

## Advisory Notice

Clearing House

TO: Back Office Managers and Software Providers

FROM: CME Clearing

ADVISORY #: 08-129

SUBJECT: Settlement Price File Changes for Upcoming Launch of CME Swaps on Swapstream

DATE: June 20, 2008

Later this year, CME Group will launch trading in **CME Swaps on Swapstream**. These are cleared, standardized, fixed-versus-floating **interest-rate swaps**. Settlement data for the initial four swap products will be provided in the various settlement price files. The product codes for these new swap products are as follows:

- **USD3L** – USD Three-Month LIBOR
- **USDDF** – USD Daily Fed Funds
- **EUR6E** – EUR Six-Month EURIBOR
- **EUREO** – EUR Daily EONIA

Beginning **Friday, June 27**, even though they have not yet started trading, these contracts will be present in CME's end-of-day settlement price files, **as if they were already trading**:

- Records for these contracts will be present in both the "early" and the "final" version of the CME settlement price file, and in both the legacy positional format (which most users of these files take) and the newer FIXML format.
- The records for these contracts will be present beginning on the 27<sup>th</sup> **and appear as if they were futures**.
- The prices provided will of course be **indicative**, not real settlements, since trading will not yet have begun.

Because this data will show up on the 27<sup>th</sup> as if it was for futures, and these "futures" are not yet trading, there will be no impact to firm bookkeeping systems which make use of these files.

Beginning on **Monday July 14**, and **only in the FIXML version** of the CME settlement price file:

- Instead of being provided as if they are futures, interest-rate swaps will now be provided as they really are: as interest-rate swaps, with a product type code of **IRS**.
- In addition to **end-of-day settlement prices**, the file will also provide **adjusted start-of-day prices** for the current business day and the next business day, and the current day's **swap value factor**.

Providing the swap value factor and the adjusted-start-of-day prices will allow bookkeeping systems to obtain all the data they need to calculate variation for CME Swaps on Swapstream; margin data will be provided in the daily SPAN file at a later date.

Please note that we will also begin making available **three special versions of the FIXML settlement price file, limited strictly to interest-rate swaps**:

- **European-close file:** this file, available at approximately **10am Chicago time**, will contain all data available at the close of trading in Europe. For EUR-denominated swaps, it will include adjusted-start-of-day price for the current and next business day, and end-of-day settlement price and swap value factor for the current business day.
- **US-close file:** this file, available at approximately **2pm Chicago time**, will contain a complete set of current data for interest-rate swaps: adjusted start-of-day prices for the current and next business days, and end-of-day settlement prices and swap value factors for the current business days.
- **Swap history file:** this file, available at approximately **5pm Chicago time**, will contain the complete history of data for **all eligible interest-rate swap contracts**, back to their first day of trading eligibility. This will be useful for parties wishing to replicate open-trade-equity calculations on open trades from original trade date. This file is also called the **VVF history file** since **variable value factor** is another name for **swap value factor**.

Files are available:

- On the CME's FTP site, at <ftp.cmegroup.com/pub/settle>
- On the Firm FTP Server, in the **pub/settle** directory

For your reference, here's a complete listing of all settlement price files published by CME:

- ❖ For CME (including Swapstream as outlined above):
  - Positional format:
    - "Early" CME undated files: cme.settle.e.txt, cme.settle.e.txt.zip
    - "Early" CME files: cme.settle.YYYYYMMDD.e.txt, cme.settle.YYYYYMMDD.e.txt.zip
    - "Final" CME undated files: cme.settle.s.txt, cme.settle.s.txt.zip
    - "Final" CME files: cme.settle.YYYYYMMDD.s.txt, cme.settle.YYYYYMMDD.s.txt.zip
  - FIXML format
    - "Early" CME files: Not available
    - "Final" CME files: cme.settle.YYYYYMMDD.s.xml, cme.settle.YYYYYMMDD.s.xml.zip
- ❖ For CBOT:
  - Positional format:
    - "Early" CBT files: cbt.settle.YYYYYMMDD.e.txt, cbt.settle.YYYYYMMDD.e.txt.zip
    - "Final" CBT files: cbt.settle.YYYYYMMDD.s.txt, cbt.settle.YYYYYMMDD.s.txt.zip
  - FIXML format:
    - "Early" CBT files: Not available
    - "Final" CBT files: cbt.settle.YYYYYMMDD.s.xml, cbt.settle.YYYYYMMDD.s.xml.zip
- ❖ For FXMS:
  - Positional format
    - "Early" FXMS file: Not available
    - "Final" FXMS undated file: fxm.settle.s.txt, no zipped version
    - "Final" FXMS file: fxm.settle.YYYYYMMDD.s.txt, no zipped version
  - FIXML format
    - "Early" FXMS file: Not available
    - "Final" FXMS undated file: fxm.settle.s.xml, no zipped version
    - "Final" FXMS files: fxm.settle.YYYYYMMDD.s.xml, no zipped version

- ❖ For Swapstream-Only:
  - Positional format:
    - Not available
  - FIXML format:
    - "Euro-Close" files: cme.sws.eur.xml and cme.sws.eur.YYYYYMMDD.xml
    - "US-Close" files: cme.sws.usd.xml and cme.sws.usd.YYYYYMMDD.xml.zip
    - History file: cme.sws.hist.YYYYYMMDD.xml.zip

For information on how clearing and bookkeeping processing will work for CME Swaps on Swapstream, please see Clearing Advisory 07-173, published July 24, 2007, at:  
<http://www.cme.com/clearing/clr/clradv/files/Chadv07-173.pdf>

For layouts and documentation on settlement price files:

The layout for the Positional (fixed) format settlement price files may be found at:  
[http://www.cme.com/files/s\\_setlmtpricelayout.pdf](http://www.cme.com/files/s_setlmtpricelayout.pdf)

Guidelines for the FIXML format may be found at:  
<ftp://ftp.cme.com/pub/span/data/cme/test/FIXMLSettlementPriceFileLayout.pdf>

If you have any questions or concerns, please contact CCS at [CCS@cmegroup.com](mailto:CCS@cmegroup.com), or call CCS at 312-207-2525.