

## Advisory Notice

Clearing House

TO: Clearing Member Firms

FROM: Clearing House Department

ADVISORY #: 05-160

DATE: July 27, 2005

SUBJECT: **Firm Testing for Expanded Product Codes, CME Auction Markets, etc.**

In the five weeks beginning **Monday August 15, 2005** and running through **Friday September 16, 2005**, we will provide firms with testing opportunities for the following enhancements and new products:

- **Expanded product codes:** we will provide test electronic trades with three, four, and five-byte product codes. The first products to be introduced with an expanded product code, later in September, will be the **mid-season weather futures and options** and the **CME Auction Markets** products. The test data will allow firms to test with four and five-byte codes, but all of the products we launch at first will be limited to three-byte codes.
- **CME Auction Markets:** test electronic trades will be provided to allow firms to verify that they can correctly process the "book-instrument" options trades resulting from filled orders in CME Auction Markets, including the small modification to the money calculations for these trades and their non-segregated status.
- **CBOT Crush Spread Options:** scripts will be provided so that firms can submit test trades in CBOT crush options, have them matched, and process them through exercise and assignment and decomposition into the underlying legs.
- **Privately-negotiated trades with daily expirations:** CME plans to make available in the near future the ability to do privately-negotiated trades, such as EFP's, in futures with daily expirations, and also to support a new privately-negotiated trade type using **F** as the trade type code. Other than having expirations specific to the day, and support for this new trade type, these will be handled in clearing in exactly the same manner as EFP's in monthly futures are.

Detailed test plans will be published shortly.

The New Contract Notice for the Mid-Season Weather Futures and Options will be published shortly.

For more information about expanded product codes, please see:

- Clearing Advisory 05-134, published July 1, 2005, summarizing the impact to file and message formats with which firms exchange data with the clearing system, at [www.cme.com/clearing/clr/clradv/13824.html](http://www.cme.com/clearing/clr/clradv/13824.html)

For more information about CME Auction Markets, please see:

- The new Economic Derivatives section of cme.com, at [www.cme.com/trading/prd/edover.html](http://www.cme.com/trading/prd/edover.html)
- The news release about CME Auction Markets, at [www.cme.com/about/press/cn/05-90GoldmanSachs13741.html](http://www.cme.com/about/press/cn/05-90GoldmanSachs13741.html)
- Clearing Advisory 05-133, published July 1, 2005, regarding clearing and bookkeeping processing for CME Auction Markets, at [www.cme.com/clearing/clr/clradv/13810.html](http://www.cme.com/clearing/clr/clradv/13810.html)
- Clearing Advisory 05-151, published July 21, 2005, about the new field on the type "P" record on the SPAN file which can be used to drive the modified money calculation method, at [www.cme.com/clearing/clr/clradv/14437.html](http://www.cme.com/clearing/clr/clradv/14437.html)

The New Contract Notice for CME Auction Markets will be published shortly.

For more information about CBOT Crush Spread Options, please see:

- Clearing Advisory 05-135, regarding clearing and bookkeeping processing for CBOT Crush Spread Options, and how data in the SPAN file can be used to provide information about the underlying legs created when a crush spread options is exercised or assigned, at [www.cme.com/clearing/clr/clradv/13847.html](http://www.cme.com/clearing/clr/clradv/13847.html)

Should you have any questions, please call CME Clearing Services at 312-207-2525 or e-mail inquiries to [ccs@cme.com](mailto:ccs@cme.com)