Calculation Agent") and will equal the average (arithmetic mean) of the closing values of the Index determined on each of the first five Calculation Days during the Calculation Period. If there are fewer than five Calculation Days, then the Ending Index Value will equal the average (arithmetic mean) of the closing values of the Index on such Calculation Days, and if there is only one Calculation Day, then the Ending Index Value will equal the closing value of the Index on such Calculation Day. If no Calculation Days occur during the Calculation Period because of Market Disruption Events, then the Ending Index Value will equal the closing value of the Index determined on the last scheduled Index Business Day in the Calculation Period, regardless of the occurrences of a Market Disruption Event on such day. The "Calculation Period" means the period from and including the seventh scheduled Index Business Day prior to the maturity date to and including the second scheduled Index Business Day prior to the maturity date. "Calculation Day" means any Index Business Day during the Calculation Period on which a Market Disruption Event has not occurred. For purposes of determining the Ending Index Value, an "Index Business Day" is a day on which the Hong Kong Stock Exchange is 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 the Company and beneficial owners of the Notes.

The following table illustrates, for a range of hypothetical Ending Index Values, (i) the total amount payable at maturity for each \$1,000 principal amount of Notes, (ii) the pretax annualized rate of return to beneficial owners of Notes, and (iii) the pretax annualized rate of return of an investment in the stocks underlying the Index (which includes an assumed aggregate dividend yield of 3.31% per annum, and no change in the U.S. dollar/Hong Kong dollar exchange rate, as more fully described below).

<TABLE>  
<CAPTION>

HYPOTHETICAL ENDING INDEX VALUE OF THE INDEX	PERCENTAGE CHANGE OVER THE STARTING INDEX VALUE	TOTAL AMOUNT PAYABLE AT MATURITY	PRETAX ANNUALIZED RATE OF RETURN ON THE NOTES (1)	PRETAX ANNUALIZED RATE OF RETURN OF STOCKS UNDERLYING THE INDEX (1) (2)
<S>	<C>	<C>	<C>	<C>
289.06	-50%	\$1,000.00	0.00%	-18.74%
346.87	-40%	\$1,000.00	0.00%	-13.20%
404.68	-30%	\$1,000.00	0.00%	-8.38%
462.49	-20%	\$1,000.00	0.00%	-4.09%
520.30	-10%	\$1,000.00	0.00%	-0.21%
578.11 (3)	0%	\$1,000.00	0.00%	3.32%

635.92	10%	\$1,000.00	0.00%	6.58%
693.73	20%	\$1,043.47	1.41%	9.61%
751.54	30%	\$1,130.42	4.09%	12.43%
809.35	40%	\$1,217.38	6.61%	15.08%
867.17	50%	\$1,304.35	8.98%	17.59%
924.98	60%	\$1,391.30	11.22%	19.96%
982.79	70%	\$1,478.26	13.35%	22.21%
1,040.60	80%	\$1,565.21	15.38%	24.36%
1,098.41	90%	\$1,652.17	17.31%	26.41%
1,156.22	100%	\$1,739.12	19.16%	28.38%
1,214.03	110%	\$1,826.08	20.93%	30.26%
1,271.84	120%	\$1,913.03	22.64%	32.08%
1,329.65	130%	\$2,000.00	24.28%	33.83%
1,387.46	140%	\$2,000.00	24.28%	35.52%
1,445.28	150%	\$2,000.00	24.28%	37.15%

</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 (i) an investment of a fixed amount in the stocks underlying the Index with the allocation of such amount reflecting the relative weights of such stocks in the Index; (ii) a percentage change in the aggregate price of such stocks that equals the percentage change in the Index from the Starting Index Value to the relevant hypothetical Ending Index Value; (iii) a constant dividend yield of 3.31% per annum, paid quarterly from the date of initial delivery of Notes, applied to the value of the Index at the end of each such quarter assuming such value increases or decreases linearly from the Starting Index Value to the applicable hypothetical Ending Index Value; (iv) no transaction fees or expenses; (v) a term for the Notes from February 7, 1996 to February 16, 1996; (vi) a final Index value equal to the Ending Index Value; and (vii) no change in the U.S. dollar/Hong Kong dollar exchange rate. The aggregate dividend yield of the stocks underlying the Index as of January 16, 1996 was approximately 3.31%.
- (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 herein. Historical data regarding the Index is included in this Prospectus Supplement under "The Index--Historical Data on the Index".

#### ADJUSTMENTS TO THE INDEX; MARKET DISRUPTION EVENTS

If at any time the method of calculating the Index, or the value thereof, is changed in any material respect, or if the Index is in any other way modified so that such Index does not, in the opinion of the

S-15

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

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

(i) a suspension or absence of trading on the HKSE of (a) 20% or more of the Underlying Stocks and/or (b) the stocks of any three of the four most highly capitalized companies included in the Underlying Stocks which then comprise the Index or a Successor Index; or

(ii) the suspension or material limitation on the HK Futures Exchange or any other major futures or securities market (which as of the date of this Prospectus Supplement includes only the HK Futures Exchange, but which in the Calculation Agent's judgment may change in the future) of trading in futures or options contracts related to the Hang Seng Index, the Index or a Successor Index.

