CME Group | Advisory Notice

TO: CME Optimizer Users

FROM: CME Clearing

DATE: August 25, 2016

ADVISORY #: 16- 338

SUBJECT: **New Version of CME Optimizer (9.0) Available for Download in CORE August 31, 2016: Mandatory Update Required in Production by October 3, 2016**

A new version of CME Optimizer (version 9.0) will be available to download for testing from **https://cmecore.cmegroup.com/core/** on **Wednesday, August 31, 2016**. All users must upgrade to the new version by October 3, 2016 in order to properly process existing market data files. Because Optimizer 9.0 is backwards compatible, upgrading before 10/3/16 is encouraged.

Optimizer 9.0 replaces version 8.0. New features for Optimizer 9.0 include:

1. Configurable transfer message format: New allocate and claim transfer model and old dual-sided transfer model
2. Ability to process new OIS IRS products launching October 3, 2016
3. Ability to Optimize new eligible portfolio margin products:
    a. 30 Day Federal Funds Futures (clearing code = 41)
    b. Ultra 10-Year U.S. Treasury Note Futures (clearing code = TN)

Users will not need to download new input files to run the new Optimizer and the minimum system requirements remain the same. For up to date general details about the Optimizer or the Portfolio Margin program, see here.

Further details about this release can be found below. Please reach out to cme.core@cmegroup.com with any questions.

Detailed Release notes:

1) In conjunction with the FEC+ transfer migration described here, Optimizer 9.0 has the ability to generate either dual-sided model transfers (current model) or single-sided/Allocate and Claim model transfers (new model post-FEC+ migration).
    a. Transfer message examples are located in the 'CME Optimizer' section of the CORE Download Center (see 'Accessing the latest version of CME Optimizer' below).
    b. Users can configure the Optimizer to run using either transfer message model within the cfg.xml file in the Program directory. The default setting is the new single-sided model.
        i. Dual-sided model configuration: Update 'SingleSidedReport' flag in cfg.xml file in Program directory to 'False'

```
<setting name="SingleSidedReport" serializeAs="String">
  <value>False</value>
```

        ii. Single-sided/allocate and claim model configuration: Update 'SingleSidedReport' flag in cfg.xml file in Program directory to 'True' (default setting):

```
<setting name="SingleSidedReport" serializeAs="String">
  <value>True</value>
```

c. The New Release environment will be available to test the new transfer message format starting 9/1/16.
d. A detailed message specification document is posted [here](#) (see section 3.8).

2) In conjunction with CME's launch of New OIS IRS currencies CAD and AUD on 10/3/16, Optimizer 9.0 is enhanced to calculate margin requirements and offsets using the new curves (below). The Optimizer is backwards compatible and does not require these new currencies to exist in the IRSDL file in order to run.
   a. New curve names:
      i. AUD_AONIA_1D_ERS
      ii. CAD_CORRA_1D_ERS
   b. New OIS IRS currencies will be published in IRS market data. Log_Return_yyyymmdd.nr.csv, ConcentrationBracket_yyyymmdd.nr.xml, and Base_Curves_yyyymmdd.nr.csv files in the New Release environment starting 8/31/16 and will move in to the production files on 10/3/16. Optimizer 8.0 does not support these new curves.

3) Optimizer 9.0 is able to run with new portfolio margining-eligible products TN and 41. The Optimizer is backwards compatible and does not require these new products to exist in the Positions file in order to run.
   a. The new products are configured to be included in Optimizer runs as a default in Optimizer 9.0. To remove these products from Optimization, update the PMEligible string from "true" to "false" in the Optimizer.exe extended configuration file within the Program directory.

```
<!--ExtendedSettings configSource="ExtendedSettings.xml"/-->
<ExtendedSettings>
 <ExtendedFutureContracts>
  <Add Name="41" Notional="100000" PriceBaseUnit="100" FutureType="Treasury" Rolling="false" PMEligible="true" />
  <Add Name="TN" Notional="100000" PriceBaseUnit="100" FutureType="Treasury" Rolling="false" PMEligible="true" />
 </ExtendedFutureContracts>
```

   b. New products 41 and TN will be published in IRS market data Log_Return_yyyymmdd.nr.csv, Base_Curves_yyyymmdd.nr.csv, and Futures_Delta_yyyymmdd.nr.csv files in the New Release environment starting 8/31/16 and will move in to the production files on 10/3/16. Optimizer 8.0 does not support these new products.

<u>Accessing the latest version of CME Optimizer (**available August 31, 2016**):</u>

1) Create a SMART Click ID if you do not already have one
   a. See steps below for creating one
2) Email your Smart Click ID to cme.core@cmegroup.com to be permissioned to download Optimizer if you have never been permissioned in the past
3) Log into CME CORE here: https://cmecore.cmegroup.com/
4) Go the Download Center → Software
   a. CME Optimizer and supporting documents will be available under 'CME Optimizer' section, if you have emailed cme.core @cmegroup.com your Smart Click ID (no purchase necessary).

<u>Steps for creating a SMART Click ID:</u>

1) Go to the CME CORE login screen: https://cmecore.cmegroup.com/
2) Click on the "Need to Register" link and provide the required information.
3) Receive your SMART Click ID. Please reach to **EASE_Globex_Request@cmegroup.com** with any questions about creating a SMART Click ID.

Please contact the CME CORE group at cme.core@cmegroup.com with any questions.