

Deal Management System

CLEARING THE WAY FORWARD



CME's Deal Management System (DMS) provides a real-time portal for cleared OTC interest rate swaps (IRS) and swaptions. Both buy-side clients and dealers can access this system. DMS helps users to manage their portfolios by providing the ability to search and view OTC IRS and swaptions as well as exercise and abandon swaptions.

Getting Access to Deal Management System

A CME Smart Click ID is required before access for DMS can be processed. Existing users who have already created a smart click ID from another CME application can leverage this ID and skip the ID setup step. New users can obtain a Smart Click ID by following the below link and setup instructions. <https://login.cmegroup.com/sso/register/>

Following profile registration confirmation, an activation email is sent to the entered email address. Activation is necessary to login to the account.

1. To request DMS access, complete the OTC IRS DMS Swaptions Access Request Form: <http://cmegroup.com/clearing/files/OTC-DMS-Swaptions-Form.docx>
2. Email completed form to EASE.AtYourService@cmegroup.com, including signature from Verification Officer. If unsure who the verification officer is, send an email to EASE.AtYourService@cmegroup.com requesting this information.
3. Once DMS access has been granted, the EASE team will send a confirmation email
4. Use your SMART Click ID to login into DMS:
 - a. New Release: <https://dmsnr.cmegroup.com>
 - b. Production: <https://dms.cmegroup.com>

DMS Functionality: Trade Search and View

All IRS products within a permissioned account are viewable to the user, including swaptions. DMS users may use the search criteria within the application to view their trades:

Exercise & Abandon Swaptions in DMS

Users may view long positions by selecting the Options Exercise and Assignment Long tab. Swaptions expiring top day are displayed in both the Long and Short tabs. Between the hours of 9:00 to 11:00 a.m. ET on expiration date, users may exercise and abandon their cleared swaptions at CME:

Long Swaption holders may perform the following functions on expiry date:

1. Set intent to exercise at expiry by ticking the **Exercise** checkbox and clicking the **Submit Instructions** button:

Template	Buy/Sell	Side	Rate	Notional	Fee	Status	E&A Amount	Exercise	Abandon	Now!
SWOPTUSD	Buy	Pay	3.0	5,000,000.00	Fee Detail	Open	5,000,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Exercise in real-time by ticking the **Exercise** and **Now!** checkboxes and clicking the **Submit Instructions** button:

Template	Buy/Sell	Side	Rate	Notional	Fee	Status	E&A Amount	Exercise	Abandon	Now!
SWOPTUSD	Buy	Pay	3.0	5,000,000.00	Fee Detail	Open	5,000,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3. Set intent to abandon at expiry by ticking the **Abandon** checkbox and clicking the **Submit Instructions** button:

Template	Buy/Sell	Side	Rate	Notional	Fee	Status	E&A Amount	Exercise	Abandon	Now!
SWOFTUSD	Buy	Pay	3.6	5,000,000.00	Fee Detail	Open	5,000,000.00	<input checked="" type="checkbox"/>	All <input type="checkbox"/>	<input checked="" type="checkbox"/>

4. Bulk exercise or abandon

a. Individually select multiple swaptions to exercise or abandon in one submission:

E&A Amount	Exercise	Abandon
10,000,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10,000,000.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>

View Assigned Swaptions in DMS

Users may view short positions by selecting the **Options Exercise and Assignment Short** tab. The short swaption holder may view all of the same information as the long swaption holder, but will not have the ability to exercise or abandon the swaption. The short swaption holder may monitor trade Status and Exercised Notional in real-time as shown below:

Side	Rate	Notional	Fee	Status	Exercised Notional
Pay	2.25	5,000,000.00	-	Assigned	5,000,000.00
Straddle - P	3.2	15,000,000.00	Fee Detail	Open	
Straddle - R	3.2	15,000,000.00	Fee Detail	Open	
Pay	3.6	5,000,000.00	Fee Detail	Open	
Pay	2.25	10,000,000.00	Fee Detail	Open	
Pay	2.25	10,000,000.00	Fee Detail	Partially Assigned	5,000,000.00

Fallback Exercise Procedure

It is assumed that the long swaption holder will exercise or abandon all swaptions due to expire prior to the 11:00 am ET expiration time. For positions that have not been exercised or abandoned, CME uses a 10:50 am ET valuation to determine moneyness, along with a 10 bps ITM threshold which is consistent with ISDA protocol. Please reference the *OTC IR Swaptions DMS User Guide* for more information.



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