The Hang Seng Index uses certain of the same securities in its calculation as the Index (See "The Index--The Hong Kong Stock Exchange and the Hong Kong Futures Exchange" herein). For purposes of determining whether a Market Disruption Event has occurred: (1) 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, (2) a decision to permanently discontinue trading in the relevant contract will not constitute a Market Disruption Event, (3) a suspension of trading in a futures or options contract on the Index by the AMEX or other major securities market by reason of (x) a price change exceeding limits set by the AMEX or such securities market, (y) an imbalance of orders relating to such contracts or (z) a disparity in bid and ask quotes relating to such contracts will constitute a suspension or material limitation of trading in futures or options contracts related to the Index and (4) an "absence of trading" on the HKSE, HK Futures 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 HKSE, HK Futures Exchange or such securities market, as the case may be, itself is closed for trading under ordinary circumstances.

#### 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 such Index (any such index being referred to hereinafter as a "Successor Index"), then, upon the Calculation Agent's notification of such determination to the Trustee and the Company, the Calculation Agent will substitute the Successor Index as calculated by the AMEX or such other entity for the Index and calculate the Ending Index Value as described above under "Payment at Maturity". Upon any selection by the Calculation Agent of a Successor Index, the Company shall cause notice thereof to be given to Holders of the Notes.

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 such Calculation Day used to calculate the Supplemental Redemption Amount at maturity will be a value computed by the Calculation Agent for each Calculation Day in accordance with the procedures last used to calculate the Index prior to any such discontinuance. If a Successor Index is selected or the Calculation Agent calculates a value as a substitute for the Index as described below, such Successor

S-16

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 such time, then on each Business Day until the earlier to occur of (i) the determination of the Ending Index Value and (ii) a determination by the Calculation Agent that a Successor Index is available, the Calculation Agent shall determine the value that would be used in computing the Supplemental Redemption Amount as described in the preceding paragraph as if such day were a Calculation Day. The Calculation Agent will cause notice of each such value to be published not less often than once each month in The Wall Street Journal (or another newspaper of general circulation), and arrange for information with respect to such values to be made available by telephone. Notwithstanding these alternative arrangements, discontinuance of the publication of the Index may adversely affect trading in the Notes.

#### EVENTS OF DEFAULT AND ACCELERATION

In case an Event of Default with respect to any Notes shall have occurred and be continuing, the amount payable to a beneficial owner of a Note upon any acceleration permitted by the Notes, with respect to each \$1,000 principal amount thereof, will be equal to: (i) the initial issue price (\$1,000), plus (ii) an additional amount of contingent interest calculated as though the date of early repayment were the maturity date of the Notes. See "Description of Notes--Payment at Maturity" in this Prospectus Supplement. If a bankruptcy proceeding is commenced in respect of the Company, the claim of the beneficial owner of a 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 of contingent interest calculated as though the date of the commencement of the proceeding were the maturity date of the Notes.

In case of default in payment at the maturity date of the Notes (whether at their stated maturity or upon acceleration), from and after the maturity date the Notes shall bear interest, payable upon demand of the beneficial owners thereof, at the rate of 5.40% 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 Notes to the date payment of such amount has been made or duly provided for.

#### DEPOSITORY

Upon issuance, all Notes will be represented by one or more fully registered global securities (the "Global Notes"). Each such Global Note will be deposited with, or on behalf of, The Depository Trust Company ("DTC"), as Depository,

registered in the name of DTC or a nominee thereof. Unless and until it is exchanged in whole or in part for Notes in definitive form, no Global Note may be transferred except as a whole by the Depository to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor of such Depository or a nominee of such successor.

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

DTC is owned by a number of Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC book-entry

S-17

system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants").

Purchases of Notes must be made by or through Participants, which will receive a credit on the records of DTC. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Participants' or Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Ownership of beneficial interests in such Global Note will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by DTC (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons held through Participants). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in Global Notes.

"So long as DTC, or its nominee, is the registered owner of a Global Note, DTC 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 Chemical Indenture. Except as provided below, Beneficial Owners in a Global Note will not be entitled to have the Notes represented by such Global Notes 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 Chemical Indenture, including for purposes of receiving any reports delivered by the Company or the Trustee pursuant to the Chemical Indenture. Accordingly, each Person owning a beneficial interest in a Global Note must rely on the procedures of DTC and, if such Person is not a Participant, on the procedures of the Participant through which such Person owns its interest, to exercise any rights of a Holder under the Chemical Indenture. The Company understands that under existing industry practices, in the event that the Company requests any action of Holders or that an owner of a beneficial interest in such a Global Note desires to give or take any action which a Holder is entitled to give or take under the Chemical Indenture, DTC would authorize the Participants holding the relevant beneficial interests to give or take such action, and such Participants would authorize Beneficial Owners owning through such Participants to give or take such action or would otherwise act upon the instructions of Beneficial Owners. Conveyance of notices and other communications by DTC to Participants, by Participants to Indirect Participants, and by Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time."

Payment of the principal of, and any Supplemental Redemption Amount with respect to, Notes registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the Holder of the Global Notes representing such Notes. None of the Company, the Trustee or any other agent of the Company or agent of the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for supervising or reviewing any records relating to such beneficial ownership interests. The Company expects that DTC, upon receipt of any payment of principal or any Supplemental Redemption Amount in respect of a Global Note, will credit the accounts of the Participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interest in such Global Note as shown on the records of

DTC. The Company also expects that payments by Participants to Beneficial Owners will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants.

