Advisory Notice

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

FROM: Eris Exchange Control Center

ADVISORY: #11-03

DATE: July 29, 2011

SUBJECT: **Adoption of standardized CME OIS and LIBOR Curves for generating settlement prices**

Standardization CME OIS Curve

Starting Monday August 15th, 2011, Eris Exchange's daily settlement price generation process will be modified to incorporate standardized OIS and LIBOR inputs from CME Clearing in the calculation of cash flows (LIBOR) and discounting (OIS). Enacting this change allows CME Clearing to ensure uniformity of settlement value calculations across the suite of its offerings for interest rate swap derivatives.

For more information on the CME OIS and LIBOR curve, please contact CME Clearing at 312-207-2525.

Operational Impact

Operationally, the only aspect of this change that affects clearing firms and firms is that the expected time for Eris Exchange to publish the End-of-Day (EOD) Pricing File has been postponed 15 minutes to 5:00 pm ET each trading day. The format of the EOD Pricing File will not change.

The table below summarizes the suite of data that Eris Exchange publishes to its public FTP site (ftp.erisfutures.com), and has been updated to reflect the change in expected timing of the EOD Pricing file.

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	5:00 pm ET (4:00 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	5:00 pm ET (4:00 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	5:00 pm ET (4:00 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	5:00 pm ET (4:00 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	5:00 pm ET (4:00 pm CT)

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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