CME Group | Advisory Notice

TO:	Clearing Member Firms; Back Office Managers
FROM:	CME Clearing
ADVISORY #:	22-419
DATE:	October 31, 2022
SUBJECT:	OTC IRS New Release Advisory – MXN, COP, CLP, INR, KRW, CNY, EUR, GBP curve input changes

As part of our continuing efforts to ensure a prudent risk management process for all products, CME Clearing will be incorporating the following changes:

- MXN, COP, CLP, INR, KRW, CNY discounting curves – All LIBOR based cross currency basis swap instrument inputs will be replaced with SOFR based cross currency basis swap instruments
- EUR EuroSTR 1D – Adding 1M and 2M tenors
- GBP SONIA 1D – Adding 1M tenor

These curves are used for end of day valuations. This change will be reflected in New Release on **Wednesday, November 2, 2022** and in Production on **Monday, November 14, 2022**.

	MXN Discounting Curve
Add Inputs	SOFR 1D vs TIIE 28D Basis: 2Y-5Y, 7Y, 10Y, 15Y, 20Y, 30Y
Remove Inputs	LIBOR 1M vs TIIE 28D Basis: 2Y-5Y, 7Y, 10Y, 15Y, 20Y, 30Y

	COP Discounting Curve
Add Inputs	SOFR 1D vs IBR 1D Basis: 2Y-5Y, 7Y, 10Y, 12Y, 15Y, 20Y
Remove Inputs	LIBOR 3M vs IBR 1D Basis: 2Y-5Y, 7Y, 10Y, 12Y, 15Y, 20Y

	CLP Discounting Curve
Add Inputs	SOFR 1D vs ICP 1D Basis: 2Y-5Y, 7Y, 10Y, 12Y, 15Y, 20Y
Remove Inputs	LIBOR 6M vs ICP 1D Basis: 2Y-5Y, 7Y, 10Y, 12Y, 15Y, 20Y

	INR Discounting Curve
Add Inputs	SOFR 1D vs Fixed INR: 2Y-5Y, 7Y, 10Y
Remove Inputs	LIBOR 6M vs Fixed INR: 2Y-5Y, 7Y, 10Y

	KRW Discounting Curve
Add Inputs	SOFR 1D vs Fixed KRW: 2Y-5Y, 7Y, 10Y
Remove Inputs	LIBOR 6M vs Fixed KRW: 2Y-5Y, 7Y, 10Y

	CNY Discounting Curve
Add Inputs	SOFR 1D vs Fixed CNY: 2Y-5Y, 7Y, 10Y
Remove Inputs	LIBOR 6M vs Fixed CNY: 2Y-5Y, 7Y, 10Y

	EUR ESTR 1D
Add Inputs	OIS: 1M, 2M

	GBP SONIA 1D
Add Inputs	OIS: 1M

What is changing?

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

- IRS_MXN_CURVE_YYYYMMDD.nr.csv
- IRS_CLP_CURVE_YYYYMMDD.nr.csv
- IRS_COP_CURVE_YYYYMMDD.nr.csv
- IRS_INR_CURVE_YYYYMMDD.nr.csv
- IRS_KRW_CURVE_YYYYMMDD.nr.csv
- IRS_CNY_CURVE_YYYYMMDD.nr.csv
- IRS_EUR_CURVE_YYYYMMDD.nr.csv
- IRS_GBP_CURVE_YYYYMMDD.nr.csv

What does not change?

- No changes to the curve generation algorithm or the interpolation method
- For MXN, COP, CLP, INR, KRW, CNY, no changes to tenors used in curve generation

- No changes to the format of the curve files published on FTP site
- No changes to curve discount factor files

For questions, please contact the Pricing and Valuations team at OTCRatesPricing@cmegroup.com.

Regards,

CME Clearing