If (x) any Depository is at any time unwilling or unable to continue as Depository and a successor depository is not appointed by the Company within 60 days, (y) the Company executes and delivers to the Trustee a Company Order to the effect that the Global Notes shall be exchangeable or (z) an Event of Default has occurred and is continuing with respect to the Notes, the Global Notes will be exchangeable for Notes in definitive form of like tenor and of an equal aggregate principal amount, in denominations of \$1,000 and

S-18

integral multiples thereof. Such definitive Notes shall be registered in such name or names as the Depository shall instruct the Trustee. It is expected that such instructions may be based upon directions received by the Depository from Participants with respect to ownership of beneficial interests in such Global Notes.

#### THE INDEX

##### THE INDEX

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

The Index is a capitalization-weighted stock index designed, developed, maintained and operated by, and is a service mark of, the AMEX that measures the market value performance (share price times the number of shares outstanding) of selected Hong Kong Stock Exchange listed stocks. The Index currently is based on the capitalization of 30 Underlying Stocks trading on the Hong Kong Stock Exchange and is designed to represent a substantial segment of the Hong Kong stock market. The Hong Kong Stock Exchange is the primary trading market for most of the 30 Underlying Stocks. The primary trading market for all of the Underlying Stocks is either Hong Kong or London. Business sector representation of the Underlying Stocks comprising the Index as of February 2, 1996 was as follows: property development (33.36%), financing (21.80%), conglomerates (18.68%), utilities (18.01%) and also includes hotel/leisure (4.33%), airlines (2.24%), property investment (0.85%), transportation (0.46%) and publishing (0.24%). The Index was established on June 25, 1993. (See the table below for a list of the Underlying Stocks as of February 2, 1996.) As of February 2, 1996, the five largest Underlying Stocks accounted for approximately 48.53% of the market capitalization of the Index, with the largest being HSBC Holdings plc (12.30%), followed by Hutchison Whampoa Ltd. (9.80%), Sun Hung Kai Properties Ltd. (9.45%), Hong Kong Telecommunications Ltd. (9.10%) and Hang Seng Bank Ltd. (7.88%). The lowest weighted Underlying Stock, as of February 2, 1996, was Tai Chung (Holdings) Ltd. (0.23%).

The Index will be maintained by the AMEX and will contain at least 30 Underlying Stocks at all times. In addition, the Underlying Stocks must meet certain listing and maintenance standards as discussed below. The AMEX may change the composition of the Index at any time in order to more accurately reflect the composition and track the movement of the Hong Kong stock market. Any replacement Underlying Stock must also meet the Underlying Stock listing and maintenance standards as discussed below. Further, the AMEX may replace Underlying Stocks in the event of certain corporate events, such as takeovers, or mergers, that change the nature of the security.

The AMEX will select Underlying Stocks on the basis of their market weight, trading liquidity, and representation of the business industries reflected on the Hong Kong Stock Exchange. The AMEX will require that each Underlying Stock be one issued by an entity with major business interests in Hong Kong, listed for trading on the Hong Kong Stock Exchange, and have its primary trading market located in a country with which the AMEX has an effective surveillance sharing agreement. The AMEX will remove any Underlying Stock failing to meet the above listing and maintenance criteria within 30 days after such failure occurs. In order to ensure that the Index does not contain a large number of thinly-capitalized, low-priced securities with small public floats and low trading volumes, the AMEX has also established additional qualification criteria for the inclusion and maintenance of Underlying Stocks, based on the following standards: (1) all Underlying Stocks selected for inclusion in the Index must have and thereafter maintain, an average daily capitalization, as calculated by the total number of shares outstanding times the latest price per share (in Hong Kong dollars), measured over the prior 6-month period, of at least H.K.\$3,000,000,000 (approximately U.S.\$388,000,000 on the date hereof); (2) all Underlying Stocks selected for inclusion in the Index must have, and thereafter maintain, an average daily closing price, measured over the prior 6-month period, not lower than H.K.\$2.50 (approximately U.S.\$0.32 on the date hereof); (3) all Underlying Stocks selected for inclusion in the Index must have, and thereafter maintain an average daily trading volume,



measured over the prior 6-month period, of more than 1,000,000 shares per day, although up to, but no more than, three Underlying Stocks may have an average daily trading volume, measured over the prior 6-month period, of less than 1,000,000 shares per day, but in no event less than 500,000 shares per day; and (4) all Underlying Stocks selected for inclusion in the Index must have, and thereafter maintain, a minimum "free float" value (total freely tradeable outstanding shares minus insider holdings), based on a monthly average measured over the prior 3-month period, of U.S.\$238,000,000, although up to, but no more than, three Underlying Stocks may have a free float value of less than U.S.\$238,000,000 but in no event less than U.S.\$150,000,000, measured over the same period. The AMEX will review and apply the above qualification criteria relating to the Underlying Stocks on a quarterly basis, conducted the last business day in January, April, July, and October. Any Underlying Stock failing to meet the above listing and maintenance criteria will be reviewed on the second Friday of the second month following the quarterly review to again determine compliance with the above criteria. Any Underlying Stock failing this second review will be replaced by a "qualified" Underlying Stock effective upon the close of business on the following Friday, provided however, that if such Friday is not a day on which the AMEX is open for trading, the replacement will be effective at the close of business on the first preceding day on which the AMEX is open for trading. For example, if an Underlying Stock was found to be below the maintenance criteria on Wednesday, January 31, 1996, it would be reviewed again on March 8 and, if ineligible, would be replaced by a qualified security at the close of business on March 15, 1996. If March 15 happens not to be a day on which the AMEX is open for trading, the replacement will be effective at the close of business on the preceding Thursday, March 14, 1996, assuming that Thursday is a day on which the AMEX is open for trading. The AMEX will notify its membership immediately after it determines to replace an Underlying Stock.

