

12-501

November 20, 2012

IMPORTANT MEMORANDUM

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

SUBJECT: **REVISED: HOLIDAY SCHEDULE-THANKSGIVING-THURSDAY,
NOVEMBER 22, 2012**

For update to date 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-thanksgiving.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

Thursday, November 22, 2012 is the Thanksgiving holiday, a US federal holiday. As such, it is quite typical of CME Clearing's processing for most US federal holidays:

An 'Exchange holiday':

- The Chicago and New York trading floors are closed.
- CME Globex will open normally on Wednesday, November 21st but will close at various times on Thursday and then re-open on Thursday at various times. Please check the [CME Globex Thanksgiving Holiday Schedule](#) above for specific times. Trades executed on CME Globex from Wednesday to 10:30am Thursday will clear as of business day **Friday, November 23rd**.
- CME ClearPort will be open as normal. OTC FX trades will clear as of business day Thursday, and trades in other ClearPort products will clear as of business day **Friday, November 23rd**.
- Customer Gross Margining CGM file submission is not required by firms on Thursday, November 22nd.

- **Erosion Holiday Processing**

Please be advised that due to a PJM processing holiday on Thursday, November 22nd and Friday, November 23rd, CME Clearing **will not** calculate final erosion on Friday, November 23rd, 2012 for the November JM, UM and VM monthly contracts. Instead, CME Clearing will calculate final erosion for these contracts separately on **Monday, November 26th, 2012**, which will appear on your trade registers the evening of November 26th, 2012 and will be banked the morning of **Tuesday, November 27th, 2012**. Pending erosion for Friday, November 23rd, 2012 and final erosion for Monday, November 26th, 2012 **will not** be impacted.

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 **Friday's** clearing cycle for the first time, while rate swap trades denominated in EUR, GBP, CAD, JPY, CHF & AUD will be brought into **Thursday's** clearing cycle. Because it's a USD banking holiday on Thursday, the USD-denominated price alignment interest calculated at end-of-day Wednesday will cover **two** calendar days. On Thursday USD price alignment interest will be zero.

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 **Friday's** clearing cycle. There is no price submission for CDS on Thursday. Exactly as with USD-denominated rate swaps, price alignment interest calculated at end-of-day Wednesday will cover two calendar days, and PAI on Thursday will be zero.

Clearing processing for OTC FX Products: Trades may be cleared in any CME OTC FX product on Thursday, November 22nd, for Thursday's clearing business date.

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 **Thursday, November 22nd**. There will be an "A.M" inter-exchange processing cycle on its normal schedule. The CME side of inter-exchange transfers cleared on the Thursday, however, will be brought into **Friday's** clearing cycle.

The deadline to submit trades to the A.M. inter-exchange processing cycle on Thursday will be its normal time of 7:00 a.m. Chicago time.

Thursday, November 22nd: A clearing business day (but somewhat special):

Clearing, SPAN and Settlement Processing

- There will be no intraday settlement cycle on Thursday, November 22nd
- Settlement price files and SPAN files **will** be published at end-of-day on Thursday, but settlement prices for all products except OTC FX will be identical to their values as of Wednesday.
- There **will** be an end-of-day settlement cycle on Thursday.
- Because there will be no new trades and no new prices for normal Exchange products on Thursday, there will be no settlement variation or option premium requirements for these products generated on Thursday. Performance bond requirements for normal Exchange products on Thursday may be slightly different from Wednesday's values due to the passage of time.

- There will be no new settlement variation requirements on the Thursday for USD-denominated credit default swaps and performance bond requirements for these positions will not change from their Wednesday values.
- There will be no new settlement variation requirements on the Thursday 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 Thursday.

Banking and Performance Bond Collateral Processing

Processing of Performance Bond Collateral

The U.S. bank holiday will prohibit the posting of collateral transactions dated Thursday, November 22, 2012. Consequently, clearing firms will be unable to deposit or withdraw collateral on Thursday, November 22nd. Clearing 21 will not be available for Asset Management Banking transactions on Thursday, November 22, 2012.

The "Interest-Earning Facility" (IEF) will be closed for all transactions on **Thursday, November 22nd**. No purchases or redemptions will be allowed for the IEF-2, IEF-3, IEF-4 or IEF-5 programs on Thursday, November 22nd. **Please refer to IEF2 processing deadline schedules for November 22 on the last page of this advisory.**

A.M. SETTLEMENT CONFIRMATIONS

Settlement variation and performance bond cash call/release amounts resulting from Wednesday, November 21st, RTH and Thursday, November 22nd, RTH settlement cycles will be confirmed by the settlement banks by 7:30 a.m. on Friday, November 23rd. Settlement banks will process cash flows resulting from Wednesday and Thursday's RTH settlement cycle on Friday, November 23rd.

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

Please note the following section is for OTC/IRS FX settlements.

