

TO: CME CORE Users

FROM: CME Clearing

DATE: March 28, 2017

SUBJECT: CME CORE Update: New Uncleared Margin Analysis for OTC FX, Beta testing for CME

CORE's New UI and Real-time Features

ADVISORY #: 17-119

OTC FX Uncleared Margin Analysis

CME CORE OTC FX functionality was updated with the ability to calculate indicative margin results for cleared and uncleared portfolios and identify potential margin efficiencies that can be achieved through clearing.

CORE leverages a combination of the ISDA SIMM* and CME Group margin methodologies to evaluate a user's overall margin exposure and impacts of clearing OTC FX trades through CME. This feature will be available via CORE's beta version of the new user interface. To obtain access to the feature, please reach out to the CORE team at CME.CORE@CMEGroup.com.

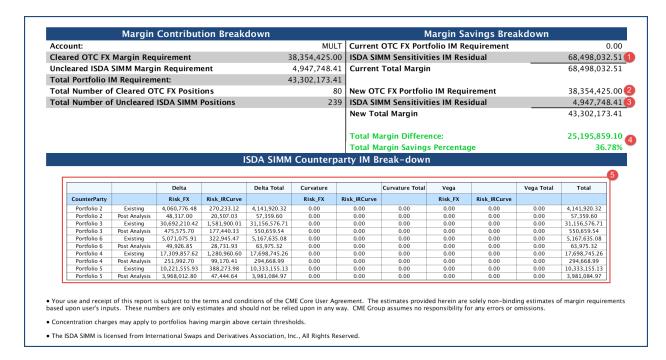
To view a video demonstration of this feature please visit our CORE online demo page here: http://www.cmegroup.com/clearing/cme-core-overview-demo.html

To perform the analysis, users will need to provide the following inputs to CORE:

- 1. Sensitivities for uncleared portfolio
- 2. Potentially clearable OTC FX trades that are currently uncleared

Once the analysis is complete, CORE will provide the following margin statistics:

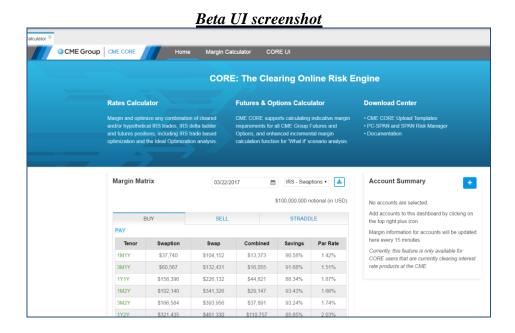
- 1. Uncleared margin requirement (ISDA SIMM*)
- 2. Margin requirement for OTC FX trades, if cleared at CME (CME margin model)
- 3. Updated uncleared margin requirement (ISDA SIMM*)
 - a. Sensitives for trades brought into clearing are removed from uncleared portfolio
- 4. Total margin impact comparing cleared and uncleared margin requirements
- 5. Uncleared margin requirement broken out by counterparty and Greek risk factor (ISDA SIMM*)
 - a. Delta, Curvature, Vega



CORE's New User Interface

In the months ahead, a new version of CORE's UI will be made available for all asset classes for a public beta testing period. We will make the Beta UI available in parallel with the current production UI and plan to incorporate user feedback and launch the updated UI later this year.

The first feature available through the new UI is CME CORE's OTC FX Uncleared Margin Analysis feature. The CME CORE support team is interested in receiving feedback about the new UI from CORE users. Please contact cme.core@cmegroup.com to gain access to the beta version of the UI and provide feedback.



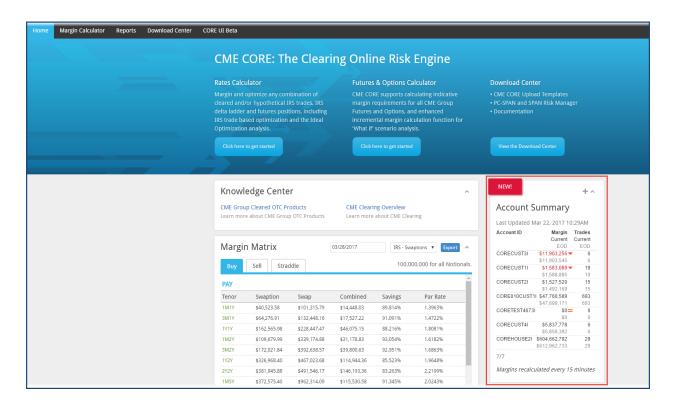
Gain access to your CME Group cleared IRS portfolios and margin requirements via CORE's Real time features

Real-Time Margin Dashboard

The Real-time Margin Dashboard allows you to access margin trade data for cleared OTC interest rate swaps (IRS) portfolios. This information is provided for both end-of-day portfolios as well as intra-day portfolios and includes updated trading activity that occurs throughout the trading day. Trade data is refreshed every 15 minutes for current portfolios, providing users a real-time view into their margin requirements.

This data is also available through the Margin API.

 $\frac{http://www.cmegroup.com/confluence/display/EPICSANDBOX/Margin+Service+API+-+Analytics+-+RealTimeMargin}{}$



Real-time Positions (My Cleared Trades)

The 'My Cleared Trades' feature of CME CORE provides you access to data for your OTC interest rate swap (IRS) cleared trades. Cleared trade data is available for your end-of-day and current portfolios. You simply select cleared portfolios, then utilize the existing CME CORE infrastructure to seamlessly request margin results, view cleared trade data, and perform hypothetical analysis.

Link to additional information on CORE's Real-time features can be found here:

Info Page: http://www.cmegroup.com/trading/otc/otc-analytics-in-cme-core.html

Online demos: http://www.cmegroup.com/clearing/cme-core-overview-demo.html

Please contact the CME CORE group at CME.CORE@CMEGroup.com with any questions.

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