



11-170

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, May 13, 2011

***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 **Saturday, May 14, 2011**.

Current rates as of:

**Friday, May 13, 2011.**

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
<b>Outright Rates</b>								
<b>ELECTRICITY - Outright Rates</b>								
<b>ISO NE CAL FUT STRP SYNTH (NES)</b>								
NES	Spec		New	USD			85,800	78,000
NES	Hedge/Member		New	USD			78,000	78,000
<b>MDWST ISO IND. HUB 5MW PK CAL-MO RT (PTM)</b>								
PTM	Spec	Tier 1	New	USD			385	350
PTM	Hedge/Member	Tier 1	New	USD			350	350
PTM	Spec	Tier 2	New	USD			385	350
PTM	Hedge/Member	Tier 2	New	USD			350	350
PTM	Spec	Tier 3	New	USD			385	350
PTM	Hedge/Member	Tier 3	New	USD			350	350
PTM	Spec	Tier 4	New	USD			385	350
PTM	Hedge/Member	Tier 4	New	USD			350	350
<b>MDWST ISO INDIANA HUB 5MWPK CAL MO (PDM)</b>								
PDM	Spec	Tier 1	New	USD			385	350
PDM	Hedge/Member	Tier 1	New	USD			350	350
PDM	Spec	Tier 2	New	USD			385	350
PDM	Hedge/Member	Tier 2	New	USD			350	350
PDM	Spec	Tier 3	New	USD			385	350
PDM	Hedge/Member	Tier 3	New	USD			350	350
PDM	Spec	Tier 4	New	USD			385	350
PDM	Hedge/Member	Tier 4	New	USD			350	350
<b>MISO IND. HUB 5MW OFPK CAL MTH DA (FDM)</b>								
FDM	Spec	Tier 1	New	USD			17	15
FDM	Hedge/Member	Tier 1	New	USD			15	15
FDM	Spec	Tier 2	New	USD			17	15
FDM	Hedge/Member	Tier 2	New	USD			15	15
FDM	Spec	Tier 3	New	USD			17	15
FDM	Hedge/Member	Tier 3	New	USD			15	15
FDM	Spec	Tier 4	New	USD			17	15
FDM	Hedge/Member	Tier 4	New	USD			15	15
<b>MISO INDIANA HUB 5MW OFPK CAL MO RT (FTM)</b>								
FTM	Spec	Tier 1	New	USD			17	15
FTM	Hedge/Member	Tier 1	New	USD			15	15
FTM	Spec	Tier 2	New	USD			17	15
FTM	Hedge/Member	Tier 2	New	USD			15	15
FTM	Spec	Tier 3	New	USD			17	15
FTM	Hedge/Member	Tier 3	New	USD			15	15
FTM	Spec	Tier 4	New	USD			17	15

# SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Outright Rates</b>								
FTM	Hedge/Member	Tier 4	New	USD			15	15
<b>MISO INDIANA HUB 5MW OFPK CALDAY DA (FAD)</b>								
FAD	Spec		New	USD			440	400
FAD	Hedge/Member		New	USD			400	400
<b>MISO INDIANA HUB 5MW OFPK CALDAY RT (FTD)</b>								
FTD	Spec		New	USD			440	400
FTD	Hedge/Member		New	USD			400	400
<b>MISO INDIANA HUB 5MW PK CAL DAYHD (PDD)</b>								
PDD	Spec		New	USD			7,040	6,400
PDD	Hedge/Member		New	USD			6,400	6,400
<b>MISO INDIANA HUB 5MW PK CAL-DAY RT (PTD)</b>								
PTD	Spec		New	USD			7,040	6,400
PTD	Hedge/Member		New	USD			6,400	6,400
<b>FREIGHT - Outright Rates</b>								
<b>FREIGHT ROUTE TC12 (BALTIC) FORWARD (FRB)</b>								
FRB	Spec	Tier 1	New	USD			2,200	2,000
FRB	Hedge/Member	Tier 1	New	USD			2,000	2,000
FRB	Spec	Tier 2	New	USD			2,200	2,000
FRB	Hedge/Member	Tier 2	New	USD			2,000	2,000
FRB	Spec	Tier 3	New	USD			2,200	2,000
FRB	Hedge/Member	Tier 3	New	USD			2,000	2,000
<b>FREIGHT ROUTE TC12 (BALTIC) SWAP (FRS)</b>								
FRS	Spec		New	USD			2,200	2,000
FRS	Hedge/Member		New	USD			2,000	2,000
<b>REFINED PRODUCTS - Outright Rates</b>								