The annual reports and prospectuses of the companies listed on the Hong Kong Stock Exchange are available for investors' inspection in the City Hall Library (a public library in Central Hong Kong). The Hong Kong Stock Exchange library also has information for each listed company but it is available only to members of the Hong Kong Stock Exchange.

A company whose stock is included in the Index is not required to be incorporated under the laws of Hong Kong.

The Index is a capitalization-weighted index. A company's market capitalization is calculated by multiplying the number of shares outstanding by the company's current share price (in Hong Kong dollars). For valuation purposes unrelated to the Notes, one Index unit (1.0) is assigned a fixed value of one U.S. dollar. The Index measures the average change in prices of the Underlying Stocks, weighted according to their respective market capitalizations, so that the effect of a percentage price change in an Underlying Stock will be greater the larger the Underlying Stock's market capitalization. The Index was established by the AMEX on June 25, 1993, on which date the Index value was set at 350.00. The daily calculation and public dissemination by the AMEX of the Index commenced on September 1, 1993. The data relating to the Index was back-calculated by the AMEX from January 2, 1989 to August 31, 1993. The Index is calculated by (i) adding the market capitalization of each Underlying Stock and (ii) dividing such sum by an adjusted base market capitalization or divisor. On June 25, 1993, the market value of the Underlying Stocks was approximately H.K.\$1,152,829,149,500 (equivalent to approximately U.S.\$148,656,241,000 based on the exchange rate as of such date) and the divisor used to calculate the Index was 3,293,797,570. The AMEX selected that particular divisor number in order, among other things, to ensure that the Index was set at a general price level consistent with other well recognized stock markets. The divisor is subject to periodic adjustments as set forth below. The Index is calculated once every Index Calculation Day by the AMEX based on the most recent official closing prices of each of the Underlying Stocks reported by the Hong Kong Stock Exchange. Pricing of the Index will be performed each day and be disseminated before the opening of trading via the Consolidated Tape Authority Network-B continuously during each day on which the AMEX is open for trading. The dissemination value, however, will remain the same throughout the trading day because the trading hours of the Hong Kong Stock Exchange do not overlap with AMEX trading hours. Accordingly, updated price information for the Underlying Stocks will be unavailable.

In order to maintain continuity in the level of the 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 stock, stock dividends, stock splits, distributions of assets to stockholders or other capitalization events, the divisor used in calculating the Index is adjusted in a manner designed to prevent any instantaneous change or discontinuity in the level of the Index and in order that the value of the Index immediately after such change will equal the level of the Index immediately prior to the change.

Thereafter, the divisor remains at the new value until a further adjustment is necessary as the result of another change. Nevertheless, changes in the identities and characteristics of the Underlying Stocks may significantly affect the behavior of the Index over time.

The AMEX 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 "The AMEX Hong Kong 30 Index" may be changed at the discretion of the AMEX. The Notes are not sponsored, endorsed, sold or promoted by the AMEX. No inference should be drawn from the information contained in this Prospectus Supplement that the AMEX makes any representation or warranty, implied or express, to the Company, the beneficial owners of Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes in particular or the ability of the Index to track general stock market performance. The AMEX has no obligation to take the needs of the Company or the beneficial owners of Notes into consideration in determining, composing or calculating the Index. The AMEX is not responsible for, and has not participated in the determination of the timing of prices for or quantities of, the Notes to be issued or in the determination or calculation of the equation by which the Supplemental Redemption Amount is determined. The AMEX has no obligation or liability in connection with the administration, marketing or trading of the Notes.

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

Except with respect to the responsibility of the Calculation Agent to make certain calculations under certain circumstances as described herein, none of the Company, the Trustee, the Calculation Agent or the Underwriter accepts any responsibility for the calculation, maintenance or publication of the Index or any Successor Index. The AMEX disclaims all responsibility for any inaccuracies in the data on which the Index is based, or any mistakes or errors or omissions in the calculations or dissemination of the Index or for the manner in which such index is applied in determining the Supplemental Redemption Amount, if any.

S-21

The following table presents pertinent market information for each of the component stocks in the Index as of February 2, 1996. As of such date, the total capitalization of the component stocks of the Index was approximately U.S.\$238.32 billion. Market capitalizations of the individual stocks in the Index ranged from approximately U.S.\$551 million to a high of U.S.\$29.17 billion, with the median being U.S.\$4.49 billion.

