



TO: Clearing Member Firms; Back Office Managers; Margin Managers; CME
CORE Users; PC SPAN Users; Bookkeeping Software Providers

FROM: CME Clearing

ADVISORY #: 24-063

DATE: 2/28/2024

SUBJECT: SPAN 2 Framework Energy Product Addition to Cross Model Offset ("CMO")

As per normal review, CME Clearing's Risk Management staff approved the addition of the following products to the SPAN 2 framework's cross model offset ("CMO") against products that are margined in the SPAN 2 framework's crude pod.¹ For avoidance of doubt, products that are added to CMO continue to be margined under the SPAN methodology, however they may receive margin offsets against products that are margined under the SPAN 2 methodology. The rollout schedule for asset classes to be margined under the SPAN 2 methodology is available [here](#) and the list of current products margined under SPAN 2 methodology is available [here](#).

Clearing	GLOBEX	ClearPort	Product Name	Exch	Asset Class	Product Group
70	AW	70	BLOOMBERG COMMODITY INDEX FUTURES	CBOT	Agriculture	Commodity Indices
DRS	DRS	DRS	BLOOMBERG ROLL SELECT COMMDTY INDEX	CBOT	Agriculture	Commodity Indices
GA	GIE	GA	GSCI ER FUTURES	CME	Agriculture	Commodity Indices
GI	GD	GI	S&P-GSCI COMMODITY INDEX FUTURE	CME	Agriculture	Commodity Indices
SES	-	SES	SP GSCI SWAP FUTURES	CME	Agriculture	Commodity Indices
HG	HG	HG	COMEX COPPER FUTURES	COMEX	Metals	Base

The addition and associated margin impacts will be effective after the close of business on

Thursday, February 29, 2024.

Additional details around the launch of the SPAN 2 framework can be found here:

<https://www.cmegroup.com/clearing/risk-management/span-overview/span-2-methodology.html?redirect=/span2>

Please contact our Clearing Post Trade Services Team with any questions.

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¹ Note, a pod is a group of associated products under the SPAN or SPAN 2 methodology and the cross model offset is the applied margin offset between the SPAN and SPAN 2 methodology. The products included in the SPAN 2 methodology's pods are available here: <https://www.cmegroup.com/clearing/files/phase-1-energy-products-09-07-23.xlsx> and products included in the CMO are available here: <https://www.cmegroup.com/clearing/files/list-of-cross-model-offset-products.xlsx>.