

DATE: January 09, 2019
TO: Clearing Member Firms
FROM: CME Clearing

ADVISORY #: 19-011

SUBJECT: **Reminder – CBOT Two-Year Note Futures Tick Reduction
this Monday January 14, 2019**

Please be reminded that the minimum price fluctuation (the “tick”) for CBOT Two-Year Note Futures will be reduced beginning this Monday, January 14, 2019. Firms may begin to receive clearing confirmation messages with trade prices reflecting the smaller tick when CME Globex opens at 5:00 pm CT on Sunday, January 13.

The tick is being reduced from one-quarter of a thirty-second of an index point (0.0078125), to one-eighth of a thirty-second (0.00390625). Note that this is the first occurrence of decimalized prices for CME-cleared futures and options requiring eight places to the right of the decimal point.

The impact to clearing firm bookkeeping systems can be summarized as: (a) in FIXML messages and files, such as clearing trade confirmation messages and trade register files, firms will see trade prices and settlement prices in decimal to the greater degree of precision, and (b) in positional-format settlement price files and SPAN files, where prices are published in a “fractional decimal” format, firms will see, for the first time, the digits 1, 3, 6 or 8 in the rightmost digit of the price, meaning one-eighth, three-eighths, five-eighths and seven-eighths of a 32nd, respectively.

The impacts were detailed in Clearing Advisories 18-191 and 18-192, published on May 17, 2018, and available at:

<https://www.cmegroup.com/content/dam/cmegroup/notices/clearing/2018/05/Chadv18-191.pdf>

<https://www.cmegroup.com/content/dam/cmegroup/notices/clearing/2018/05/Chadv18-192.pdf>

The changes have been available in the “New Release” testing environment for several months now. For more information, please contact CME Clearing at ccs@cmegroup.com or 1-312-207-2525.