<TABLE>  
<CAPTION>

COMPANY NAME -----	INDUSTRY -----	INDEX WEIGHT* -----
<S>	<C>	<C>
HSBC HOLDINGS PLC. ....	Finance	12.30%
HUTCHISON WHAMPOA LTD. ....	Conglomerates	9.80%
SUN HUNG KAI PROPERTIES LTD. ....	Property Development	9.45%
HONG KONG TELECOMMUNICATIONS LTD. ....	Utilities	9.10%
HANG SENG BANK LTD. ....	Finance	7.88%
CHEUNG KONG HOLDINGS LTD. ....	Property Development	6.83%
HENDERSON LAND DEVELOPMENT CO. LTD. ....	Property Development	5.11%
CHINA LIGHT AND POWER CO. LTD. ....	Utilities	4.06%
SWIRE PACIFIC LTD "A". ....	Conglomerates	3.65%
WHARF HOLDINGS LTD. ....	Hotels/Leisure	3.63%
NEW WORLD DEVELOPMENT CO. LTD. ....	Property Development	3.59%
CITIC PACIFIC LTD. ....	Conglomerates	3.41%
HONG KONG ELECTRIC HOLDINGS LTD. ....	Utilities	2.90%
CATHAY PACIFIC AIRWAYS LTD. ....	Airlines	2.24%
HONG KONG AND CHINA GAS CO. LTD. ....	Utilities	1.95%
WHEELLOCK AND COMPANY LTD. ....	Conglomerates	1.82%
BANK OF EAST ASIA LTD. ....	Finance	1.62%
HYSAN DEVELOPMENT CO. LTD. ....	Property Development	1.32%
AMOY PROPERTIES.....	Property Development	1.29%
HOPEWELL HOLDINGS LTD. ....	Property Development	1.26%
SINO LAND COMPANY LTD. ....	Property Development	1.14%
HANG LUNG DEVELOPMENT CO. LTD. ....	Property Development	1.12%
HENDERSON INVESTMENT LTD. ....	Property Development	1.03%
HONG KONG AND SHANGHAI HOTELS LTD. ....	Hotel/Leisure	0.70%
CHINESE ESTATES HOLDINGS. ....	Property Development	0.63%
GUANGDONG INVESTMENT. ....	Property Investment	0.62%
GREAT EAGLE HOLDINGS LTD. ....	Property Development	0.59%
SHUN TAK HOLDINGS. ....	Transportation	0.46%
ORIENTAL PRESS GROUP ....	Publisher	0.24%
TAI CHEUNG (HOLDINGS) LTD. ....	Property Investment	0.23%

</TABLE>

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

HISTORICAL DATA ON THE INDEX

The following table sets forth the level of the Index at the end of each month, in the period from January 1, 1989 through January 31, 1996. All historical data presented in the following table relating to periods before September 1, 1993 (the date the AMEX commenced the daily calculation and public dissemination of the Index) were calculated by the AMEX and are presented as if the Index had existed during such periods, based on the Underlying Stocks contained in the Index as of June 25, 1993, and such closing levels have been calculated hypothetically on the same basis that the Index is calculated. All historical data presented in the following table relating to periods after September 1, 1993 are based on actual data from the Index. These historical data on the Index are not necessarily indicative of the future performance of the Index or what the value of the Notes may be. Any historical upward or downward trend in the level of the Index during any period set forth below is not any indication that the Index is more or less likely to increase or decrease at any time during the term of the Notes.

S-22

<TABLE>  
<CAPTION>

	MONTH-END CLOSING LEVEL -----
<S>	<C>
1989:	
January.....	149.88
February.....	147.27
March.....	146.46
April.....	152.01
May.....	133.76
June.....	110.46
July.....	125.78
August.....	123.02
September.....	135.71
October.....	135.04
November.....	136.23
December.....	140.32
1990:	
January.....	136.29
February.....	146.44
March.....	149.57
April.....	146.77
May.....	156.58
June.....	164.36
July.....	172.48
August.....	154.24
September.....	137.78
October.....	149.74
November.....	148.38
December.....	151.46
1991:	
January.....	162.42
February.....	177.56
March.....	187.39
April.....	179.85
May.....	186.43
June.....	184.68
July.....	201.91
August.....	201.49
September.....	200.42
October.....	204.76
November.....	209.96
December.....	217.58
1992:	
January.....	233.06
February.....	250.01
March.....	249.71
April.....	271.89
May.....	308.30
June.....	309.67
July.....	296.24
August.....	282.96

</TABLE>

S-23

<TABLE>  
<CAPTION>

	MONTH-END CLOSING LEVEL -----
<S>	<C>
1992:	

September.....	276.67
October.....	311.14
November.....	291.86
December.....	276.73
1993:	
January.....	287.74
February.....	318.99
March.....	319.68
April.....	341.75
May.....	369.20
June.....	354.06
July.....	348.06
August.....	374.08
September.....	382.05
October.....	467.64
November.....	458.93
December.....	598.98
1994:	
January.....	576.69
February.....	519.77
March.....	452.60
April.....	449.25
May.....	479.28
June.....	437.47
July.....	474.92
August.....	499.22
September.....	479.69
October.....	485.14
November.....	424.51
December.....	412.70
1995:	
January.....	369.57
February.....	421.35
March.....	435.22
April.....	421.62
May.....	475.92
June.....	465.60
July.....	477.39
August.....	462.52
September.....	486.91
October.....	492.85
November.....	494.12
December.....	507.26
1996:	
January.....	574.55

</TABLE>

S-24

The following graph sets forth the historical performance of the Index at the end of each month from January 1989 through January 1996. Past movements of the Index are not necessarily indicative of the future Index values. On February 2, 1996 the closing level of the Index was 579.79.

