

TO: Clearing Member Firms

FROM: CME Clearing

DATE: September 20, 2019

ADVISORY #: 19-315

SUBJECT: **REVISED – Exercise & Assignment (E/A) Changes – Date Change**

Please be advised that, in response to firm feedback, CME Clearing will make the following changes to the Exercise and Assignment (E/A) cycle and processing to deliver results earlier:

**NEW DATE - Beginning October 16<sup>th</sup>, 2019**

- 5:30 CT / 6:30 ET: Run an E/A cycle for all expiring CME FX Options

**Beginning in Q4**

- 3:30 CT / 4:30 ET: Run an E/A cycle for all expiring NYMEX/COMEX options, immediately after the contrary instruction deadline.
- 5:30 CT / 6:30 ET: Run an E/A cycle for all expiring CME, CBT, CBT Flex options, Late Coal and Power options, immediately after the newly combined contrary instruction deadline.

NOTE: Option Instructions, for all non-expiring options, will also be subject to the daily NYMEX/COMEX (3:30 CT / 4:30 ET), and CME/CBT (5:30 CT / 6:30 ET) Contrary Instruction deadline.

**Benefits**

- Provides FCMs the option to kick off end of day batch processing and produce customer statements ~2.5 hours earlier.
- Traders could know true exposure hours earlier and trade accordingly.
- FCM's will be able to start batch processing for customer statements hours earlier.

**Behavioral Changes**

- Allocation/Claim and Transfer activity for expiring options must be completed by the Option Instruction deadline.
  - To prevent having to move up Allocation/Claim and Transfer activity for all contracts, non-expiring option instructions will be assigned at normal time (~8:30 CT / 9:30 ET).
- Contrary Instruction Report for expiring options will expand to include ALL top-day option instructions.
  - Inclusion of non-expiring instruction activity in the Option Instruction Report allows firms to know if they need to wait for regular E/A or generate supplementary customer statements for non-expiring option assignments.
- PCS submission for expiring options can be submitted earlier to allow firms to finalize their positions in the expiring options.
  - Firms can submit PCS files earlier for all products, if needed, and submit additional PCS files later, as well.
  - Positions in the expiring options can also be finalized manually in the Positions UI.

**Phased Rollout Schedule**

- CME FX Options – **Wednesday, October 16, 2019**
- All NYMEX/COMEX/DME Options – November, date TBD
- Rest of CME/CBT Options – December, date TBD

### **Eventual Option Exercise & Assignment Schedule – All Exchanges**

<b>Exchange</b>	<b>Contrary Instructions</b>		<b>Exercise and Assignment</b>		<b>E&amp;A Reports</b>	
	<b>Current Time</b>	<b>Proposed Time</b>	<b>Current Time</b>	<b>Proposed Time</b>	<b>Current Time</b>	<b>Proposed Time</b>
CBT Flex	5:00 PM	5:30 PM	7:30 PM	5:45 PM	8:00 PM	6:15 PM
CBT Flex	6:00 PM	5:30 PM	7:30 PM	5:45 PM	8:00 PM	6:15 PM
CME	7:00 PM	5:30 PM	7:30 PM	5:45 PM	8:00 PM	6:15 PM
NYMEX - Early Coal	8:30 AM	Same	8:45 AM	Same	9:15 AM	Same
NYMEX - Coal	12:00 PM	Same	12:15 PM	Same	12:45 PM	Same
NYMEX - BZO	2:30 PM	Same	6:15 PM	3:45 PM	6:45 PM	4:15 PM
NYMEX/COMEX/DME - All Other Products	3:30 PM	Same	6:15 PM	3:45 PM	6:45 PM	4:15 PM
NYMEX - Late Coal and Power	5:00 PM	5:30 PM	6:15 PM	Same	6:45 PM	Same

### **Testing**

These changes are available to test in the New Release (NR) environment.

For more information please contact CME Clearing at [ccs@cmegroup.com](mailto:ccs@cmegroup.com) or via phone at Chicago (312) 207 2525 | London (44) 203 379 3198 | Singapore (65) 6593 5591