

12-065

February 15, 2012

**IMPORTANT MEMORANDUM**

TO: Clearing Member Firms  
Chief Financial Officers  
Back Office Managers

FROM: CME Clearing

SUBJECT: HOLIDAY SCHEDULE-PRESIDENTS' DAY, February 20, 2012

**For updated trading schedules during the holiday, please refer to the links below.**

CME Group Trading Floor: <http://www.cmegroup.com/tools-information/holiday-calendar/files/2012floorholidaycard.pdf>

CME Globex: <http://www.cmegroup.com/tools-information/holiday-calendar/files/2012-presidents-day.pdf>

NYMEX Trading Floor: [http://www.cmegroup.com/tools-information/holiday-calendar/files/New York Floor Holiday Calendar 2012.pdf](http://www.cmegroup.com/tools-information/holiday-calendar/files/New_York_Floor_Holiday_Calendar_2012.pdf)

NYMEX ClearPort: [http://www.cmegroup.com/tools-information/holiday-calendar/files/CME Clearport 2012 Holiday Calendar.pdf](http://www.cmegroup.com/tools-information/holiday-calendar/files/CME_Clearport_2012_Holiday_Calendar.pdf)

This coming Monday, February 20, 2012 is President's Day, a US federal holiday. As such, it is quite typical of CME Clearing's processing for most US federal holidays going forward:

**An 'Exchange holiday':**

- The Chicago and New York trading floors are closed.
- CME Globex will open normally on Sunday at 5pm Chicago, but will close at various times on Monday, and then re-open at 5pm Monday. Please check the CME Globex President's Day Calendar above for specific times. Trades executed on CME Globex from 5pm Sunday to 10:30am Monday will clear as of business day **Tuesday, February 21**.
- CME ClearPort will be open as normal. CDS and OTC FX trades will clear as of business day Monday, and trades in other ClearPort products will clear as of business day Tuesday.

**Clearing processing for Interest-Rate Swaps:**

Trades may be cleared according to their normal schedule for interest-rate swaps. USD-denominated rate swaps will be brought into **Tuesday's** clearing cycle for the first time, while rate swap trades denominated in EUR, GBP and CAD will be brought into **Monday's** clearing cycle. Because it's a USD banking holiday on Monday, the USD-denominated price alignment interest calculated at end-of-day this Friday will cover **four** calendar days. On Monday USD price alignment interest will be zero.

### **Clearing processing for Credit-Default Swaps:**

Trades may similarly be cleared according to their normal schedule for CME's USD-denominated credit default swaps, but these will be brought into **Tuesday's** clearing cycle. There is no price submission for CDS on Monday. Exactly as with USD-denominated rate swaps, price alignment interest calculated at end-of-day Friday will cover four calendar days, and PAI on Monday will be zero.

**Clearing processing for OTC FX Products:** Trades may be cleared in any CME OTC FX product on Monday, for Monday's clearing business date.

### **Inter-Exchange Processing with the Singapore Exchange (SGX):**

Inter-exchange processing pursuant to the Mutual Offset Agreement with the Singapore Exchange (SGX) will be normal on **Monday, February 20**. There will be an "A.M" inter-exchange processing cycle on its normal schedule. The CME side of inter-exchange transfers cleared on the Monday, however, will be brought into **Tuesday's** clearing cycle.

The deadline to submit trades to the A.M. inter-exchange processing cycle on Monday will be its normal time of 7:00a.m Chicago time.

### **Monday, February 20: A clearing business day (but somewhat special):**

- There will be no intraday settlement cycle on Monday, February 20.
- Settlement price files and SPAN files **will** be published at end-of-day on Monday, but settlement prices for all products except OTC FX will be identical to their values as of Friday.
- There **will** be an end-of-day settlement cycle on Monday.
- Because there will be no new trades and no new prices for normal Exchange products on the Monday, there will be no settlement variation or option premium requirements for these products generated on the Monday. Performance bond requirements for normal Exchange products on Monday may be slightly different from Friday's values due to the passage of time.
- There will be no new settlement variation requirements on the Monday for USD-denominated credit default swaps and performance bond requirements for these positions will not change from their Friday values.
- There will be no new settlement variation requirements on the Monday for USD-denominated interest-rate swaps, but there **will** be new variation requirements for interest-rate swaps denominated in currencies other than USD, in particular for EUR, GBP and CAD. And performance bond requirements for the combined portfolio **will** be updated on Monday.
- CME Clearing is not open on Monday, February 20 for deposits or withdrawals of collateral. Haircut percentages applied to securities deposited as collateral will change slightly on the Monday from their Friday values due to the passage of time, however. These will be reflected on clearing reports generated for end-of-day Monday, and have the potential to result in margin calls or releases for value date Tuesday.
- The "Interest-Earning Facility" (IEF) will be closed for all transactions on **Monday, February 20**. No purchases or redemptions will be allowed for the IEF-2, IEF-3, IEF-4 or IEF-5 programs on the Monday. Processing deadlines will be normal on Friday, February 17 & Tuesday, February 21.
- The "SVIEF" feature for USD-denominated settlement variation will **not** be available for the end-of-day clearing cycle on Monday, February 20.

