



Clearing Advisory Notice

DATE: November 19, 2020
TO: Clearing Member Firms
FROM: CME Clearing

ADVISORY #: 20-443

SUBJECT: **Correction Regarding Large Trader Submissions and Change in Eurodollar and SOFR Strike Formats**

This advisory has two purposes.

First, please be reminded that effective this coming Monday, November 23, 2020, CME will list strikes at 6.25 basis point (0.0625 index point) intervals in Three-Month Eurodollar (ED) and Three-Month SOFR (SR3) options.

Associated with this change, beginning this Monday, there will be an analogous change in strike price formats in the positional-format settlement price file and the positional-format ("PA2") SPAN file. Namely, the strike price format for all options relating to Eurodollars and SOFR will be harmonized and made consistent with formats long used for Fed Funds options: they will all have four implied decimal places, and there will no longer be any need for assumed trailing digits.

We continue to publish, each evening, sample settlement and SPAN files reflecting the strike formats as they will be in the production files beginning this Monday. These files are identical to the production files except for the updated formats, and they are available at <ftp.cmegroup.com/pub/span/data/cme/test>.

Second, there is a change of plans regarding the timing of when firms should make the corresponding changes in the strike formats in the Large Trader files they submit to CFTC and CME. Large Trader files submitted Friday night or Monday morning, for report date Friday November 20, should have their strike prices in the existing formats, NOT the new ones. For Large Trader submissions, the new formats should first be reflected in the files submitted on the morning of Tuesday November 24, reflecting positions for report date Monday November 23rd.

This change is as a result of discussions with a major provider of bookkeeping software and has been vetted with CFTC staff.

A chart showing the formats as they currently exist and as they will be in the settlement and SPAN files beginning Monday November 23, is available in Advisory 20-390 at: <https://www.cmegroup.com/content/dam/cmegroup/notices/clearing/2020/10/Chadv20-390.pdf>

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