

12-368

August 27, 2012

IMPORTANT MEMORANDUM

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

SUBJECT: HOLIDAY CLEARING SCHEDULE- **LABOR DAY HOLIDAY,
Monday, September 3, 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-labor-day.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

Monday, September 3, 2012 is the Labor 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 Sunday, September 2nd but will close at various times on Monday and then re-open on Monday at various times. Please check the CME Globex Labor Day Holiday Schedule above for specific times. Trades executed on CME Globex from Sunday to 10:30am Monday will clear as of business day **Tuesday, September 4th**.
- 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, September 4th.

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 Friday 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 **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 two 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, September 3rd, for Monday's clearing business date.

Erosion Processing:

As the NERC has defined September 3rd as an Off-Peak day, CME Clearing will not process erosion for Monday, September 3rd. On Tuesday, September 4th CME Clearing will process final erosion for Friday, August 31st and preliminary (pending) erosion for Tuesday, September 4th.

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, September 3rd**. There will be an "A.M" inter-exchange processing cycle on its normal schedule. The CME side of inter-exchange transfers cleared on 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, September 3rd: A clearing business day (but somewhat special):

Clearing, SPAN and Settlement Processing

- There will be no intraday settlement cycle on Monday, September 3rd.
- 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 Monday, there will be no settlement variation or option premium requirements for these products generated on 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.

Banking and Performance Bond Collateral Processing

Processing of Performance Bond Collateral

The U.S. bank holiday will prohibit the posting of collateral transactions dated Monday, September 3, 2012. Consequently, clearing firms will be unable to deposit or withdraw collateral on Monday, September 3rd. Clearing 21 will not be available for Asset Management Banking transactions on Monday, September 3, 2012.

The "Interest-Earning Facility" (IEF) will be closed for all transactions on **Monday, September 3rd**. No purchases or redemptions will be allowed for the IEF-2, IEF-3, IEF-4 or IEF-5 programs on Monday, September 3rd. **Please refer to IEF2 processing deadline schedules for August 31st on the last page of this advisory.**

A.M. SETTLEMENT CONFIRMATIONS

Settlement variation and performance bond cash call/release amounts resulting from Friday, August 31st RTH and Monday, September 3rd, RTH settlement cycles will be confirmed by the settlement banks by 7:30 a.m. on Tuesday, September 4th. Settlement banks will process cash flows resulting from Friday and Monday's RTH settlement cycle on Tuesday, September 4th.

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 Tuesday morning after the holiday. Increase/Decrease in the values of these collateral assets from Friday to Monday may result in PB call/release, which would be banked on Tuesday morning. These PB calls/releases would be banked in addition to the regular RTH settlements for Friday and Monday.

SVIEF for August 31st and September 3rd RTH settlements will be for value date September 4th.

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>
Thursday, August 30, 2012	Friday, August 31, 2012
Friday, August 31, 2012	Tuesday, September 4, 2012

Mexican peso, Euro, British pound, Canadian dollar

<u>Trade Date</u>	<u>Value Date</u>
Friday, August 31, 2012	Friday, August 31, 2012
Tuesday, September 4, 2012	Tuesday, September 4, 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>
Wednesday, August 29, 2012	Friday, August 31, 2012
Thursday, August 30, 2012	Tuesday, September 4, 2012
Friday, August 31, 2012	Wednesday, September 5, 2012

Mexican peso, Euro, British pound, Canadian dollar

<u>Trade Date</u>	<u>Value Date</u>
Thursday, August 30, 2012	Friday, August 31, 2012
Friday, August 31, 2012	Tuesday, September 4, 2012

INTEREST EARNING FACILITY 2 (IEF2)

Please note the following deadlines for IEF2 processing:

<u>Deadlines for Funds</u>	<u>8/31/12</u>	<u>9/3/12</u>
*BlackRock	2:30 p.m. CST	Closed
Cash Funds: Prime		
FedFund		
TempFund		
*Dreyfus	2:30 p.m. CST	Closed
Institutional Cash Advantage		
Treasury & Agency Cash Mgmt		
*DWS	2:30 p.m. CST	Closed
Gov Cash		
Money Market Series		
Federated	2:30 p.m. CST	Closed
Prime Obligations Fund		
FFI	2:30 p.m. CST	Closed
Select Institutional Fund		
*Goldman Sachs	2:30 p.m. CST	Closed
Fin Square Money Market Fund		
Financial Square Prime Obligations Fund		
*HSBC	2:30 p.m. CST	Closed
Government		
Prime Money Market		
*JPMorgan	2:30 p.m. CST	Closed
Prime Money Market		
*Morgan Stanley	2:30 p.m. CST	Closed
Institutional Liquidity Gov Portfolio		
Institutional Liquidity Prime Portfolio		
RBC	2:30 p.m. CST	Closed
Prime Money Market		
SSgA	2:30 p.m. CST	Closed
Prime Money Market Portfolio		

State Street	2:30 p.m. CST	Closed
Institutional Liquid Reserves		

UBS	2:30 p.m. CST	Closed
Select Prime Preferred		
Select Treasury Preferred		

Wells Fargo	2:30 p.m. CST	Closed
Heritage Money Market Fund		

***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.