



12-242

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, June 07, 2012

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

Monday, June 11, 2012.

Current rates as of:

Thursday, June 07, 2012.

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								
AGRICULTURE - Outright Rates								
OATS FUTURES (O)								
O	Spec		Increase	USD	1,013	750	1,215	900
O	Hedge/Member		Increase	USD	750	750	900	900
SOYBEAN CRUSH COMBO (31)								
31	Spec	Old Crop	Increase	USD	6,622	4,905	6,966	5,160
31	Hedge/Member	Old Crop	Increase	USD	4,905	4,905	5,160	5,160
31	Spec	New Crop	Increase	USD	6,622	4,905	6,966	5,160
31	Hedge/Member	New Crop	Increase	USD	4,905	4,905	5,160	5,160
SOYBEAN MEAL FUTURES (06)								
06	Spec	Old Crop	Increase	USD	1,958	1,450	2,160	1,600
06	Hedge/Member	Old Crop	Increase	USD	1,450	1,450	1,600	1,600
06	Spec	New Crop	Increase	USD	1,958	1,450	2,160	1,600
06	Hedge/Member	New Crop	Increase	USD	1,450	1,450	1,600	1,600
SOYBEAN OIL FUTURES (07)								
07	Spec	Old Crop	Increase	USD	1,215	900	1,350	1,000
07	Hedge/Member	Old Crop	Increase	USD	900	900	1,000	1,000
07	Spec	New Crop	Increase	USD	1,215	900	1,350	1,000
07	Hedge/Member	New Crop	Increase	USD	900	900	1,000	1,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
ELECTRICITY - Outright Rates								
AEP-DAYTON HUB OFF-PEAK MONTHLY (VP)								
VP	Spec	Mnths 3-11	Increase	USD	1,375	1,250	1,650	1,500
VP	Hedge/Member	Mnths 3-11	Increase	USD	1,250	1,250	1,500	1,500
AER-DAYTON HUB MONTHLY (VM)								
VM	Spec	Mnths 3-11	Increase	USD	1,650	1,500	2,200	2,000
VM	Hedge/Member	Mnths 3-11	Increase	USD	1,500	1,500	2,000	2,000
ISO NEW ENGLAND OFF-PEAK LMP SWAP (KI)								
KI	Spec	Mnth 1	Decrease	USD	4,950	4,500	3,850	3,500
KI	Hedge/Member	Mnth 1	Decrease	USD	4,500	4,500	3,500	3,500
KI	Spec	Mnth 2	Decrease	USD	3,850	3,500	2,750	2,500
KI	Hedge/Member	Mnth 2	Decrease	USD	3,500	3,500	2,500	2,500
KI	Spec	Mnths 12+	Decrease	USD	1,980	1,800	1,650	1,500
KI	Hedge/Member	Mnths 12+	Decrease	USD	1,800	1,800	1,500	1,500
ISO NEW ENGLAND PEAK LMP SWAP (NI)								
NI	Spec	Mnth 1	Decrease	USD	7,150	6,500	5,500	5,000
NI	Hedge/Member	Mnth 1	Decrease	USD	6,500	6,500	5,000	5,000
NI	Spec	Mnth 2	Decrease	USD	4,950	4,500	3,300	3,000
NI	Hedge/Member	Mnth 2	Decrease	USD	4,500	4,500	3,000	3,000
NI	Spec	Mnths 3-11	Decrease	USD	2,475	2,250	2,200	2,000
NI	Hedge/Member	Mnths 3-11	Decrease	USD	2,250	2,250	2,000	2,000
NI	Spec	Mnths 12+	Decrease	USD	2,475	2,250	1,650	1,500
NI	Hedge/Member	Mnths 12+	Decrease	USD	2,250	2,250	1,500	1,500
MID IND TRAN SO IL HUB5MW PEAK (4Q)								
4Q	Spec	Mnth 2	Increase	USD	193	175	275	250
4Q	Hedge/Member	Mnth 2	Increase	USD	175	175	250	250
MISO INDIANA HUB 5MW D AH PK (H5)								
H5	Spec	Mnth 2	Increase	USD	165	150	275	250
H5	Hedge/Member	Mnth 2	Increase	USD	150	150	250	250
MISO INDIANA HUB 5MW REAL TIME PK (H3)								
H3	Spec	Mnth 2	Increase	USD	165	150	275	250
H3	Hedge/Member	Mnth 2	Increase	USD	150	150	250	250
NORTHERN ILLINOIS HUB MONTHLY (UM)								
UM	Spec	Mnths 3-11	Increase	USD	1,650	1,500	2,200	2,000
UM	Hedge/Member	Mnths 3-11	Increase	USD	1,500	1,500	2,000	2,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
NORTHERN ILLINOIS OFF-PEAK MONTHLY (UO)								
UO	Spec	Mnths 3-11	Increase	USD	1,375	1,250	1,650	1,500
UO	Hedge/Member	Mnths 3-11	Increase	USD	1,250	1,250	1,500	1,500
ONTARIO PEAK CAL-MONTH SWP FUT (OPM)								
OPM	Spec	Mnth 1	Increase	CAD	440	400	605	550
OPM	Hedge/Member	Mnth 1	Increase	CAD	400	400	550	550
OPM	Spec	Mnths 2-6	Increase	CAD	330	300	495	450
OPM	Hedge/Member	Mnths 2-6	Increase	CAD	300	300	450	450
PJM APS ZONE DA PEAK (S4)								
S4	Spec	Mnth 2	Increase	USD	385	350	440	400
S4	Hedge/Member	Mnth 2	Increase	USD	350	350	400	400
S4	Spec	Mnths 3-11	Increase	USD	220	200	275	250
S4	Hedge/Member	Mnths 3-11	Increase	USD	200	200	250	250
PJM CAL FUT STRP SYNTH (28)								
28	Spec		Decrease	USD	79,200	72,000	55,000	50,000
28	Hedge/Member		Decrease	USD	72,000	72,000	50,000	50,000
PJM MONTHLY (JM)								
JM	Spec	Mnth 1	Decrease	USD	8,250	7,500	7,150	6,500
JM	Hedge/Member	Mnth 1	Decrease	USD	7,500	7,500	6,500	6,500
JM	Spec	Mnth 2	Increase	USD	2,200	2,000	3,300	3,000
JM	Hedge/Member	Mnth 2	Increase	USD	2,000	2,000	3,000	3,000
PJM PSEG DA PEAK (L6)								
L6	Spec	Mnth 2	Increase	USD	275	250	385	350
L6	Hedge/Member	Mnth 2	Increase	USD	250	250	350	350
L6	Spec	Mnths 3-11	Increase	USD	165	150	220	200
L6	Hedge/Member	Mnths 3-11	Increase	USD	150	150	200	200
PJM WES HUB PEAK CAL MON REAL TIME (L1)								
L1	Spec	Mnth 2	Increase	USD	275	250	385	350
L1	Hedge/Member	Mnth 2	Increase	USD	250	250	350	350
L1	Spec	Mnths 3-11	Increase	USD	138	125	165	150
L1	Hedge/Member	Mnths 3-11	Increase	USD	125	125	150	150
PJM WES HUB PEAK LMP 50 MW (4S)								
4S	Spec	Mnth 2	Increase	USD	2,750	2,500	3,850	3,500
4S	Hedge/Member	Mnth 2	Increase	USD	2,500	2,500	3,500	3,500
4S	Spec	Mnths 3-11	Increase	USD	1,375	1,250	1,650	1,500
4S	Hedge/Member	Mnths 3-11	Increase	USD	1,250	1,250	1,500	1,500

