

13-020

January 16, 2013

**IMPORTANT MEMORANDUM**

TO: Clearing Member Firms  
Chief Financial Officers  
Back Office Managers

FROM: CME Group Clearing

SUBJECT: HOLIDAY SCHEDULE - **Martin Luther King Jr. Day, January 21, 2013**

**Please refer to the links below for undated holiday trading schedules.**

**GLOBEX:**

<http://www.cmegroup.com/tools-information/holiday-calendar/files/2013-martin-luther-king.pdf>

**ClearPort:**

[http://www.cmegroup.com/tools-information/holiday-calendar/files/CME Clearport 2013 Holiday Calendar.pdf](http://www.cmegroup.com/tools-information/holiday-calendar/files/CME%20Clearport%202013%20Holiday%20Calendar.pdf)

**Chicago Trading Floor:**

<http://www.cmegroup.com/tools-information/holiday-calendar/files/2013floorholidaycard.pdf>

**New York Trading Floor:**

[http://www.cmegroup.com/tools-information/holiday-calendar/files/New York Floor Holiday Calendar 2013.pdf](http://www.cmegroup.com/tools-information/holiday-calendar/files/New_York_Floor_Holiday_Calendar_2013.pdf)

**Kansas City Trading Floor:**

<http://www.cmegroup.com/tools-information/holiday-calendar/files/2013-kcft-floor-holiday-card.pdf>

**For clearing processing and trade submission timelines for interest rate swaps (IRS) and credit default swaps (CDS), please refer to the advisory link below:**

<http://www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv13-017.pdf>

Please note the holiday processing schedule for Monday, January 21, 2013 in observance of Martin Luther King, Jr. Day.

- The Chicago, New York and Kansas City trading floors are closed.
- CME GLOBEX will open on Sunday January 20, at 5 pm CST but will close at 12:15 pm on Monday, and then re-open at 5 pm on Monday. Trades executed on GLOBEX from 5 pm Sunday to 12:15 pm Monday will clear as of business day **Tuesday, January 22**.
- CME ClearPort will be open.

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

Inter-exchange processing pursuant to the Mutual Offset Agreement with the Singapore Exchange (SGX) will only run an "AM" cycle on Monday, January 21<sup>st</sup>. The CME side of inter-exchange transfers cleared on Monday will be posted for **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 am CST.

#### **Monday January 21:**

- There will be no intraday settlement cycle on Monday, January 21.
- Settlement price files and SPAN files **will** be published at 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 futures and options products on Monday, there will therefore be no settlement variation or option premium requirements for these products generated on Monday. Performance bond requirements for futures and options products on Monday may be slightly different from Friday's values due to time decay.
- 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 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, AUD, CHF, JPY and CAD. Additionally, performance bond requirements for the combined portfolio **will** be updated on Monday.

#### **Erosion Holiday Processing:**

- CME clearing will not process NYMEX Erosion on **Monday, January 21<sup>st</sup>**.
- On **Tuesday, January 22<sup>nd</sup>**, CME Clearing will process double erosion for all firms with positions in the January 2013 NYMEX PJM contracts since Martin Luther King Day is not defined as a NERC holiday.
- CME Clearing will calculate final erosion for **both Monday, January 21<sup>st</sup> and Tuesday, January 21<sup>nd</sup> on Tuesday, January 22<sup>nd</sup>** for settlement on **Wednesday, January 23<sup>rd</sup>**.

### **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, January 21, 2013. Consequently, clearing firms will be unable to deposit or withdraw collateral on Monday, January 21<sup>st</sup>. Clearing 21 will not be available for Asset Management Banking transactions on Monday, January 21, 2013.

The "Interest-Earning Facility" (IEF) will be closed for all transactions on Monday, **January 21<sup>st</sup>**. No purchases or redemptions will be allowed for the IEF-2, IEF-3, IEF-4 or IEF-5 programs on Monday, January 21<sup>st</sup>. **Please refer to IEF2 processing deadline schedules for January 18 on the last page of this advisory.**

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

Settlement variation and performance bond cash call/release amounts resulting from Friday, January 18<sup>th</sup>, RTH and Monday, January 21<sup>st</sup>, RTH settlement cycles will be confirmed by the settlement banks by 7:30 a.m. on Tuesday, January 22<sup>nd</sup>. Settlement banks will process cash flows resulting from Friday and Monday's RTH settlement cycle on Tuesday, January 22<sup>nd</sup>.

As securities near their maturity date, the values of these assets change, this can result in a 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 January 18<sup>th</sup> and 21<sup>st</sup> RTH settlements will be for value date January 22<sup>nd</sup>.

#### **FUTURES 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>
Wednesday, January 16, 2013	Thursday, January 17, 2013
Thursday, January 17, 2013	Friday, January 18, 2013
Friday, January 18, 2013	Tuesday, January 22, 2013

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

<u>Trade Date</u>	<u>Value Date</u>
Wednesday, January 16, 2013	Wednesday, January 16, 2013
Thursday, January 17, 2013	Thursday, January 17, 2013
Friday, January 18, 2013	Friday, January 18, 2013

#### **FUTURES 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, January 16, 2013	Friday, January 18, 2013
Thursday, January 17, 2013	Tuesday, January 22, 2013
Friday, January 18, 2013	Wednesday, January 23, 2013

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

<u>Trade Date</u>	<u>Value Date</u>
Wednesday, January 16, 2013	Thursday, January 17, 2013
Thursday, January 17, 2013	Friday, January 18, 2013
Friday, January 18, 2013	Tuesday, January 22, 2013

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

Please note the following deadlines for IEF2 processing:

<b><u>Deadlines for Funds</u></b>	<b>01/18/13</b>	<b>01/21/13</b>
<b>*BlackRock</b> Cash Funds: Prime FedFund TempFund	2:30 p.m. CST	Closed

<b><u>Deadlines for Funds</u></b>	<b>01/18/13</b>	<b>01/21/13</b>
<b>*Dreyfus</b> Institutional Cash Advantage Treasury & Agency Cash Mgmt	2:30 p.m. CST	Closed
<b>*DWS</b> Gov Cash Money Market Series	2:30 p.m. CST	Closed
<b>*Federated</b> Prime Obligations Fund	2:30 p.m. CST	Closed
<b>*FFI</b> Select Institutional Fund	2:30 p.m. CST	Closed
<b>*Goldman Sachs</b> Fin Square Money Market Fund Financial Square Prime Obligations Fund	2:30 p.m. CST	Closed
<b>*HSBC</b> Government Prime Money Market	2:30 p.m. CST	Closed
<b>*JPMorgan</b> Prime Money Market	2:30 p.m. CST	Closed
<b>*Morgan Stanley</b> Institutional Liquidity Gov Portfolio Institutional Liquidity Prime Portfolio	2:30 p.m. CST	Closed
<b>*RBC</b> Prime Money Market	2:30 p.m. CST	Closed
<b>*SSgA</b> Prime Money Market Portfolio	2:30 p.m. CST	Closed
<b>*State Street</b> Institutional Liquid Reserves	2:30 p.m. CST	Closed
<b>*UBS</b> Select Prime Preferred Select Treasury Preferred	2:30 p.m. CST	Closed
<b>*Wells Fargo</b> 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.