- Banking value dates will be determined as normal in the end-of-day settlement cycle for Monday. Settlement variation amounts denominated in EUR, GBP, CAD or USD will be for value date Tuesday, February 21, as will any USD-denominated margin calls.
- Note that banking value dates determined for the end-of-day settlement cycle this **Friday**, February 17, **will** take the Monday USD banking holiday into account. The value date for USD-denominated variation and margin calls generated at end-of-day Friday, for example, will be Tuesday, February 21.
- Double Erosion Processing: On **Tuesday, February 21**, it will be a double erosion day for all firms with positions in the February 2012 NYMEX JM (PJM Peak Calendar-Month LMP Swap), VM (PJM AEP Dayton Hub Peak Calendar-Month LMP Swap) & UM (PJM Northern Illinois Hub Peak Calendar-Month LMP Swap) contracts. This means that on Tuesday, CME Clearing will calculate final erosion for **both Friday, February 17<sup>th</sup> and Monday, February 20<sup>th</sup>** for settlement at your settlement bank on **Wednesday, February 22<sup>nd</sup>**.

### **A.M. SETTLEMENT CONFIRMATIONS**

US-based settlement banks are closed on Monday, February 20, and will not provide morning settlement confirmations on that day.

Confirmations for amounts generated in the end-of-day settlement cycles on both Friday, February 17 and Monday, February 20 will be provided **on the morning of Tuesday, February 21**, by their normal deadline of 7:30am Chicago time. Payments for USD settlement transactions generated at end-of-day on Friday and/or Monday will similarly be processed on Tuesday morning.

### **FOREIGN CURRENCY PERFORMANCE BOND CASH WITHDRAWALS**

Due to the holiday's effects on transaction processing, please note the following value dates on foreign currency performance bond cash withdrawals requested on Wednesday, Thursday or Friday of this week:

#### **Swiss franc, Australian dollar, New Zealand dollar, Swedish krona, Norwegian krone, Japanese yen, Turkish lira**

<u>Trade Date</u>	<u>Value Date</u>
Wednesday, February 15, 2012	Thursday, February 16, 2012
Thursday, February 16, 2012	Friday, February 17, 2012
Friday, February 17, 2012	Tuesday, February 21, 2012

#### **Canadian dollar, Mexican peso, Euro, British pound**

<u>Trade Date</u>	<u>Value Date</u>
Wednesday, February 15, 2012	Thursday, February 16, 2012
Thursday, February 16, 2012	Thursday, February 16, 2012
Friday, February 17, 2012	Friday, February 17, 2012

**FOREIGN CURRENCY SETTLEMENT VARIATION**

Please note the following value dates for foreign currency settlement variation on Wednesday, Thursday or Friday of this week.

**Swiss franc, Australian dollar, New Zealand dollar, Swedish krona, Norwegian krone, Japanese yen, Turkish lira**

<u>Business Date</u>	<u>Value Date</u>
Wednesday, February 15, 2012	Friday, February 17, 2012
Thursday, February 16, 2012	Tuesday, February 21, 2012
Friday, February 17, 2012	Wednesday, February 22, 2012

**Canadian dollar, Mexican peso, Euro, British pound**

<u>Business Date</u>	<u>Value Date</u>
Wednesday, February 15, 2012	Thursday, February 16, 2012
Thursday, February 16, 2012	Friday, February 17, 2012
Friday, February 17, 2012	Tuesday, February 21, 2012

**For questions or further information:** please contact CME Clearing at 312-207-2525 or CME Clearing's Financial Unit at 312-207-2794.