



ADV CH-16-241

TO: Clearing Member Firms  
Chief Financial Officers  
Back Office Managers  
Margin Managers

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, June 21, 2016

***To receive advanced notification of Performance Bond (margin) changes, through our free automated mailing list, go to***

***<http://www.cmegroup.com/newsletter/web2lead/web2sf-old.html>***

***and subscribe to the Performance Bond Rates Advisory Notice listserver.***

As per the normal review of market volatility to ensure adequate collateral coverage, the Chicago Mercantile Exchange Inc., Clearing House Risk Management staff approved the performance bond requirements for the following products listed below.

The rates will be effective after the close of business on

**Friday, June 24, 2016.**

Current rates as of:

**Tuesday, June 21, 2016.**

In this current advisory there are changes to the Short Option Minimum and/or the Volatility Scan Range. Below are descriptions of what each change affects:

The Short Option Minimum (SOM) is a charge that is applied only to portfolios concentrated in short options that do not generate a minimum margin requirement level when margins are calculated using the normal 16 SPAN scenarios. The SOM charge per short calls or short puts is a percentage of the outright margin on one underlying futures contract.

The volatility scan range is the change in implied volatility that is used in each of SPAN's 16 scenarios.

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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### Outright Rates

#### **CRUDE OIL SPREADS - Outright Rates**

##### **CPC BLEND VS MED DATED BRENT FUTURE (CPD)**

CPD	Spec	Mnth 1+	New	USD			715	650
CPD	Hedge/Member	Mnth 1+	New	USD			650	650

##### **URALS MED VS DATED BRENT FUTURE (UMD)**

UMD	Spec	Mnth 1+	New	USD			550	500
UMD	Hedge/Member	Mnth 1+	New	USD			500	500

##### **URALS NORTH VS MED DATED BRENT FUT (UNS)**

UNS	Spec	Mnth 1+	New	USD			605	550
UNS	Hedge/Member	Mnth 1+	New	USD			550	550

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>CRUDE OIL SPREADS - Intra Spreads</b>								
<b>CPC Blend CIF Mediterranean (S&amp;P Global Platts) vs. Dated strip (S&amp;P Global Platts) Futures - All Months (CPC BLEND VS MED DATED BRENT FUTURE)</b>								
CPD	Spec		New	USD			330	300
CPD	Hedge/Member		New	USD			300	300
<b>Urals Mediterranean (S&amp;P Global Platts) vs. Dated Brent (S&amp;P Global Platts) CFD Futures - All Months (URALS MED VS DATED BRENT FUTURE)</b>								
UMD	Spec		New	USD			275	250
UMD	Hedge/Member		New	USD			250	250
<b>Urals North (S&amp;P Global Platts) vs. Dated Brent (S&amp;P Global Platts) CFD Futures - All Months (URALS NORTH VS MED DATED BRENT FUT)</b>								
UNS	Spec		New	USD			275	250
UNS	Hedge/Member		New	USD			250	250

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>						
<b>CRUDE OIL SPREADS - Short Option Minimum (SOM) Rate</b>						
<b>CPC BLEND CIF MEDITERRANEAN (S&amp;P GLOBAL PLATTS) VS. DATED STRIP (S&amp;P GLOBAL PLATTS) FUTURES (CPD) - SOM</b>						
Clearing Member Rate		New			16.500	15.000
<b>URALS MEDITERRANEAN (S&amp;P GLOBAL PLATTS) VS. DATED BRENT (S&amp;P GLOBAL PLATTS) CFD FUTURES (UMD) - SOM</b>						
Clearing Member Rate		New			16.500	15.000
<b>URALS NORTH (S&amp;P GLOBAL PLATTS) VS. DATED BRENT (S&amp;P GLOBAL PLATTS) CFD FUTURES (UNS) - SOM</b>						
Clearing Member Rate		New			16.500	15.000

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>CRUDE OIL SPREADS - Volatility Scan (volScan) Rate</b>						
<b>CPC BLEND CIF MEDITERRANEAN (S&amp;P GLOBAL PLATTS) VS. DATED STRIP (S&amp;P GLOBAL PLATTS) FUTURES (CPD) - volScan</b>						
Clearing Member Rate	Mnth 1+	New				25.000%
<b>URALS MEDITERRANEAN (S&amp;P GLOBAL PLATTS) VS. DATED BRENT (S&amp;P GLOBAL PLATTS) CFD FUTURES (UMD) - volScan</b>						
Clearing Member Rate	Mnth 1+	New				25.000%
<b>URALS NORTH (S&amp;P GLOBAL PLATTS) VS. DATED BRENT (S&amp;P GLOBAL PLATTS) CFD FUTURES (UNS) - volScan</b>						
Clearing Member Rate	Mnth 1+	New				25.000%