Please note that on Thursday, November 22nd, CME Clearing will settle non-USD Variation Margin. This will be the first time that non-USD settlements occur on a USNY holiday. Variation Margin will settle on Thursday for the following currencies: AUD; CHF; EUR; GBP and JPY. For more information on this change, you may reference the advisory notice located at <http://www.cmegroup.com/tools-information/lookups/advisories/clearing/files/Chadv12-421.pdf>

A. DEPOSITS OF PERFORMANCE BOND COLLATERAL

The U.S. bank holiday will prohibit the posting of transactions dated Thursday, November 22, 2012. Consequently, clearing firms will be unable to deposit or withdraw collateral on Thursday, November 22, 2012.

B. 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, November 21, 2012	Friday, November 23, 2012

Canadian dollar, Mexican peso, Euro, British pound

<u>Trade Date</u>	<u>Value Date</u>
Wednesday, November 21, 2012	Wednesday, November 21, 2012

Please note the following section is for Futures FX settlements.

C. 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, November 21, 2012	Friday, November 23, 2012
Friday, November 23, 2012	Tuesday, November 27, 2012

Canadian dollar, Mexican peso, Euro, British pound

<u>Trade Date</u>	<u>Value Date</u>
Wednesday, November 21, 2012	Friday, November 23, 2012
Friday, November 23, 2012	Monday, November 26, 2012

D. INTEREST EARNING FACILITY (IEF2)

Please note the following adjustments to IEF2 processing:

<u>Deadlines for Funds</u>	<u>11/21/12</u>	<u>11/22/12</u>	<u>11/23/12</u>
*BlackRock	2:30 p.m.	Closed	2:30 p.m.
Cash Funds: Prime			
FedFund			
TempFund			
*Dreyfus	2:30 p.m.	Closed	2:30 p.m.
Institutional Cash Advantage			
Treasury & Agency Cash Mgmt			
*DWS	2:30 p.m.	Closed	12:00 p.m.
Gov Cash			
Money Market Series			
Federated	2:30 p.m.	Closed	2:00 p.m.
Prime Obligations Fund			
FFI	2:30 p.m.	Closed	2:30 p.m.
Select Institutional Fund			
*Goldman Sachs	2:30 p.m.	Closed	2:00 p.m.
Fin Square Money Market Fund			
Financial Square Prime Obligations Fund			

*HSBC			
Government	2:30 p.m.	Closed	1:00 p.m.
Prime Money Market	2:30 p.m.	Closed	2:00 p.m.
*JPMorgan			
Prime Money Market	2:30 p.m.	Closed	2:30 p.m.
*Morgan Stanley			
Institutional Liquidity Gov Portfolio	2:30 p.m.	Closed	3:00 p.m.
Institutional Liquidity Prime Portfolio			
RBC			
Prime Money Market	2:30 p.m.	Closed	1:00 p.m.
SSgA			
Prime Money Market Portfolio	2:30 p.m.	Closed	12:00 p.m.
State Street			
Institutional Liquid Reserves	2:30 p.m.	Closed	12:00 p.m.
UBS			
Select Prime	2:30 p.m.	Closed	2:00 p.m.
Select Treasury			
Wells Fargo			
Advantage Heritage Money Market Fund	2:30 p.m.	Closed	2:00 p.m.

***Same closing time for all funds unless otherwise noted.**

****Fund closing times are subject to change.**

No IEF2 purchases / redemptions will be allowed on Thursday, November 22, 2012.

E.

INTEREST EARNING FACILITY 3; 4; 5 (IEF3/IEF4/IEF5)

IEF3/IEF4/IEF5 processing will follow the usual schedule coinciding with regular banking activity for Wednesday, November 21, 2012 and Friday, November 23, 2012.

No IEF3/IEF4/IEF5 purchases / redemptions will be allowed on Thursday, November 22, 2012.

If you have questions on financial operational deadlines, please call the Financial Unit, (312) 207-2594.

F.

INTER-EXCHANGE PROCESSING

There will be an AM and PM Inter-Exchange processing cycle on Wednesday, November 21, 2012.

On Thursday, November 22, 2012, there will be an AM Inter-Exchange cycle only. There will be no PM cycle. The deadline to submit trades to the AM Inter-Exchange processing cycle on Thursday, November 22, 2012 is 7:00 a.m.

Normal Inter-Exchange processing will resume on Friday, November 23, 2012. For any SGX related issues, please call (312) 207-2525.

G.

Delivery Processing

Please be advised due to the Thanksgiving holiday, there will be a modified delivery cycle for intents submitted on the following days:

<u>Intent Day</u>	<u>Notify/Invoice Day</u>	<u>Delivery Day</u>
Tuesday, November 20, 2012	Wednesday, November 21, 2012	Friday, November 23, 2012
Wednesday, November 21, 2012	Friday, November 23, 2012	Monday, November 26, 2012