

12-265

June 27, 2012

IMPORTANT MEMORANDUM

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

SUBJECT: **REVISED:** HOLIDAY CLEARING SCHEDULE- INDEPENDENCE DAY HOLIDAY,
Wednesday, July 4, 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/2012-4th-of-july.pdf>

NYMEX Trading Floor: 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

Wednesday, July 4, 2012 is the Independence Day holiday, 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 Tuesday, July 3rd but will close at various times on Wednesday and then re-open on Wednesday at various times. Please check the [CME Globex Fourth of July Holiday Schedule](#) above for specific times. Trades executed on CME Globex from Tuesday to 10:30am Wednesday will clear as of business day **Thursday, July 5th**.
- CME ClearPort will be open as normal. CDS and OTC FX trades will clear as of business day Wednesday, and trades in other ClearPort products will clear as of business day Thursday, **July 5th**.

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 **Thursday's** clearing cycle for the first time, while rate swap trades denominated in EUR, GBP, CAD, JPY, CHF & AUD will be brought into **Wednesday's** clearing cycle. Because it's a USD banking holiday on Wednesday, the USD-denominated price alignment interest calculated at end-of-day Tuesday will cover **two** calendar days.

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 **Thursday's** clearing cycle. There is no price submission for CDS on Wednesday. Exactly as with USD-denominated rate swaps, price alignment interest calculated at end-of-day Tuesday will cover two calendar days, and PAI on Wednesday will be zero.

Clearing processing for OTC FX Products: Trades may be cleared in any CME OTC FX product on Wednesday, July 4th, for Wednesday's clearing business date.

Erosion Processing:

As the NERC has defined July 4th as an Off-Peak day, CME Clearing will not process erosion for Wednesday, July 4th. On Thursday, July 5th CME Clearing will process final erosion for Tuesday, July 3rd and preliminary (pending) erosion for Thursday, July 5th.

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 **Wednesday, July 4th**. There will be an "A.M" inter-exchange processing cycle on its normal schedule. The CME side of inter-exchange transfers cleared on the Wednesday, however, will be brought into **Thursday's** clearing cycle.

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

Wednesday, July 4th: A clearing business day (but somewhat special):

Clearing, SPAN and Settlement Processing

- There will be no intraday settlement cycle on Wednesday, July 4th.
- Settlement price files and SPAN files **will** be published at end-of-day on Wednesday, but settlement prices for all products except OTC FX will be identical to their values as of Tuesday.
- There **will** be an end-of-day settlement cycle on Wednesday.
- Because there will be no new trades and no new prices for normal Exchange products on Wednesday, there will be no settlement variation or option premium requirements for these products generated on Wednesday. Performance bond requirements for normal Exchange products on Wednesday may be slightly different from Tuesday's values due to the passage of time.
- There will be no new settlement variation requirements on the Wednesday for USD-denominated credit default swaps and performance bond requirements for these positions will not change from their Tuesday values.
- There will be no new settlement variation requirements on the Wednesday 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 Wednesday.

Banking and Performance Bond Collateral Processing

Processing of Performance Bond Collateral

The U.S. bank holiday will prohibit the posting of collateral transactions dated Wednesday, July 4, 2012. Consequently, clearing firms will be unable to deposit or withdraw collateral on Wednesday, July 4th. Clearing 21 will not be available for Asset Management Banking transactions on Wednesday, July 4, 2012.

The "Interest-Earning Facility" (IEF) will be closed for all transactions on **Wednesday, July 4th**. No purchases or redemptions will be allowed for the IEF-2, IEF-3, IEF-4 or IEF-5 programs on Wednesday, July 4th. **Please refer to IEF2 processing deadline schedules for July 3 on the last page of this advisory.**

A.M. SETTLEMENT CONFIRMATIONS

Settlement variation and performance bond cash call/release amounts resulting from Tuesday, July 3rd, RTH and Wednesday, July 4th, RTH settlement cycles will be confirmed by the settlement banks by 7:30 a.m. on Thursday, July 5th. Settlement banks will process cash flows resulting from Tuesday and Wednesday's RTH settlement cycle on Thursday, July 5th.

As securities near their maturity date, the values of these assets change, which results in change to their Performance Bond values at CME. With this, you may see change in the asset values on deposit with CME come Thursday morning after the holiday. Decrease in the values of these collateral assets from Tuesday to Wednesday may result in PB call/release, which would be banked on Thursday morning. These PB calls/releases would be banked in addition to the regular RTH settlements for Tuesday and Wednesday.

SVIEF for July 3rd and 4th RTH settlements will be for value date July 5th.

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.

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

<u>Trade Date</u>	<u>Value Date</u>
Monday, July 2, 2012	Tuesday, July 3, 2012
Tuesday, July 3, 2012	Thursday, July 5, 2012

Mexican peso, Euro, British pound

<u>Trade Date</u>	<u>Value Date</u>
Monday, July 2, 2012	Monday, July 2, 2012
Tuesday, July 3, 2012	Tuesday, July 3, 2012

Canadian dollar

<u>Trade Date</u>	<u>Value Date</u>
Monday, July 2, 2012	Tuesday, July 3, 2012
Tuesday, July 3, 2012	Tuesday, July 3, 2012

FOREIGN CURRENCY SETTLEMENT VARIATION

Please note the following value dates for foreign currency settlement variation.

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

<u>Trade Date</u>	<u>Value Date</u>
Thursday, June 28, 2012	Monday, July 2, 2012
Friday, June 29, 2012	Tuesday, July 3, 2012
Monday, July 2, 2012	Thursday, July 5, 2012
Tuesday, July 3, 2012	Friday, July 6, 2012

Mexican peso, Euro, British pound

<u>Trade Date</u>	<u>Value Date</u>
Friday, June 29, 2012	Monday, July 2, 2012
Monday, July 2, 2012	Tuesday, July 3, 2012
Tuesday, July 3, 2012	Thursday, July 5, 2012

Canadian dollar

<u>Trade Date</u>	<u>Value Date</u>
Monday, July 2, 2012	Thursday, July 5, 2012

INTEREST EARNING FACILITY 2 (IEF2)

Please note the following deadlines for IEF2 processing:

<u>Deadlines for Funds</u>	<u>7/3/12</u>	<u>7/4/12</u>
*BlackRock Cash Funds: Prime FedFund TempFund	2:30 p.m. CST	Closed
*Dreyfus Institutional Cash Advantage Treasury & Agency Cash Mgmt	2:30 p.m. CST	Closed
*DWS Gov Cash Money Market Series	12:30 p.m. CST	Closed
Federated Prime Obligations Fund	2:30 p.m. CST	Closed
FFI Select Institutional Fund	2:30 p.m. CST	Closed
*Goldman Sachs Fin Square Money Market Fund Financial Square Prime Obligations Fund	2:30 p.m. CST	Closed
*HSBC Government Prime Money Market	12:30 p.m. CST	Closed
*JPMorgan Prime Money Market	2:30 p.m. CST	Closed
*Morgan Stanley Institutional Liquidity Gov Portfolio Institutional Liquidity Prime Portfolio	2:30 p.m. CST	Closed

RBC Prime Money Market	2:30 p.m. CST	Closed
SSgA Prime Money Market Portfolio	11:30 a.m. CST	Closed
State Street Institutional Liquid Reserves	11:30 a.m. CST	Closed
UBS Select Prime Preferred Select Treasury Preferred	2:30 p.m. CST	Closed
Wells Fargo Heritage Money Market Fund	2:30 p.m. CST	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.