[The graph sets forth the historical month-end closing levels of the Index from January 1989 through December 1995, with the vertical axis specifying the month-end closing level in a range from 0 to 620 in increments of 20 and the horizontal axis specifying the time period in increments of three months from January 1989 through December 1995.]

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

#### THE HONG KONG STOCK EXCHANGE AND THE HONG KONG FUTURES EXCHANGE

As of September 29, 1995, the Hong Kong Stock Exchange was the world's ninth largest stock exchange based on U.S. dollar market capitalization. There are no market-makers in Hong Kong, but exchange dealers may act as dual capacity broker-dealers. All of the Underlying Stocks of the Index are traded through the computerized trading system. Trading is undertaken from 10:00 A.M. to 12:30 P.M. and then from 2:30 P.M. to 3:55 P.M. (Hong Kong time) every Hong Kong day except Saturdays, Sundays and other days on which the Hong Kong Stock Exchange is closed. Hong Kong time is 12 hours ahead of Eastern Daylight Savings Time and 13 hours ahead of Eastern Standard Time. Settlement of trades is required within 48 hours and is conducted by electronic book-entry delivery through the Central Clearing and Settlement System.

Due to the time differences between New York City and Hong Kong, on any normal trading day, trading on the Hong Kong Stock Exchange of the Underlying Stocks currently will cease at 2:55 A.M. or 3:55 A.M., New York City time. Using the last reported closing prices of the Underlying Stocks on the Hong Kong Stock Exchange, the level of the Index on any such trading day generally will be calculated, published and disseminated by the AMEX in the United States shortly prior to the opening of trading on the AMEX in New York on the same

calendar day.

The Hong Kong Stock Exchange has adopted certain measures intended to prevent any extreme short-term price fluctuations resulting from order imbalances or market volatility. Where the Hong Kong Stock Exchange considers it necessary for the protection of the investor or the maintenance of an orderly market, it

S-25

may at any time suspend dealings in any securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the listed issuer or not. The Hong Kong Stock Exchange may also do so where: (1) an issuer fails, in a manner which the Hong Kong Stock Exchange considers material, to comply with the Hong Kong Stock Exchange Listing Rules or its Listing Agreements; or (2) the Hong Kong Stock Exchange considers there are insufficient securities in the hands of the public; or (3) the Hong Kong Stock Exchange considers that the listed issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the issuer's securities; or (4) the Hong Kong Stock Exchange considers that the issuer or its business is no longer suitable for listing. Investors should also be aware that the Hong Kong Stock Exchange may suspend the trading of individual stocks in certain limited and extraordinary circumstances, until certain price-sensitive information has been disclosed to the public. For instance, dealing on a listed company's shares will normally be suspended when information about an intention to make a private placing, or a very substantial transaction compared to the net asset value of the company, has been leaked through an improper channel. Trading will not be resumed until after a formal announcement has been made. Trading of a company's shares may also be suspended if there is unusual trading activity in that stock.

An issuer may apply for suspension on its own accord. A suspension request will normally only be acceded to in the following circumstances: (1) where, for a reason acceptable to the Hong Kong Stock Exchange, price-sensitive information cannot at that time be disclosed; (2) where the issuer is subject to an offer, but only where terms have been agreed in principle and require discussion with, and agreement by, one or more major shareholders (suspensions will only normally be appropriate where no previous announcement has been made); (3) to maintain an orderly market; (4) where there is an occurrence of certain levels of notifiable transactions, such as substantial changes in the nature, control or structure of the issuer, where publication of full details is necessary to permit a realistic valuation to be made of the securities concerned, or the approval of shareholders is required; (5) where the issuer is no longer suitable for listing, or becomes a "cash" company; or (6) for issuers going into receivership or liquidation.

As a result of the foregoing, variations in the Index may be limited by suspension of trading of individual stocks which comprise the Index which may in turn, adversely affect the value of the Notes. In addition, a partial or total halt in trading of all of the Underlying Stocks could result in a Market Disruption Event. See "Description of Notes--Adjustments to the Index; Market Disruption Events" herein.

Because the Index uses certain of the same securities in its calculation as the Hang Seng Index ("HSI"), another stock index, the HSI is referenced to determine if a Market Disruption Event has occurred. A Market Disruption Event can occur if there is a suspension or material limitation on the HK Futures Exchange of trading in futures or options contracts related to the HSI. The stock index contracts traded on the HK Futures Exchange are based upon the HSI and its four sub-indices: properties, utilities, finance, and commerce and industry. The HSI is a value-weighted index of 33 stocks and every stock in the HSI is represented in one of the four sub-indices. The following Underlying Stocks of the Index (as of December 29, 1995) are not constituent securities of the HSI: Chinese Estates Holdings, Henderson Investment Ltd. and Tai Cheung (Holdings) Ltd. The following constituent securities of the HSI (as of December 29, 1995) are not Underlying Stocks of the Index: Hong Kong Aircraft Eng. Co. Ltd., Johnson Electric Holdings Ltd., Mirmar Hotel and Inv. Co. Ltd., Shangri-La Asia Ltd., South China Morning Post (Holdings) Ltd. and Television Broadcasts Ltd. The Index also differs from the HSI in that, among other things, the selection, maintenance and replacement criteria for the constituent securities of the two indices are not the same and that they are operated and governed by the rules of different entities.

