CME Group

17-185

TO: Clearing Member Firms Chief Financial Officers Back Office Managers Margin Managers

FROM: CME Clearing

SUBJECT **Delta-scaling factors to be modified for important FX, equity and ag products**

DATE: May 22, 2017

On the first three Fridays in June, CME Clearing will modify delta-scaling factors for certain important products, as specified below, so that the "full size" product will have a scaling factor of 1 and the "mini" products less than one.

This is already the norm for many products, so systems should have no issues and margins will be unaffected. Because of the importance of these products, however, and because this is a change to long-standing practice, we are providing this notification. These changes are already reflected in the "New Release" test versions of CME's SPAN file, and these files may be used for testing if desired.

**Effective with the end-of-day SPAN files on Friday, June 2, the change will be applied to the Euro FX (EC) and Japanese Yen (JY) combined commodities:**

| CC | Exch | Type | Codes | Description | Current Value | New Value |
|---|---|---|---|---|---|---|
| EC | CME | FUT | E7 | mini future | 1 | 0.5 |
| | | FUT | EC | full-size future | 2 | 1 |
| | | FUT | M6E | micro future | 0.2 | 0.1 |
| | | OOF | 1EU thru 5EU | Euro-style full-size | 2 | 1 |
| | | OOF | 1T thru 5T | Euro-style full-size 9am fixing | 2 | 1 |
| | | OOF | EC | Amer-style full-size | 2 | 1 |
| | | OOF | YT | Euro-style full-size | 2 | 1 |
| JY | CME | FUT | J1 | full-size future | 2 | 1 |
| | | FUT | J7 | mini future | 1 | 0.5 |
| | | FUT | MJY | micro future | 0.2 | 0.1 |
| | | OOF | 1JY thru 5JY | Euro-style full-size | 2 | 1 |
| | | OOF | 1Y thru 5Y | Euro-style full-size 9am fixing | 2 | 1 |
| | | OOF | J1 | Amer-style full-size | 2 | 1 |
| | | OOF | YJ | Euro-style full-size | 2 | 1 |

**Effective with the end-of-day SPAN file on Friday, June 9, the change will be applied to the S&P 500 combined commodity:**

| CC | Exch | Type | Codes | Description | Current Value | New Value |
|---|---|---|---|---|---|---|
| SP | CME | FUT | ES | mini future | 1 | 0.2 |
| | | FUT | SP | full-size future | 5 | 1 |
| | | OOF | E1A thru E5A | Euro mini Monday | 1 | 0.2 |
| | | OOF | E1C thru E5C | Euro mini Wednesday | 1 | 0.2 |
| | | OOF | ES | Amer mini option | 1 | 0.2 |
| | | OOF | EV | Euro full-size end-of-month | 5 | 1 |
| | | OOF | EV1 thru EV4 | Euro full-size end-of-month | 5 | 1 |
| | | OOF | EW | Euro mini end-of-month | 1 | 0.2 |
| | | OOF | EW1 thru EW4 | Euro mini end-of-month | 1 | 0.2 |
| | | OOF | S1A thru S5A | Euro full-size Monday | 5 | 1 |
| | | OOF | S1C thru S5C | Euro full-size Wednesday | 5 | 1 |
| | | OOF | SP | Amer full-size option | 5 | 1 |
| | | OOF | XP | Amer-style full-size flex | 5 | 1 |
| | | OOF | YP | Amer-style full-size flex | 5 | 1 |

**Effective with the end-of-day SPAN file on Friday, June 16, the change will be applied to the corn, soybeans, and wheat combined commodities:**

| CC | Exch | Type | Codes | Description | Current Value | New Value |
|---|---|---|---|---|---|---|
| C | CBT | FUT | C | full-size future | 5 | 1 |
| | | FUT | YC | mini future | 1 | 0.2 |
| | | OOF | C | full-size options | 5 | 1 |
| | | OOF | CDF | full-size short-dated | 5 | 1 |
| | | OOF | PY1 thru PY5 | full-size options | 5 | 1 |
| S | CBT | FUT | S | full-size future | 5 | 1 |
| | | FUT | YK | mini future | 1 | 0.2 |
| | | OOF | CZ1 thru CZ5 | full-size options | 5 | 1 |
| | | OOF | S | full-size options | 5 | 1 |
| | | OOF | SDF | full-size short-dated options | 5 | 1 |
| | | OOF | SRS | full-size short-dated new crop | 5 | 1 |
| W | CBT | FUT | W | full-size future | 5 | 1 |
| | | FUT | YW | mini future | 1 | 0.2 |
| | | OOF | W | full-size options | 5 | 1 |
| | | OOF | WDF | full-size short-dated new crop | 5 | 1 |
| | | OOF | WZ1 thru WZ5 | full-size options | 5 | 1 |

The “New Release” test SPAN files which already contain these changes are located at:
ftp://ftp.cmegroup.com/pub/span/data/cme/nr

For more information please contact CME Clearing Risk Management at 312-648-3888.