



11-443

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, December 09, 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, December 10, 2011.

Current rates as of:

Friday, December 09, 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
Outright Rates								

CRUDE OIL - Outright Rates

BRENT 25 DAY PLATTS CALENDAR SWAP (BDC)

BDC	Spec	Mnth 1	New	USD			8,100	6,000
BDC	Hedge/Member	Mnth 1	New	USD			6,000	6,000
BDC	Spec	Mnth 2-4	New	USD			7,763	5,750
BDC	Hedge/Member	Mnth 2-4	New	USD			5,750	5,750
BDC	Spec	Mnth 5-16	New	USD			7,088	5,250
BDC	Hedge/Member	Mnth 5-16	New	USD			5,250	5,250
BDC	Spec	Mnth 17+	New	USD			6,750	5,000
BDC	Hedge/Member	Mnth 17+	New	USD			5,000	5,000

NYMEX BRENT 25-DAY(PLATTS) FUTURES (NBZ)

NBZ	Spec	Mnth 1	New	USD			8,100	6,000
NBZ	Hedge/Member	Mnth 1	New	USD			6,000	6,000
NBZ	Spec	Mnth 2-4	New	USD			7,763	5,750
NBZ	Hedge/Member	Mnth 2-4	New	USD			5,750	5,750
NBZ	Spec	Mnth 5-16	New	USD			7,088	5,250
NBZ	Hedge/Member	Mnth 5-16	New	USD			5,250	5,250
NBZ	Spec	Mnth 17+	New	USD			6,750	5,000
NBZ	Hedge/Member	Mnth 17+	New	USD			5,000	5,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
CRUDE OIL - Intra Spreads								
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 10-12 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			338	250
NBZ	Hedge/Member		New	USD			250	250
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 1-3 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			1,688	1,250
NBZ	Hedge/Member		New	USD			1,250	1,250
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 2-4 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			1,350	1,000
NBZ	Hedge/Member		New	USD			1,000	1,000
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 3-5 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			338	250
NBZ	Hedge/Member		New	USD			250	250
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 4-6 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			338	250
NBZ	Hedge/Member		New	USD			250	250
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 5-7 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			338	250
NBZ	Hedge/Member		New	USD			250	250
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 6-8 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			338	250
NBZ	Hedge/Member		New	USD			250	250
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 7-9 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			338	250
NBZ	Hedge/Member		New	USD			250	250
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 8-10 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			338	250
NBZ	Hedge/Member		New	USD			250	250
BRENT 25-DAY [PLATTS] 1 Month Butterfly Mnth 9-11 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			338	250
NBZ	Hedge/Member		New	USD			250	250
BRENT 25-DAY [PLATTS] Mnth 1-2 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			1,013	750
NBZ	Hedge/Member		New	USD			750	750

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
BRENT 25-DAY [PLATTS] Mnth 1-3 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			1,350	1,000
NBZ	Hedge/Member		New	USD			1,000	1,000
BRENT 25-DAY [PLATTS] Mnth 1-4 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			3,915	2,900
NBZ	Hedge/Member		New	USD			2,900	2,900
BRENT 25-DAY [PLATTS] Mnth 2-2 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			810	600
NBZ	Hedge/Member		New	USD			600	600
BRENT 25-DAY [PLATTS] Mnth 2-3 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			810	600
NBZ	Hedge/Member		New	USD			600	600
BRENT 25-DAY [PLATTS] Mnth 2-4 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			3,038	2,250
NBZ	Hedge/Member		New	USD			2,250	2,250
BRENT 25-DAY [PLATTS] Mnth 3-3 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			1,013	750
NBZ	Hedge/Member		New	USD			750	750
BRENT 25-DAY [PLATTS] Mnth 3-4 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			3,713	2,750
NBZ	Hedge/Member		New	USD			2,750	2,750
BRENT 25-DAY [PLATTS] Mnth 4-4 (NYMEX BRENT 25-DAY(PLATTS) FUTURES)								
NBZ	Spec		New	USD			2,700	2,000
NBZ	Hedge/Member		New	USD			2,000	2,000
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 1 - 3) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			1,688	1,250
BDC	Hedge/Member		New	USD			1,250	1,250
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 10 - 12) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			338	250
BDC	Hedge/Member		New	USD			250	250
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 2 - 4) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			1,350	1,000
BDC	Hedge/Member		New	USD			1,000	1,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 3 - 5) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			338	250
BDC	Hedge/Member		New	USD			250	250
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 4 - 6) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			338	250
BDC	Hedge/Member		New	USD			250	250
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 5 - 7) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			338	250
BDC	Hedge/Member		New	USD			250	250
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 6 - 8) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			338	250
BDC	Hedge/Member		New	USD			250	250
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 7 - 9) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			338	250
BDC	Hedge/Member		New	USD			250	250
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 8 - 10) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			338	250
BDC	Hedge/Member		New	USD			250	250
Brent 25-Day Platts Calendar Swap Butterfly (Mnth 9 - 11) (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			338	250
BDC	Hedge/Member		New	USD			250	250
Brent 25-Day Platts Calendar Swap Mnth 1 vs. Mnth 2 (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			1,013	750
BDC	Hedge/Member		New	USD			750	750
Brent 25-Day Platts Calendar Swap Mnth 1 vs. Mnth 3 (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			1,350	1,000
BDC	Hedge/Member		New	USD			1,000	1,000
Brent 25-Day Platts Calendar Swap Mnth 1 vs. Mnth 4 (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			3,915	2,900
BDC	Hedge/Member		New	USD			2,900	2,900
Brent 25-Day Platts Calendar Swap Mnth 2 vs. Mnth 2 (BRENT 25 DAY PLATTS CALENDAR SWAP)								
BDC	Spec		New	USD			810	600
BDC	Hedge/Member		New	USD			600	600

