

**Re: S7-2026-06, 24X Exemption Request**

Dear Ms. Haywood,

Thank you for the opportunity to comment on this exemption request from 24X.

Market infrastructure changes take time. The Operating Committees of Equity Data Plans expect to launch extended hours for SIPs in December 2026. Assuming the launch date is approved and implemented as planned, the roughly two-year period between the conditional approval of 24X's exchange registration in November 2024 and the start of overnight operations in December 2026 is not unusually long by the standards of market infrastructure development.

The relevant question, then, is whether the Commission should grant 24X an exemption permitting it to operate overnight trading before December 2026. I believe the Commission should decline the exemption request, for three reasons.

**First, an exemption would trigger a wave of similar requests from other exchanges, leading to a fragmented overnight market.** Without a consolidated SIP to provide investors with a market-wide view, each exchange would disseminate its own quotes and trade data. Such fragmented liquidity can result in degraded execution quality. This is precisely why, in its original approval of 24X, the Commission made overnight trading contingent on an operational overnight SIP.

**Second, an ad hoc exemption and early start date of overnight trading could leave market participants underprepared,** resulting in compromised best execution and risk management. This concern applies to all markets that rely on stock prices, including securities lending and options.

**Third, an early and uncoordinated start of overnight stock trading could trigger option repricing and wealth transfers.** Because option prices are increasing in volatility, the core issue is how overnight trading affects stock volatility—an effect that is difficult to predict. Greater retail and international participation in overnight sessions, driven by reactions to global economic and geopolitical news, could raise overall trading volume and introduce additional volatility, benefiting long option holders at the expense of short option holders. Alternatively, retail trading at night could help market makers unwind inventories and dampen volatility, producing the opposite wealth transfer from long option holders to short option holders. Given the uncertainty around the direction and magnitude of these effects, the only way market participants can adequately prepare and manage the associated risks is through **a firm, industry-wide implementation date announced with sufficient lead time.** December 2026, the date proposed by Equity Data Plans Operating Committees, appears to be a reasonable choice.

Sincerely,  
Haixiang Zhu  
MIT and NBER