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BLOOMBERG NEWS

* The Chicago Board Options Exchange, the nation's biggest stock options market, offered Wednesday to buy the options business of the Philadelphia Stock Exchange, as mergers increase among U.S. financial markets.

The CBOE, which holds 55% of the U.S. options business, didn't say how much it would pay for the unit, which holds 8%.

The Philadelphia exchange said it's considering the offer.

The bid competes with one from the American Stock Exchange, the No. 2 options market with less than a quarter of the market.

"The Philadelphia Stock Exchange is probably dead last in terms of profitability and efficiency, and the CBOE is the best operating stock options exchange," said Robert Whaley, professor of finance at the Fuqua School of Business at Duke University.

"Presumably, that efficiency will be passed along. Also, there are additional stocks that Philly has on its slate that the CBOE doesn't have."

Despite soaring trading volume for stocks and options in the 1990s bull market, mergers are increasing among exchanges as investors press for ever-lower trading costs.

Earlier this year, the National Assn. of Securities Dealers agreed to buy the American Stock Exchange.

The CBOE transferred the New York Stock Exchange's options business to its floor in April 1997. Meanwhile, the Coffee, Sugar & Cocoa Exchange and the New York Cotton Exchange are expected to complete their merger this month.

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