



Advisory Notice

Clearing House

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TO: Clearing Member Firms
Chief Financial Officers
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FROM: Clearing House Department

ADVISORY #: 06-61

DATE: March 17, 2006

SUBJECT: Pit Trade Migration (PTM) to FEC to be launched Friday, March 31, 2006

On **Friday, March 31, 2006**, the Clearing House will start migrating its pit trade processing application from the 3270 mainframe-based Trade Entry System (TES) platform to the browser based Front-End Clearing (FEC) platform. This will affect all non-SLED pit trades for standard monthly futures and options for both CBOT and CME products. **The 3270-based TES screens will gradually be retired after all products are migrated to FEC.**

For firm bookkeeping systems, migrating pit-trade processing from TES to FEC should be largely transparent. Firms will still be able to submit trades via TREX messages and receive TREX trade confirm messages exactly as they do today.

Effective on **Friday, March 31, 2006** firms will begin using the browser-based FEC user interface for all trade processing functions, including entry of packs and bundles, fungible transactions and We Show/They Show analysis. The below schedule shows on which dates the CME and CBOT Pit products will be migrated from TES to FEC.

Launch Schedule

Friday, March 31, 2006: CME Agricultures (please note this does not include the GSCI contract)
Friday, April 7, 2006: All Other CME Products
Thursday, April 13, 2006: CBOT Financials
Friday, April 21, 2006: All other CBOT Products

Please Note: On Friday, March 31, 2006 CME Agricultural products will display in FEC. **Firms can no longer use TES to view trades and resolve out trades, you will need to use We show/They show in FEC** for the migrated products.

With this migration firms should be aware of the following:

- **Trade ID numbers for prior-day unmatched trades:**

Currently, for pit trades, firms cannot assign top-day trades with trade ID's assigned to prior day unmatched out trades. When a firm submits a pit trade ID that is currently assigned to a prior day out trade, the clearing system re-assigns the trade ID with a value in the range above 50,000. In the new system, however, trade ID's need only be unique **within each trade date**, so this reassignment will only be made in the event of a duplicate trade ID being sent for the same trade date. This should not cause any problems for firms, since it is exactly how processing for SLEDs currently works.

- **Trade ID Ranges:**

Currently, if firms submit pit trades to clearing without trade ID numbers, the clearing system assigns ID's in the range from 50,000 to 65,000. With the new system, these ID's will be assigned in the range starting with 500,000. The same behavior will apply to trades created by using the pack and bundle entry screens.

Note that there is no change to trade ID ranges otherwise. Firms submitting trades with trade ID values will continue to use the ranges 1 through 49,999 for CME products and 1 through 12,499 for CBOT products.

- **Blank trade type will be accepted:**

Currently, when firms submit a pit trade to clearing with a blank trade type value (position 50 in the main block of the TREX message) the clearing system accepts the trade and defaults the trade type to "1", to signify an outright pit trade. In the new system, CME will continue to support blank trade type supplied on the TREX message submitted by the firm.

Note also that there will be no changes to the usage of the **trade source code** field or to TREX **message routing** options. Firms will continue to use MQM as the trade source code value for anything submitted via TREX messages and will continue to receive **TES** as the value for trades entered via the FEC user interface. And firms will continue to receive TREX trade confirmation messages for pit trades exactly as they do today.

The TREX message layout document has been updated to reflect the new values for system-assigned trade ID ranges and that blank trade types will no longer be affected. For the updated document, please see: <http://www.cme.com/files/TREXVerson23final.pdf>

- **FEC/PTM user guide:**

In preparation for the Friday, March 31, 2006 launch of FEC/PTM, please review the FEC User Guide. The FEC User Guide is available for your reference online at:

<http://www.cme.com/files/FECUserguide.pdf>

For questions or concerns, please contact CME Clearing House at 312-207-2525 or via email to ccs@cme.com.

Thank you.