



11-396

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, November 04, 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, November 05, 2011.**

Current rates as of:

Friday, November 04, 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
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Outright Rates

ENVIRONMENTAL - Outright Rates

CSAPR TR NOX ANUAL VINT2012 ALLOW (NXA)

NXA	Spec		New	USD			2,750	2,500
NXA	Hedge/Member		New	USD			2,500	2,500

CSAPR TR NOX OZN SEASN VINT12 ALLOW (NXS)

NXS	Spec		New	USD			2,750	2,500
NXS	Hedge/Member		New	USD			2,500	2,500

CSAPR TR SO2 GRP1 VINTG2012 ALLOWN (SG1)

SG1	Spec		New	USD			9,350	8,500
SG1	Hedge/Member		New	USD			8,500	8,500

CSAPR TR SO2 GRP2 VINTG2012 ALLOW (SG2)

SG2	Spec		New	USD			9,350	8,500
SG2	Hedge/Member		New	USD			8,500	8,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ENVIRONMENTAL - Intra Spreads								
CSAPR TR NOx Annual Vintage 2012 Allowance Futures contract - All Months (CSAPR TR NOX ANUAL VINT2012 ALLOW)								
NXA	Spec		New	USD			550	500
NXA	Hedge/Member		New	USD			500	500
CSAPR TR NOx Ozone Season Vintage 2012 Allowance Futures contract - All Months (CSAPR TR NOX OZN SEASN VINT12 ALLOW)								
NXS	Spec		New	USD			550	500
NXS	Hedge/Member		New	USD			500	500
CSAPR TR SO2 Group 1 Vintage 2012 Allowance Futures contract - All Months (CSAPR TR SO2 GRP1 VINTG2012 ALLOWN)								
SG1	Spec		New	USD			1,870	1,700
SG1	Hedge/Member		New	USD			1,700	1,700
CSAPR TR SO2 Group 2 Vintage 2012 Allowance Futures contract - All Months (CSAPR TR SO2 GRP2 VINTG2012 ALLOW)								
SG2	Spec		New	USD			1,870	1,700
SG2	Hedge/Member		New	USD			1,700	1,700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
ENVIRONMENTAL - Short Option Minimum (SOM) Rate						
CSAPR TR NOX ANNUAL VINTAGE 2012 ALLOWANCE FUTURES CONTRACT (NXA) - SOM						
Clearing Member Rate		New			55.00	50.00
CSAPR TR NOX OZONE SEASON VINTAGE 2012 ALLOWANCE FUTURE CONTRACT (NXS) - SOM						
Clearing Member Rate		New			55.00	50.00
CSAPR TR SO2 GROUP 1 VINTAGE 2012 ALLOWANCE FUTURES CONTRACT (SG1) - SOM						
Clearing Member Rate		New			55.00	50.00
CSAPR TR SO2 GROUP 2 VINTAGE 2012 ALLOWANCE FUTURES CONTRACT (SG2) - SOM						
Clearing Member Rate		New			55.00	50.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
ENVIRONMENTAL - Volatility Scan (volScan) Rate						
CSAPR TR NOX ANNUAL VINTAGE 2012 ALLOWANCE FUTURES CONTRACT (NXA) - volScan						
Clearing Member Rate		New				0.08
CSAPR TR NOX OZONE SEASON VINTAGE 2012 ALLOWANCE FUTURE CONTRACT (NXS) - volScan						
Clearing Member Rate		New				0.08
CSAPR TR SO2 GROUP 1 VINTAGE 2012 ALLOWANCE FUTURES CONTRACT (SG1) - volScan						
Clearing Member Rate		New				0.08
CSAPR TR SO2 GROUP 2 VINTAGE 2012 ALLOWANCE FUTURES CONTRACT (SG2) - volScan						
Clearing Member Rate		New				0.08