



TO: Clearing Member Firms; CME CORE Users; CME CORE API Users; PC SPAN Users

FROM: CME Clearing

DATE: March 23, 2020

ADVISORY #: 20-121

SUBJECT: CME CORE Enhancement to Improve Risk Management Capabilities

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Effective today, March 23, 2020, CME's Online Margin Calculator, CME CORE, has been enhanced to support intraday risk management in the New Release environment by supporting margin rates that will go into effect for current day's end of day clearing cycle\*\*. This enables CME CORE users to estimate the effect of upcoming margin changes, helping them manage their portfolio exposure and margin impacts before funding is applied. This functionality continues to be available using PC SPAN® Software, which is available for download in the CME CORE Production environment.

As part of the implementation, the CME CORE New Release environment is loading forecasting SPAN risk parameter files (known as the ".X", ".AI", and ".BE" files) containing new margin rates going into effect for current day's close of business. Since CME CORE also supports reconciliation of margin using the final parameter rates (known as the ".c" file), the following schedule will apply to the CORE New Release Environment:

- From ~7:30 AM CT – 7:30 PM CT the forecasting SPAN parameter files will be active providing margin rates that will be used in the current end of day calculation (new capability)
- From ~7:30 PM CT – 7:30 AM CT, the final SPAN parameter file will be active in CORE (existing capability)

All CME CORE production users automatically have access to the new Release Environment and can log in with their CME login ID at the link below.

The production environment will continue to use the prior end of day ".c" SPAN parameter file enabling users to reconcile prior day margin calls. Later this year, CME CORE production will be enhanced to support similar forecasting functionality.

\*\*Rates in CME SPAN forecasted risk array files are based on unsettled GLOBEX prices.



Below are links to each CME CORE environment and further information on the forecasting SPAN parameter files.

- CME CORE New Release: <https://cmecorenr.cmegroup.com/>
- CME CORE Production: <https://cmecore.cmegroup.com/>
- SPAN forecasting File Overview:  
<https://www.cmegroup.com/notices/clearing/2017/03/Chadv17-092.pdf>

Please reach out to CME CORE team at [cme.core@cmegroup.com](mailto:cme.core@cmegroup.com) or 312-580-5353 with any questions.