## **MINI JAPAN NAPHTHA BALMO SWAP FUT (E6M)**

E6M	Spec	New	USD	7,700	7,000
E6M	Hedge/Member	New	USD	7,000	7,000

# SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>ELECTRICITY - Intra Spreads</b>								
<b>ISO New England Internal Hub Peak LMP Option on Calendar Futures Strip - All Months (ISO NE CAL FUT STRP SYNTH)</b>								
NES	Spec		New	USD			10,560	9,600
NES	Hedge/Member		New	USD			9,600	9,600
<b>Midwest ISO Indiana Hub 5 MW Off-Peak Calendar-Day Day-Ahead Swap Futures - All Months (MISO INDIANA HUB 5MW OFPK CALDAY DA)</b>								
FAD	Spec		New	USD			220	200
FAD	Hedge/Member		New	USD			200	200
<b>Midwest ISO Indiana Hub 5 MW Off-Peak Calendar-Day Real-Time Swap Futures - All Months (MISO INDIANA HUB 5MW OFPK CALDAY RT)</b>								
FTD	Spec		New	USD			220	200
FTD	Hedge/Member		New	USD			200	200
<b>Midwest ISO Indiana Hub 5 MW Off-Peak Calendar-Month Day-Ahead Swap Futures - All Months (MISO IND. HUB 5MW OFPK CAL MTH DA)</b>								
FDM	Spec		New	USD			11	10
FDM	Hedge/Member		New	USD			10	10
<b>Midwest ISO Indiana Hub 5 MW Off-Peak Calendar-Month Real-Time Swap Futures - All Months (MISO INDIANA HUB 5MW OFPK CAL MO RT)</b>								
FTM	Spec		New	USD			11	10
FTM	Hedge/Member		New	USD			10	10
<b>Midwest ISO Indiana Hub 5 MW Peak Calendar-Day Day-Ahead Swap Futures - All Months (MISO INDIANA HUB 5MW PK CAL DAYHD)</b>								
PDD	Spec		New	USD			3,520	3,200
PDD	Hedge/Member		New	USD			3,200	3,200
<b>Midwest ISO Indiana Hub 5 MW Peak Calendar-Day Real-Time Swap Futures - All Months (MISO INDIANA HUB 5MW PK CAL-DAY RT)</b>								
PTD	Spec		New	USD			3,520	3,200
PTD	Hedge/Member		New	USD			3,200	3,200
<b>Midwest ISO Indiana Hub 5 MW Peak Calendar-Month Day-Ahead Swap Futures - All Months (MDWST ISO INDIANA HUB 5MWPK CAL MO)</b>								
PDM	Spec		New	USD			110	100
PDM	Hedge/Member		New	USD			100	100
<b>Midwest ISO Indiana Hub 5 MW Peak Calendar-Month Real-Time Swap Futures - All Months (MDWST ISO IND. HUB 5MW PK CAL-MO RT)</b>								
PTM	Spec		New	USD			110	100
PTM	Hedge/Member		New	USD			100	100

# SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>FREIGHT - Intra Spreads</b>								
<b>Freight Route TC12 (Baltic) Forward - Tier 1 vs Tier 2 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)</b>								
FRB	Spec		New	USD			440	400
FRB	Hedge/Member		New	USD			400	400
<b>Freight Route TC12 (Baltic) Forward - Tier 1 vs Tier 3 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)</b>								
FRB	Spec		New	USD			440	400
FRB	Hedge/Member		New	USD			400	400
<b>Freight Route TC12 (Baltic) Forward - Tier 2 vs Tier 2 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)</b>								
FRB	Spec		New	USD			385	350
FRB	Hedge/Member		New	USD			350	350
<b>Freight Route TC12 (Baltic) Forward - Tier 2 vs Tier 3 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)</b>								
FRB	Spec		New	USD			385	350
FRB	Hedge/Member		New	USD			350	350
<b>Freight Route TC12 (Baltic) Forward - Tier 3 vs Tier 3 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)</b>								
FRB	Spec		New	USD			275	250
FRB	Hedge/Member		New	USD			250	250
<b>REFINED PRODUCTS - Intra Spreads</b>								

## **Japan C&F Naphtha (Platts) Swap - All Months (MINI JAPAN NAPHTHA BALMO SWAP FUT)**

E6M	Spec	New	USD	418	380
E6M	Hedge/Member	New	USD	380	380

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>ELECTRICITY - Short Option Minimum (SOM) Rate</b>					
<b>ISO NEW ENGLAND INTERNAL HUB PEAK LMP OPTION ON CALENDAR FUTURES STRIP (NY-NES) - SOM</b>					
Clearing Member Rate	New		660.00	600.00	
<b>MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (NY-FAD) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY REAL-TIME SWAP FUTURES (NY-FTD) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-FDM) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-FTM) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (NY-PDD) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-DAY REAL-TIME SWAP FUTURES (NY-PTD) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-PDM) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-PTM) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>FREIGHT - Short Option Minimum (SOM) Rate</b>					
<b>FREIGHT ROUTE TC12 (BALTIC) FORWARD (NY-FRB) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	
<b>FREIGHT ROUTE TC12 (BALTIC) SWAP FUTURES (NY-FRS) - SOM</b>					
Clearing Member Rate	New		55.00	50.00	

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>					
<b>ELECTRICITY - Volatility Scan (volScan) Rate</b>					
Clearing Member Rate	New				0.08
<b>MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (NY-FAD) - volScan</b>					
Clearing Member Rate	New				0.08
<b>MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY REAL-TIME SWAP FUTURES (NY-FTD) - volScan</b>					
Clearing Member Rate	New				0.08
<b>MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-FDM) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
<b>MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-FTM) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
<b>MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (NY-PDD) - volScan</b>					
Clearing Member Rate	New				0.08
<b>MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-DAY REAL-TIME SWAP FUTURES (NY-PTD) - volScan</b>					
Clearing Member Rate	New				0.08
<b>MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-PDM) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
<b>MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-PTM) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08

## **SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS**

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>					
<b>FREIGHT - Volatility Scan (volScan) Rate</b>					
<b>FREIGHT ROUTE TC12 (BALTIC) FORWARD (NY-FRB) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
<b>FREIGHT ROUTE TC12 (BALTIC) SWAP FUTURES (NY-FRS) - volScan</b>					
Clearing Member Rate	New				0.08
<b>REFINED PRODUCTS - Volatility Scan (volScan) Rate</b>					
<b>MINI JAPAN NAPHTHA (PLATTS) BALMO SWAP FUTURES (NY-E6M) - volScan</b>					
Clearing Member Rate	New				0.05