

TO: CME CORE OTC users

FROM: CMEEclearing@cmegroup.com

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SUBJECT: Margin Services: New Software and CORE Features

ADVISORY #: 16-280

Please be advised that the CME margin services offering has been expanded to include the below margin software, CME CORE GUI & API features and CORE product support.

### **New Features:**

#### Deployable Margin Software

- ✓ Access to margin methodology to run batch and real-time (service mode) margin calculations
- ✓ Users control uptime, scalability, and performance  
The solution is hosted on the firm's servers locally
- ✓ Historical margin calculations  
Starting at the date that the product launched and forward, risk data is available for users to access in order to run historical margin analysis
- ✓ Ability to configure across multiple platforms
- ✓ Available for IRS and CDS products

#### Real-time Positions (My Cleared Trades)

- ✓ Access to cleared IRS and cross-margined futures on CORE GUI
- ✓ Reduces the need to upload cleared portfolios to CORE
- ✓ Provides a view into real-time\* (current) and end of day portfolio data
- ✓ Users continue to leverage existing workflows to perform hypothetical "what-if" analysis

Link to additional information: <http://www.cmegroup.com/trading/otc/otc-analytics-in-cme-core.html>

#### Real-time Margin Dashboard

- ✓ Access to CME cleared performance bond accounts directly from CORE's home page

- ✓ Instant view into real-time\* (current) and end of day margin requirements and trade counts
- ✓ Reduces the need to upload cleared portfolios to CORE
- ✓ Real-time\* (current) margin requirements updated every 15 minutes throughout the day
- ✓ Configurable account summary screen

Link to additional information: <http://www.cmegroup.com/trading/otc/otc-analytics-in-cme-core.html>

#### Real-time Margin over API

- ✓ Integrate cleared real-time\* (current) and end of day margins into internal applications
- ✓ Develop internal, automated risk monitoring and reconciliation with Clearing Member Firm
- ✓ Request single, multiple, or all performance bond accounts multiple times throughout the day
- ✓ Simple xml request submitted using REST web service technology

#### Margin Matrix over API

- ✓ Allows users to consume indicative margin matrices
- ✓ User executes basic GET call using REST web service technology
- ✓ Supported products:
  - IRS (Vanilla, OIS)
  - Swaption (Buy, Sell, Straddle)
  - CDS
- ✓ User receives simple xml response
- ✓ Covered under margin service API agreement, no additional onboarding required

#### Net Present Value (NPV) Calculation

- ✓ Ability to calculate US dollar equivalent NPVs for OTC IRS portfolios  
Displayed on portfolio grid, margin reports, and over the API

#### Delta Ladder Creation

- ✓ Ability to generate ad-hoc delta ladders to monitor portfolio Greeks and risk profile  
Delta ladder report available in CSV format via CORE's report tab

#### **New Products Supported:**

##### Swaptions & Brazilian Real Interest Rate Swaps (BRL)

- ✓ Perform hypothetical analysis on existing IRS portfolios by assessing the impact of adding BRL and Swaptions trades

- ✓ Supported in CORE's GUI and API
- ✓ Sample templates available in CORE's Download Center
- ✓ Swaptions margin matrix available on CORE's home page

#### CME Clearing Europe F&O

- ✓ Calculate the margin result for all CME Clearing Europe F&O portfolios

#### **Onboarding:**

##### Deployable Margin Software:

1. Execute NDA with CME CORE team
  - a. NDA must be in place to discuss cost of software
2. Execute 60 day evaluation license agreement
3. After 60 day evaluation period, execute commercial license agreement

##### Real-time Margin Dashboard, Dashboard over API & Positions:

1. Log into CORE (<https://cmecore.cmegroup.com/core/>) utilizing a user-defined SMART Click ID. Click "Need to Register" to create a SMART Click ID if you do not currently possess one.
2. Navigate to CME CORE's download center to download a Cleared Trade Information access form. Navigating to CORE's download center: Login to CORE and land on home page, click Download Center, documents, and scroll down to "Cleared Trade Information".
3. Please fill out all required information and return the form to the CME CORE team at [CME.CORE@cmegroup.com](mailto:CME.CORE@cmegroup.com).
4. Once form has been received and reviewed by the CME CORE team, please expect correspondence from the CME Group's EASE team ([EASE.AtYourService@cmegroup.com](mailto:EASE.AtYourService@cmegroup.com)) for approval for your request from your firm's verification officer.
5. Once your request has been approved by your firm's verification officer, the CME CORE team will grant the Smart Click Id(s) on the Cleared Trade Information form access to your firm's cleared trade information. This will allow the approved users to utilize CORE's Analytic Dashboard, Analytic Dashboard over the API, and My Cleared Trades (Clearing System Integration).

Please contact the CME CORE group at [cme.core@cmegroup.com](mailto:cme.core@cmegroup.com) with any questions.

\*Margin calculations based on prior day's EOD market data