

12-215

May 21, 2012

**IMPORTANT MEMORANDUM**

TO: Clearing Member Firms  
Chief Financial Officers  
Back Office Managers

FROM: CME Clearing

SUBJECT: HOLIDAY CLEARING SCHEDULE-MEMORIAL DAY, May 28, 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-memorial-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, May 28, 2012 is Memorial 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 but will close at various times on Monday, and then re-open on Monday at various times. Please check the CME Globex Memorial Day Calendar above for specific times. Trades executed on CME Globex from Sunday to 10:30am Monday will clear as of business day **Tuesday, May 29**.
- 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, CAD, JPY, CHF & AUD 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, May 28**. 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 7:00 a.m. Chicago time.

### **Monday, May 28: A clearing business day (but somewhat special):**

- There will be no intraday settlement cycle on Monday, May 28.
- 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, CAD, JPY, CHF and AUD. And performance bond requirements for the combined portfolio **will** be updated on Monday.
- CME Clearing is not open on Monday, May 28 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, May 28**. 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 Tuesday, May 29. See attached processing deadlines for Friday, May 25.**
- The "SVIEF" feature for USD-denominated settlement variation will **not** be available for the end-of-day clearing cycle on Monday, May 28.

- 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, May 29, as will any USD-denominated margin calls. Settlement variation amounts denominated in JPY, CHF, and AUD will be for value date Wednesday, May 30.
- Note that banking value dates determined for the end-of-day settlement cycle this **Friday**, May 25, 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, May 29.
- Double Erosion Processing: On **Tuesday, May 29** it will be a double erosion day for all firms with positions in the May 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, May 25<sup>th</sup> and Monday, May 28<sup>th</sup>** for settlement at your settlement bank on **Wednesday, May 30<sup>th</sup>**.

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

US-based settlement banks are closed on Monday, May 28, and will not provide morning settlement confirmations on that day.

Confirmations for amounts generated in the end-of-day settlement cycles on both Friday, May 25 and Monday, May 28 will be provided **on the morning of Tuesday, May 29**, 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, May 23, 2012 | Thursday, May 24, 2012 |
| Thursday, May 24, 2012  | Friday, May 25, 2012   |
| Friday, May 25, 2012    | Tuesday, May 29, 2012  |

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

| <u>Trade Date</u>       | <u>Value Date</u>      |
|-------------------------|------------------------|
| Wednesday, May 23, 2012 | Thursday, May 23, 2012 |
| Thursday, May 24, 2012  | Thursday, May 24, 2012 |
| Friday, May 25, 2012    | Friday, May 25, 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, May 23, 2012 | Friday, May 25, 2012    |
| Thursday, May 24, 2012  | Tuesday, May 29, 2012   |
| Friday, May 25, 2012    | Wednesday, May 30, 2012 |

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

| <u>Business Date</u>    | <u>Value Date</u>      |
|-------------------------|------------------------|
| Wednesday, May 23, 2012 | Thursday, May 24, 2012 |
| Thursday, May 24, 2012  | Friday, May 25, 2012   |
| Friday, May 25, 2012    | Tuesday, May 29, 2012  |

### **INTEREST EARNING FACILITY 2 (IEF2)**

Please note the following deadlines for IEF2 processing:

| <b><u>Deadlines for Funds</u></b>  | <b><u>5/25/12</u></b> | <b><u>5/28/12</u></b> |
|--|-----------------------|-----------------------|
| <b>*BlackRock</b><br>Cash Funds: Prime<br>FedFund<br>TempCash<br>TempFund                                  | 2:30 p.m.             | CLOSED                |
| <b>*Dreyfus</b><br>Institutional Cash Advantage<br>Treasury & Agency Cash Mgmt                             | 2:30 p.m.             | CLOSED                |
| <b>*DWS</b><br>Gov Cash<br>Money Market Series   | 2:30 p.m.             | CLOSED                |
| <b>Federated</b><br>Prime Obligations Fund   | 2:30 p.m.             | CLOSED                |
| <b>FFI</b><br>Select Institutional Fund  | 2:30 p.m.             | CLOSED                |
| <b>*Goldman Sachs</b><br>Fin Square Money Market Fund<br>Financial Square Prime Obligations Fund           | 1:30 p.m.             | CLOSED                |
| <b>*HSBC</b><br>Government<br>Money Market   | 2:30 p.m.             | CLOSED                |
| <b>*JPMorgan</b><br>Liquid Assets Money Market<br>Prime Money Market                                       | 2:30 p.m.             | CLOSED                |
| <b>*Morgan Stanley</b><br>Institutional Liquidity Gov Portfolio<br>Institutional Liquidity Prime Portfolio | 2:30 p.m.             | CLOSED                |
| <b>RBC</b><br>Prime Money Market   | 2:30 p.m.             | CLOSED                |

|  |           |        |
|--|-----------|--------|
| <b>SSgA</b><br>Prime Money Market Portfolio                | 2:30 p.m. | CLOSED |
| <b>Wells Fargo</b><br>Advantage Heritage Money Market Fund | 1:30 p.m. | CLOSED |

**\*Same closing time for all funds unless otherwise noted.**

**\*\*Fund closing times are subject to change.**

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