CME Group

Clearing Advisory Notice

DATE: June 8, 2020

TO: Clearing Member Firms

FROM: CME Clearing

ADVISORY #: 20-229

SUBJECT: **New "Available Net Option Value" Reports Available in EREP**

Beginning with the end-of-day settlement cycle for Friday, June 5, 2020, CME Clearing is making available four new reports to clearing firms via the EREP report distribution system. The reports illustrate the effect of a 10% haircut on the excess positive Net Option Value (NOV) over the Risk at each client account, as announced in Clearing Advisory 20-221, published June 1, 2020, at https://www.cmegroup.com/notices/clearing/2020/06/Chadv20-221.html

The four new reports are in the CSV ("comma-separated values") format that allows users to view or manipulate them in spreadsheet software, or to import data into other applications. Their report ID's and titles are as follows:

CPBANOVSA	CGM Available Net Option Value – Settlement Account
CPBANOVPBA	CGM Available Net Option Value – PB Account
CPBANOVCGM	CGM Available Net Option Value – CGM Account
CPBANOVCBMCC	CGM Available Net Option Value – CGM by CC

"CGM" stands for Customer Gross Margining, and indicates that these reports apply to the customer positions in futures and options for which clearing firms submit "CGM" position files each evening, providing the client-by-client breakdown of customer positions in clearing. "Available Net Option Value", abbreviated "ANOV", shows the effects of the initial switch to gross aggregation: for each client, if the client's USD-equivalent ("USDE") option value is net positive and exceeds its USDE risk, a ten percent haircut is taken on the amount of that excess. The "PB Account" (Performance Bond Account) and Settlement Account report provide an aggregation of the values at the individual CGM account, and the CGM by CC ("combined commodity") provides a product level breakdown of the haircutting within each client account.

The layout for each of the four files is provided on the following pages.

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

Here's the layout for each of the four files:

CPBANOVSA   CGM Available Net Option Value – Settlement Account

BusDate	Business Date as mm/dd/yyyy
CMF	Clearing Member Firm ID
SA	Settlement Account ID
FSeg	Funds Segregation Type – always "CSEG" for Customer Segregated
Risk_USDE	Total Risk – total across the client accounts
LOV_USDE	Long Option Value – total value across the client accounts
SOV_USDE	Short Option Value – total value across the client accounts
NOV_USDE	Net Option Value – net value across the client accounts
ANOV_USDE	Available Net Option Value – netted sum of ANOV across clients
IM_Net	Initial Margin Net Aggregation, or Risk_USDE less NOV_USDE
IM_Gross	Initial Margin Gross Aggregation, or Risk_USDE less ANOV_USDE
Diff_USDE	IM_Gross less IM_Net
Pct_Incr	Percent Increase – Diff_USDE divided by IM_Net (if IM_Net > 0)

CPBANOVPBA   CGM Available Net Option Value – Performance Bond Account

BusDate	Business Date as mm/dd/yyyy
CMF	Clearing Member Firm ID
SA	Settlement Account ID
FSeg	Funds Segregation Type – always "CSEG" for Customer Segregated
PBA	Performance Bond Account ID
Seg	Segregation Type – always "CUST" for Customer
Risk_USDE	Total Risk – total across the client accounts
LOV_USDE	Long Option Value – total value across the client accounts
SOV_USDE	Short Option Value – total value across the client accounts
NOV_USDE	Net Option Value – net value across the client accounts
ANOV_USDE	Available Net Option Value – netted sum of ANOV across clients
Diff_USDE	NOV_USDE less ANOV_USDE

CPBANOVCGM   CGM Available Net Option Value – CGM Account

BusDate	Business Date as mm/dd/yyyy
CMF	Clearing Member Firm ID
SA	Settlement Account ID
FSeg	Funds Segregation Type – always "CSEG" for Customer Segregated
PBA	Performance Bond Account ID
Seg	Segregation Type – always "CUST" for Customer
CustAcct	Customer Account ID
Risk_USDE	Total Risk – total USDE risk for this client
LOV_USDE	Long Option Value – USDE long option value for this client
SOV_USDE	Short Option Value –USDE short option value for this client
NOV_USDE	Net Option Value –USDE net option value
ANOV_USDE	Available Net Option Value – USDE with haircut applied to any excess
Diff_USDE	NOV_USDE less ANOV_USDE

CPBANOVCBMCC   CGM Available Net Option Value – CGM data broken out by combined
commodity

BusDate	Business Date as mm/dd/yyyy
CMF	Clearing Member Firm ID
SA	Settlement Account ID
FSeg	Funds Segregation Type – always "CSEG" for Customer Segregated
PBA	Performance Bond Account ID
Seg	Segregation Type – always "CUST" for Customer
CustAcct	Customer Account ID
CC	Combined Commodity Code
Ccy	Currency
ExchRate	Exchange Rate – multiplier to convert values in the currency to USD
Risk	Risk for this combined commodity
LOV	Long Option Value for this combined commodity
SOV	Short Option Value for this combined commodity
ANOV	Available Net Option Value, with haircut applied to any excess
LOV_USDE	USD-equivalent of LOV
SOV_USDE	USD-equivalent of SOV
NOV_USDE	USD-equivalent of NOV
ANOV_USDE	USD-equivalent of ANOV