

 **CME Group** | Advisory Notice

TO: Clearing Member Firms
FROM: CME Clearing
ADVISORY #: 16-040
SUBJECT: Intraday Updates to be Provided to BTIC Prices Beginning February 8, 2016
DATE: January 20, 2016

Last fall CME introduced BTIC (Basis Trade Index Close) trades in the major equity index futures. Additionally CME Group has offered the S&P Select Sector index futures on a BTIC basis for several years.

These are Trade-At-Marker (TAM) trades, where the execution price represents a differential from the daily closing value of the underlying index of that futures contract.

Because that underlying index value is not known at the time the trade is executed, the final trade price in absolute terms cannot be known at that time either. The original trade confirmation message provides an estimated, preliminary value for the trade price. Late in the afternoon, when the closing value of the index is known, a change message is sent, providing the updated, final value for the trade price.

At the request of several clearing firms, **beginning on Monday, February 8**, CME Clearing will begin providing intraday, preliminary updates to the estimated value of the trade price. Initially, one such update message will be sent for each BIC trade, at approximately 11:00am CT. Later, we will begin providing these updates approximately every thirty minutes throughout the trading day.

In addition to the change messages for the original trade, if the trade has been given out, the update messages are also provided on the Allocation Report and Allocation Instruction Alert messages.

Note that firms already receive and process the final end-of-day price update messages. The only difference is the addition of intraday, estimated price update messages.

For a comprehensive description of messaging attributes for TAS, TAM and BTIC trades, please see: <http://www.cmegroup.com/clearing/files/tas-tam-btic.pdf>

For clearing advisory 11-144 providing examples of messaging for TAM transactions, please see: <http://www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv11-144.pdf>

For information on the BTIC equity index futures please see New Product Advisories 15-266, 15-372, and 15-373, at:

<http://www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv15-266.pdf>

<http://www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv15-372.pdf>

<http://www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv15-373.pdf>