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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Intra Spreads

Brent 25-Day Platts Calendar Swap Mnth 2 vs. Mnth 3 (BRENT 25 DAY PLATTS CALENDAR SWAP)

BDC	Spec		New	USD			810	600
BDC	Hedge/Member		New	USD			600	600

Brent 25-Day Platts Calendar Swap Mnth 2 vs. Mnth 4 (BRENT 25 DAY PLATTS CALENDAR SWAP)

BDC	Spec		New	USD			3,038	2,250
BDC	Hedge/Member		New	USD			2,250	2,250

Brent 25-Day Platts Calendar Swap Mnth 3 vs. Mnth 3 (BRENT 25 DAY PLATTS CALENDAR SWAP)

BDC	Spec		New	USD			1,013	750
BDC	Hedge/Member		New	USD			750	750

Brent 25-Day Platts Calendar Swap Mnth 3 vs. Mnth 4 (BRENT 25 DAY PLATTS CALENDAR SWAP)

BDC	Spec		New	USD			3,713	2,750
BDC	Hedge/Member		New	USD			2,750	2,750

Brent 25-Day Platts Calendar Swap Mnth 4 vs. Mnth 4 (BRENT 25 DAY PLATTS CALENDAR SWAP)

BDC	Spec		New	USD			2,700	2,000
BDC	Hedge/Member		New	USD			2,000	2,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
CRUDE OIL - Inter-commodity Spread Rates						
BRENT (ICE) CALENDAR SWAP FUTURES (NY-CY - CME) vs BRENT 25-DAY (PLATTS) FUTURES (NY-NBZ - CME)						
Spread Credit Rate	New	+1:-1			98%	98%
BRENT 25-DAY (PLATTS) CALENDAR SWAP FUTURES (NY-BDC - CME) vs BRENT (ICE) CALENDAR SWAP FUTURES (NY-CY - CME)						
Spread Credit Rate	New	+1:-1			98%	98%
BRENT 25-DAY (PLATTS) CALENDAR SWAP FUTURES (NY-BDC - CME) vs BRENT 25-DAY (PLATTS) FUTURES (NY-NBZ - CME)						
Spread Credit Rate	New	+1:-1			98%	98%
BRENT 25-DAY (PLATTS) CALENDAR SWAP FUTURES (NY-BDC - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	New	+1:-1			98%	98%
BRENT 25-DAY (PLATTS) CALENDAR SWAP FUTURES (NY-BDC - CME) vs BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME)						
Spread Credit Rate	New	+1:+1			98%	98%
BRENT 25-DAY (PLATTS) FUTURES (NY-NBZ - CME) vs BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME)						
Spread Credit Rate	New	+1:-1			98%	98%
BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME) vs BRENT 25-DAY (PLATTS) FUTURES (NY-NBZ - CME)						
Spread Credit Rate	New	+1:-1			98%	98%

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						
CRUDE OIL - Short Option Minimum (SOM) Rate						
BRENT 25-DAY (PLATTS) CALENDAR SWAP FUTURES (BDA, BDC) - SOM						
Clearing Member Rate		New			40.50	30.00
BRENT 25-DAY (PLATTS) FUTURES (BDE, BDO, NBZ) - SOM						
Clearing Member Rate		New			40.50	30.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
CRUDE OIL - Volatility Scan (volScan) Rate						
BRENT 25-DAY (PLATTS) CALENDAR SWAP FUTURES (BDA, BDC) - volScan						
Clearing Member Rate	Mnth 1	New				0.11
Clearing Member Rate	Mnth 2-4	New				0.05
Clearing Member Rate	Mnth 5-16	New				0.03
Clearing Member Rate	Mnth 17+	New				0.03
BRENT 25-DAY (PLATTS) FUTURES (BDE, BDO, NBZ) - volScan						
Clearing Member Rate	Mnth 1	New				0.11
Clearing Member Rate	Mnth 2-4	New				0.05
Clearing Member Rate	Mnth 5-16	New				0.03
Clearing Member Rate	Mnth 17+	New				0.03