Currently, the contracts listed on the HK Futures Exchange are HSI futures, HSI sub-indices futures, HSI options, gold and Hong Kong Interbank Offered Rate futures. There is a daily maximum fluctuation limit of 300 points imposed on the HSI contracts (not applicable to spot mark contracts). Once the limit is touched, orders cannot be transacted above (the outside limit) or below (the downside limit) but orders within the range can continue to trade.

S-26

The foregoing discussion reflects the current rules governing the Hong Kong Stock Exchange and the HK Futures Exchange, which are subject to change.

The HK Futures Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. The HK Futures Exchange has made no assessment of, nor taken any responsibility for, the financial soundness of the Company or the merits of investing in the Notes, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

"Hong Kong Futures Exchange" and "HK Futures Exchange" are trademarks of the Hong Kong Futures Exchange Ltd.

#### CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Set forth in full below is the opinion of Brown & Wood, counsel to the Company, as to certain United States Federal income tax consequences of the purchase, ownership and disposition of the Notes. Such opinion is based upon laws, regulations, rulings and decisions now in effect (or, in the case of certain regulations, in proposed form), all of which are subject to change (including retroactive changes in effective dates) or possible differing interpretations. The discussion below 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, tax-exempt entities, or persons holding Notes as a hedge against currency risks or as a position in a "straddle" for tax purposes. It also does not deal with holders other than original purchasers (except where otherwise specifically noted herein). The following discussion also assumes that the issue price of the Notes, as determined for United States Federal income tax purposes, equals the principal amount thereof. Persons considering the purchase of the Notes should consult their own tax advisors concerning the application of the 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 herein, the term "U.S. Holder" means a beneficial owner of a Note that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate or trust the income of which is subject to United States Federal income taxation regardless of its source or (iv) any other person whose income or gain in respect of a Note is effectively connected with the conduct of a United States trade or business. As used herein, the term "non-U.S. Holder" means a beneficial owner of a Note that is not a U.S. Holder.

#### GENERAL

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

S-27

each Note will be treated as a debt instrument of the Company for United States Federal income tax purposes. If the Notes are not in fact treated as debt instruments of the Company for United States Federal income tax purposes, then the United States Federal income tax treatment of the purchase, ownership and disposition of the Notes could differ from the treatment discussed below with the result that the timing and character of income, gain or loss recognized in respect of a Note could differ from the timing and character of income, gain or loss recognized in respect of a Note had the Notes in fact been treated as debt instruments of the Company for United States Federal income tax purposes.

#### U.S. HOLDERS

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

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

Upon the sale, exchange or retirement of a Note, a U.S. Holder generally would recognize taxable gain or loss in an amount equal to the difference, if any, between the amount realized on the sale, exchange or retirement and such U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal such U.S. Holder's initial investment in the Note. Such gain or loss generally should be capital gain or loss and should be long-term capital gain or loss if the Note were held by the U.S. Holder for more than one year (subject to the market discount rules, as discussed below). It is possible, however, that the IRS could assert that any amounts realized upon the sale or exchange of a Note prior to its maturity in excess of the principal amount thereof constitutes ordinary interest income (subject to the bond premium rules, as discussed below). Nonetheless, although the matter is not free from doubt, under current law, any gain realized upon the sale or exchange of a Note prior to its maturity should be treated entirely as capital gain (subject to the market discount rules, as discussed below).

Prospective investors in the Notes should be aware that on December 16, 1994, the Treasury Department issued proposed regulations (the "Proposed Regulations") concerning the proper United States Federal income tax treatment of contingent payment debt instruments such as the Notes. The Proposed Regulations, however, are proposed to apply only to debt instruments issued 60 days or more after the date on which the Proposed Regulations are published as final Treasury regulations. Accordingly, if ultimately adopted in their current form, the Proposed Regulations would not apply to the Notes. Furthermore, proposed Treasury regulations are not binding upon either the IRS or taxpayers prior to becoming effective as temporary or final regulations. In general, if ultimately adopted in their current form, the Proposed Regulations would cause the timing and character of income, gain or loss reported on a contingent payment debt instrument to substantially differ from the timing and character of income, gain or loss reported on a contingent payment debt instrument under general principles of current United States Federal income tax law (as described above). Specifically, the Proposed Regulations generally would require a U.S. Holder of such an instrument to include future contingent interest payments in income as such interest accrues based upon a projected payment schedule. Moreover, in general, under the Proposed Regulations, any gain recognized by a U.S. Holder on the sale, exchange, or retirement of a contingent payment debt instrument such as the Notes would be treated as ordinary income and a portion of any loss realized could be treated as ordinary loss as opposed to capital loss (depending upon the circumstances). Prospective investors in the Notes are urged to consult their own tax advisers concerning the effect, if any, of the Proposed Regulations on their investment in the Notes.

