

11-302

TO: Clearing Member Firms

FROM: CME Clearing

DATE: August 25, 2011

RE: **NYMEX Intraday What-If Report Now Available**

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A new report, the **NYMEX Intraday What-If Report**, is now available for clearing firms on EREP (CME's new report distribution application) within the *Firm Risk Staff* role. If you are unable to view this report, please contact [FirmSupport@cmegroup.com](mailto:FirmSupport@cmegroup.com) or 312-930-3444 to request access to this role. The report ID is **CPB991**.

Trades cleared each day ("top-day" trades) in NYMEX and COMEX products ("New York products") are not currently brought into the intraday settlement cycle. Settlement variation amounts for New York products are determined solely from start-of-day positions, plus any transfers or as-of trades that have cleared. And the positions used for calculating margin requirements at intraday for New York products are likewise determined solely from the start-of-day position, as adjusted, plus any transfers or as-of's.

This behavior may be contrasted with that for CME and CBOT ("Chicago") products. For Chicago products, top-day trades cleared up to intraday cutoff time (11:00 am Chicago time, noon New York time) **are** brought into the intraday cycle.

CME Clearing intends in the future to harmonize this business practice difference, and to begin treating top-day activity for the New York products in exactly the same manner as for Chicago products. In other words, when this change is made, at a future date, top-day activity in New York products **will** be brought into the intraday cycle. No date has been set for making this change.

The new CPB991 report is intended to assist firms in understanding the likely effect of the future change on their intraday settlement amounts and margin requirements:

- The report is broken down by performance bond account, and shows you each performance bond account in which you have positions in New York products.
- Within each such account, it shows you data broken down by SPAN combined commodity – for example, everything related to crude oil, everything relating to heating oil, etc.
- For each combined commodity, it shows you three categories of data: "Current" (with top-day New York activity excluded), "What-If" (what the numbers will be once top-day activity begins to be included), and "Difference" (the expected amount by which the numbers will change.)

- Within each such category, it shows you the Risk Requirement, the Total Requirement (including option value), and the SVOP (Settlement Variation and Option Premium amount to be banked).
- Subtotals are provided for the “included” products – the New York products – and the “not included” products (anything in the account other than the New York products.)
- For each settlement account a grand total is provided. Then the report displays the approximate USD-equivalent performance bond value of total collateral on deposit, the actual amount of excess collateral on deposit (with New York top-day activity excluded), and the “what-if” excess (the approximate amount of excess collateral on deposit if the change had been made.)

For more information, please contact CME Clearing’s Risk Hotline at 312-648-3888.