

TO: CME Optimizer Users

FROM: CMEclearing@cmegroup.com

DATE: February 25, 2016

SUBJECT: New Version of CME Optimizer (8.0) Now Available for Download in CME CORE: Mandatory Update Required in Production 4-6 weeks after the March 2, 2016 New Release Deployment of Swaptions

ADVISORY #: 16-090

A new version of CME Optimizer (version 8.0) is now available for users to download, for testing, from <https://cmecore.cmegroup.com/core/>.

This version replaces version 7.0. New features for the Optimizer 8.0 mirror those of 7.0 but upgrading is still mandatory in order to successfully calculate margins using CME's new liquidity model.

Users are required to upgrade to Windows 7 or higher to run the most recent version of SPAN, which is packaged with Optimizer 8.0.

Users will need to build a process to pull in new input files, described below, from CME's secure FTP in order to run Optimizer 8.0. Running with new input files will cause Optimizer 8.0 to return margin results with new liquidity calculations.

The CORE team will release further details of the mandatory production date in the coming weeks.

Further details about this release can be found below. Please reach out to [cme.core@cmegroup.com](mailto:cme.core@cmegroup.com) with any questions.

Detailed Release notes:

- Users will be required to upgrade to Windows 7 or higher to run the most recent version of span, which is packaged in Optimizer 8.0
- The updated spec document for the portfolio margining program can be found at <http://www.cmegroup.com/confluence/display/EPICSANDBOX/Portfolio+Margining+for+OTC+Interest+Rate+Swaps>
- The Margin Summary Report has been enhanced with new columns to include liquidity margin breakout when running with new files
- Users will be required to run Optimizer 8.0 with two new input files to support the new liquidity model for OTC IRS portfolios.
  - New file Details:
    - **ConcentrationBracket\_YYYYMMDD.xml**: This file contains risk data that will be used to complete a liquidity margin calculation and is located on the secure FTP via the PUB/IRS directory
    - **Futures\_Delta\_YYYYMMDD.csv**: This file contains the DV01 values of each futures contract eligible for the portfolio margin program represented in a delta ladder and is located on the secure FTP via the PUB/IRS directory

- To run with the new liquidity model a user should simply load the new files into the input directory
- Please test with the Sample Risk Data Files found in the Sample Directory including:
  - Base\_Curves\_20141212.csv
  - cme.20141212.s.cust.spn
  - ConcentrationBracket.xml
  - Futures\_Delta\_20141212.xml
  - IRSDL\_sample\_20141212.csv
  - Log\_Return\_20141212.csv
  - Position\_Sample\_20141212.csv

Accessing the latest version of CME Optimizer:

- 1) Create a SMART Click ID if you do not already have one
  - a. See steps below for creating one
- 2) Email your Smart Click ID to [cme.core@cmegroup.com](mailto:cme.core@cmegroup.com) to be permissioned to download Optimizer if you have never been permissioned in the past
- 3) Log into CME CORE here: <https://cmecore.cmegroup.com/>
- 4) Go the Download Center's Software
  - a. CME Optimizer will be available, if you have emailed [cme.core@cmegroup.com](mailto:cme.core@cmegroup.com) your Smart Click ID (no purchase necessary)

The screenshot shows the 'CORE Margin Calculator' website. The navigation bar includes 'Home', 'Margin Calculator', 'Reports', and 'Download Center'. Under 'Download Center', there are two sub-sections: 'Documents' and 'Software', with 'Software' highlighted in a red box. Below this, the 'CME Optimizer' section is displayed, featuring a descriptive paragraph and a table of available files.

File	Version	Description
<a href="#">CME Portfolio Margining Overview</a>	1.0.0	This document describes CME Portfolio Margin Program
<a href="#">CME Optimizer 7.0</a>	1.0.0	This is CME Optimizer 7.0 (prior build).
<a href="#">CME Optimizer 8.0</a>	1.0.0	This is the CME Optimizer 8.0.

Steps for creating a SMART Click ID:

- 1) Go to the CME CORE login screen: <https://cmecore.cmegroup.com/>
- 2) Click on the "Need to Register" link and provide the required information.
- 3) Receive your SMART Click ID. Please reach to [EASE Globex Request@cmegroup.com](mailto:EASE_Globex_Request@cmegroup.com) with any questions about creating a SMART Click ID.

Please contact the CME CORE group at [cme.core@cmegroup.com](mailto:cme.core@cmegroup.com) with any questions.