S-28

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

#### MARKET DISCOUNT AND PREMIUM

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

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

the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Note with market discount until the Note's maturity or certain earlier dispositions of the Note, 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 regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest for United States Federal income tax purposes and a U.S. Holder would increase its tax basis in the Note by the amount of any such currently included market discount. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

If a U.S. Holder purchases a Note for an amount that is greater than its stated redemption price at maturity (i.e., the Note's stated principal amount), such 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. A U.S. Holder generally will reduce its tax basis in the Note by the amount of any interest offset taken. Such election, if made, would apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which such election applies and to all debt instruments acquired by such U.S. Holder thereafter. Such election would also be irrevocable once made, unless the U.S. Holder making such an election obtains the express consent of the IRS to revoke such election.

#### ORIGINAL ISSUE DISCOUNT

Prospective investors in the Notes should be aware that if the principal amount of a Note exceeds the issue price of the Note, as determined for United States Federal income tax purposes, by more than a specified de minimis amount (generally 1/4 of 1% of the principal amount of the Note multiplied by the number of complete years from the Note's issue date to its maturity date), then such Note will be treated as having been issued with original issue discount. If a significant percentage of the total aggregate amount of the Notes originally issued is sold at a discount from the principal amount thereof (e.g. pursuant to the discounts noted

S-29

on the cover of this Prospectus Supplement), then the issue price of the Notes, as determined for United States Federal income tax purposes, may be less than the principal amount of the Notes and the Notes may be issued with original issue discount. In general, a U.S. Holder of a Note issued with original issue discount would be required to include such original issue discount into income as ordinary interest over the entire term of the Note using a constant yield method. A U.S. Holder would increase such U.S. Holder's tax basis in a Note by any original issue discount included in income by such U.S. Holder. Nevertheless, if a U.S. Holder purchases a Note issued with original issue discount for an amount equal to the principal amount thereof, such U.S. Holder would not be required to include any such original issue discount into income.

#### NON-U.S. HOLDERS

A non-U.S. Holder will not be subject to United States Federal income taxes on payments of principal, premium (if any) or interest (including original issue discount, if any) on a Note, unless such non-U.S. Holder is a direct or indirect 10% or greater shareholder of the Company, a controlled foreign corporation related to the Company or a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended. However, income allocable to non-U.S. Holders will generally be subject to annual tax reporting on IRS Form 1042S. For a non-U.S. Holder to qualify for the exemption from taxation, the last United States payor in the chain of payment prior to payment to a non-U.S. Holder (the "Withholding Agent") must have received in the year in which a payment of interest or principal occurs, or in either of the two preceding calendar years, a statement that (i) is signed by the beneficial owner of the Note under penalties of perjury, (ii) certifies that such owner is not a U.S. Holder and (iii) provides the name and address of the beneficial owner. The statement may be made on an IRS Form W-8 or a substantially similar form, and the beneficial owner must inform the Withholding Agent of any change in the information on the statement within 30 days of such change. If a 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.

Generally, a non-U.S. Holder will not be subject to Federal income taxes on any amount which constitutes capital gain upon retirement or disposition of a 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.

Under current law, a Note will not be includible in the estate of a non-U.S. Holder unless the individual is a direct or indirect 10% or greater shareholder of the Company or, at the time of such individual's death, payments in respect of such Note 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 (i) the broker determines that the seller is a corporation or other exempt

S-30

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

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

#### USE OF PROCEEDS

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

#### UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") has agreed, subject to the terms and conditions of the Underwriting Agreement and a Terms Agreement, to purchase from the Company \$45,000,000 aggregate principal amount of Notes. The Underwriting Agreement provides that the obligations of the Underwriter are subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Notes if any are purchased.

The Underwriter has advised the Company that it proposes initially to offer all or part of the Notes directly to the public at the offering prices set forth on the cover page of this Prospectus Supplement and to certain dealers at such prices less a concession not in excess of 1.5% of the principal amount of the Notes. After the initial public offering, the public offering price and concession may be changed.

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

#### VALIDITY OF NOTES

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

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

TABLE OF CONTENTS  
PROSPECTUS SUPPLEMENT

<TABLE>  
<CAPTION>

	PAGE
<S>	<C>
Summary.....	S-3
Risk Factors.....	S-6
Recent Developments.....	S-10
Description of Notes.....	S-13
The Index.....	S-19
Certain United States Federal Income Tax Considerations.....	S-27
Use of Proceeds.....	S-31
Underwriting.....	S-31
Validity of Notes.....	S-31

PROSPECTUS

</TABLE>  
<TABLE>  
<S>

Available Information.....	2
Incorporation of Certain Documents by Reference.....	2
Merrill Lynch & Co., Inc. ....	3
Use of Proceeds.....	3
Summary Financial Information.....	4
Description of Debt Securities.....	8
Description of Debt Warrants.....	12
Description of Currency Warrants.....	13
Description of Index Warrants.....	14
Plan of Distribution.....	19
Experts.....	19

</TABLE>

[LOGO]

\$45,000,000

MERRILL LYNCH & CO., INC.

AMEX HONG KONG 30 INDEX\*  
EQUITY PARTICIPATION NOTES DUE  
FEBRUARY 16, 1999

PROSPECTUS SUPPLEMENT

MERRILL LYNCH & CO.

FEBRUARY 2, 1996

\*The "AMEX Hong Kong 30 Index" is a service mark of the American Stock Exchange.