

## Trade at Settlement, Trade at Marker, and Basis Trade Index Close

Updated January 25, 2016

This document summarizes the special processing behavior in CME Clearing's trade messaging for **Trade at Settlement (TAS)**, **Trade at Marker (TAM)**, and **Basis Trade Index Close (BTIC)** transactions.

These three transaction types are all analogous in that the trade is executed at a differential from a not-yet-known price. For TAS, that not-yet-known price is the end-of-day settlement price for the contract. For TAM, it's some other value – a “marker” price. A BTIC is just a special name for TAM transactions in equity index futures, where the marker price is the closing value of the underlying equity index.

For example, CME offers both TAS and TAM trades on NYMEX crude oil futures. On CME Globex, a separate trading symbol is used to distinguish these: normal crude oil trades are in symbol **CL**, TAS trades are in symbol **CLT**, and TAM trades are in symbol **CLL**. The TAS trades – in symbol **CLT** – are done at a differential from the end of day settlement price in the crude oil future, and the TAM trades – in symbol **CLL** – are done at a differential from the 4:30pm London market closing price.

The FIXML trade confirmation message sent by the clearing system to the firm bookkeeping system always specifies the product code as the actual normal clearing product code – not the traded symbol. So for example, the **ID** field in the Instrument block for a TAS or TAM trade in crude oil futures will always have the primary symbol for crude oil futures: **ID="CL"**. Firms will never have positions in the TAS or TAM trading symbols, and need not set these up in their bookkeeping systems.

To distinguish a TAS or TAM trade from a normal trade, the trade confirmation message uses the Trade Subtype attribute. For example, **TrdSubTyp="40"** means that it's a TAS trade, and **TrdSubTyp="43"** means it's a TAM trade.

Because the final price for the trade can't be known at the time the trade is cleared, the initial trade confirmation message will provide a preliminary, estimated value for what that price will be in the normal **LastPx** field. The Price Subtype field with a value of zero tells you that this is a preliminary (not final) price: **PxSubTyp="0"**

Later that day, one or more change messages (**TransTyp="2"**) will be sent. You are guaranteed to receive one with **PxSubTyp="1"** meaning that this is the final value for the trade price. Prior to receiving that final change message, you may also receive one or more change messages with **PxSubTyp="0"**, meaning that these are updates to the preliminary, estimated price.

In addition to change messages for the original trade, these price update messages are also sent for giveup and averaging transactions, in particular on the Allocation Report and Allocation Instruction Alert messages.

On all of these messages, the differential price at which the transaction was actually executed is provided in the **DiffPx** field, for example: **DiffPx="-8.35"**. The Differential Price Type attribute will also be provided with a value of zero, for example: **DiffPxTyp="0"**

For any given contract, it is possible to have TAM trades on more than one marker price. To allow firms to distinguish between these, the “marker product code” is provided in an Alternate ID block of type **112**. For example: **<AID AltID="CL2" AltIDSrc="112"/>**. This is telling you that **CL2** is the symbol used on market data feeds to provide the daily value of the marker price.