

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 19-209

DATE: July 1, 2019

SUBJECT: OTC IRS New Release Advisory – USD 1M LIBOR Curve Change

As part of our continuing efforts to ensure a prudent risk management process for all products, CME Clearing will be incorporating additional short-term basis swap inputs into the USD 1M LIBOR forecasting curve.

This curve is used for end of day valuation of USD interest rate swaps (IRS) and as a pre-requisite curve for MXN TIIE swap discounting. This change will be reflected in the New Release environment on **Wednesday, July 3, 2019**.

What is changing?

	USD 1M LIBOR Forecasting Curve
Existing Inputs	1M/3M Basis Swap Tenors: 6M, 1Y, 18M, 2-5Y, 7Y, 10Y, 12Y, 15Y, 20Y, 25Y, 30Y, 40Y, 50Y
Additional Inputs	1M/3M Basis Swap Tenors: 3M, 9M

The following end-of-day USD curve file will be updated to reflect the above additional inputs:

- IRS_USD_CURVE_YYYYMMDD.nr.csv

What does not change?

- No changes to the curve generation algorithm, interpolation method
- No changes to the format of the curve files published on FTP site

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

Regards,

CME Clearing