



12-499

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

SUBJECT: **OTC Holiday Advisory – Thanksgiving Day**

DATE: Friday, November 16, 2012

Please be advised that CME Clearing will be observing the Thanksgiving Day holiday on Thursday, November 22nd, 2012.

For specific information on how this will impact CME Clearing's processing and trade submission timelines, please refer to the information below.

Trade Submission and Variation Margin Settlement -

For USD denominated swaps submitted for clearing on Thursday, November 22nd, 2012, the first available clear date will be Friday, November 23rd, 2012. This means that for any USD denominated swaps submitted on Thursday, November 22nd, 2012, the clear date will be Friday, November 23rd, 2012 and both the variation margin and upfront fees for these trades will settle on Monday, November 26th, 2012.

For trades in all other currencies (EUR, CAD, GBP, CHF, AUD, JPY) submitted on Thursday, November 22nd, 2012, CME Clearing will process these trades business as usual.

Price Alignment Interest -

For price alignment interest (PAI) processing on both interest rate swaps & credit default swaps:

- At close of business on Wednesday, November 21st – On USD denominated swaps, CME Clearing will calculate two days of PAI (Wednesday and Thursday).
- On swaps denominated in all other currencies (EUR, CAD, GBP, CHF, JPY, AUD), CME Clearing will calculate one day of price alignment interest (Wednesday).

Initial Margin Calculations -

Interest Rate Swaps -

For initial margin purposes, please note that for a holiday in a currency that is not also a holiday for all other clearable currencies (meaning that the holiday is not shared among all clearable currencies), CME Clearing will re-margin existing IRS trades in all currencies. For example, on Thursday, November 22nd, even though it is a USD holiday, CME Clearing will re-margin trades denominated in USD, which may lead to slight changes in the initial margin requirement from close of business Wednesday, November 21st to Friday, November 23rd, 2012.

Credit Default Swaps –

Please note that the initial margin requirement at end of day Thursday, November 22nd will be identical to the end of day initial margin requirement on Wednesday, November 21st.

CDS Price Submission -

CME Clearing will not require CDS price submission on Thursday, November 22nd, 2012.

Please note that Friday, November 23rd will be an early price submission day.

This means that on Friday, November 23rd, CME Clearing will be following the price submission schedule outlined below –

- **Publication of early CDS settlement price file:** 12:30 p.m. ET (11:30 a.m. CT)
- **Publication of Preliminary Dealer Feedback Files:** 1:05pm ET (12:05pm CT), 1:35pm ET (12:35pm CT), 2:05pm ET (1:05pm CT)
- **Dealer Price Submission Deadline:** 2:35 p.m. ET (1:35 p.m. CT)
- **Publication of Final PQA Dealer Feedback Files:** 2:45 p.m. ET (1:45 p.m. CT)
- **Publication of final CDS settlement price file:** 3:30 p.m. ET (2:30 p.m. CT)

If you have questions, please contact the CME Client Services Team at onboarding@cmegroup.com.

Regards,
CME Clearing