Eris Exchange
The Future of Swaps

Advisory Notice

TO: Eris Exchange Participant Firms, Clearing Firms, and Brokers

FROM: Eris Exchange Control Center

ADVISORY: #11-02

DATE: May 4, 2011

SUBJECT: **Migration to OIS Discounting, changes to market operating hours, dissemination of public data**

OIS Discounting

Starting Monday, May 9, 2011, Eris Exchange will change the settlement methodology of Eris Exchange futures to incorporate OIS discounting. The methodology for curve construction and OIS discounting is published at http://www.erisfutures.com/contract-specifications-summary. Eris Exchange futures are cleared by CME Clearing.

Impact: The change in discounting methodology is isolated within the pricing system itself, and does not affect the operational flow or data output formats associated with the daily settlement process.

Total Return on Modified Variation Margin (TRMVM) update

To coincide with the move to OIS discounting, TRMVM will now be calculated and applied to existing tickers at **7:15 AM Central Time** based on the overnight Fed Effective rate disseminated that morning by the NY Federal Reserve. See table below for description of files and daily schedule.

Eris Exchange Trading Hours

To accommodate modifications in our settlement price calculations, Eris Exchange has modified the open time for the exchange. Starting Monday, May 9th, 2011, Eris Exchange will begin trading **at 8:20 AM EST (7:20 AM CST)**. Daily trading hours cease at **4:30 PM EST (3:30 PM CST)**.

Distribution of Eris Exchange Public Data

The table below summarizes the daily schedule of pricing file publishing.

Name	Description	File Name	Delivery Time
1. Eris Exchange BOD Pricing File	Eris Exchange beginning of day pricing file provides a list of all tickers, previous days settlement prices, and B&C values calculated using the Fed Funds Rate published by the New York Federal Reserve that morning.	Eris_YYYYDDMM_BOD_SwapPrices_OIS.csv	8:15 am ET (7:15 am CT)
2. Eris Exchange EOD Pricing File	End of day pricing file that incorporates the 100 + A (NPV) + B (Historical coupon payments) - C (Total Return on Variation Margin) calculation to derive the daily settlement price for open tickers.	Eris_YYYYMMDD_EOD_SwapPrices_OIS.csv	4:45 pm ET (3:45 pm CT)
3. Eris Exchange Curve File	"The Eris Curve" as of 3:00 pm NY time, incorporating LIBOR cash flow amounts with OIS discounting. Column A shows the duration (2y to 30y), and Column L (labeled "FairCoupon (%)") shows the coupon rate that would result in zero-NPV swap.	Eris_YYYYMMDD_EOD_ParCouponCurve_OIS.csv	4:45 pm ET (3:45 pm CT)
4. Eris Exchange LIBOR Discount Factor File	Daily LIBOR discount factors, spot rates and 3-month fixings for 30 years.	Eris_YYYYMMDD_EOD_DiscountFactors_LIBOR.csv	4:45 pm ET (3:45 pm CT)
5. Eris Exchange OIS Discount Factor File	Daily OIS discount factors and spot rates for 30 years.	Eris_YYYYMMDD_EOD_DiscountFactors_OIS.csv	4:45 pm ET (3:45 pm CT)
6. Eris Exchange Swap Leg Price File	Daily pricing file that shows the fixed and floating payment dates and rates for Eris Exchange tickers, including most recent reset rate for floating leg.	Eris_YYYYMMDD_EOD_PricedSwapLegAnalysis_OIS.csv	4:45 pm ET (3:45 pm CT)
7. Eris Exchange Swap Holidays File	Daily files that shows the every exchange holiday for the next 40 years.	Eris_YYYYMMDD_EOD_Holidays.csv	4:45 pm ET (3:45 pm CT)

Address: ftp.erisfutures.com
Login: anonymous
Password: anonymous

If you have any questions regarding this Exchange notice, please contact Eris Control Center at 888-587-2699, Option 1, ErisControlCenter@erisfutures.com.

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