

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

FROM: CME Clearing

ADVISORY #: 18-397

DATE: October 2, 2018

SUBJECT: OTC BRL IRS Event Risk Margin Change Round 2

In anticipation of possible market moves specific to the Brazil Election on October 7, 2018, CME will further increase BRL IRS Margin level by increasing the liquidity charge for all BRL Swaps. This will complement the volatility floor that was increased for BRL IRS Margin on August 27, 2018.

This Liquidity Margin increase will be implemented during the end of day settlement cycles on Wednesday October 3, 2018.

This is a temporary measure and is subject to review depending on market conditions.

If you have questions, please contact the CME Client Services Team at onboarding@cmegroup.com or 312.338.7112.

Regards,

CME Clearing