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

NATURAL GAS - Outright Rates

ALGONQUIN CITYGATES BASIS (B4)

B4	Spec	Mnth 1	Decrease	USD	1,650	1,500	1,210	1,100
B4	Hedge/Member	Mnth 1	Decrease	USD	1,500	1,500	1,100	1,100
B4	Spec	Mnth 2	Decrease	USD	1,650	1,500	1,210	1,100
B4	Hedge/Member	Mnth 2	Decrease	USD	1,500	1,500	1,100	1,100
B4	Spec	Summ 2012	Decrease	USD	550	500	440	400
B4	Hedge/Member	Summ 2012	Decrease	USD	500	500	400	400
B4	Spec	Winter 2013	Decrease	USD	825	750	715	650
B4	Hedge/Member	Winter 2013	Decrease	USD	750	750	650	650
B4	Spec	Apr 2013+	Decrease	USD	550	500	440	400
B4	Hedge/Member	Apr 2013+	Decrease	USD	500	500	400	400

COLUMB GULF MAINLINE NG BASIS (5Z)

5Z	Spec	Mnth 1	Decrease	USD	83	75	55	50
5Z	Hedge/Member	Mnth 1	Decrease	USD	75	75	50	50
5Z	Spec	Mnth 2+	Decrease	USD	83	75	55	50
5Z	Hedge/Member	Mnth 2+	Decrease	USD	75	75	50	50

NGPL STX BASIS (T5)

T5	Spec		Increase	USD	83	75	110	100
T5	Hedge/Member		Increase	USD	75	75	100	100

SOUTH STAR TEX OKLHM KNS NG B (8Z)

8Z	Spec	Mnth 1	Decrease	USD	220	200	165	150
8Z	Hedge/Member	Mnth 1	Decrease	USD	200	200	150	150
8Z	Spec	Mnths 2+	Decrease	USD	220	200	165	150
8Z	Hedge/Member	Mnths 2+	Decrease	USD	200	200	150	150

TRANSCO ZONE 6 BASIS SWAP (NZ)

NZ	Spec	Mnth 2	Decrease	USD	990	900	770	700
NZ	Hedge/Member	Mnth 2	Decrease	USD	900	900	700	700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
ETHANOL - Inter-commodity Spread Rates						
CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME) vs NEW YORK HARBOR ETHANOL FUTURES (NY-QE - CME)						
Spread Credit Rate	Increase	+1:-1	85%	85%	90%	90%
CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME) vs NY ETHANOL (PLATTS) SWAP FUTURES (NY-EZ - CME)						
Spread Credit Rate	Increase	+1:-1	85%	85%	90%	90%
CLEARED OTC ETHANOL FORWARD MONTH SWAP (71 - CME) vs CHICAGO ETHANOL (PLATTS) SWAP (NYM-CU - CME)						
Spread Credit Rate	Increase	+3:-1	85%	85%	90%	90%
CLEARED OTC ETHANOL FORWARD MONTH SWAP (71 - CME) vs ETHANOL (EH - CME)						
Spread Credit Rate	Increase	+2:-1	70%	70%	95%	95%
ETHANOL (EH - CME) vs NEW YORK HARBOR ETHANOL (NYM-QE - CME)						
Spread Credit Rate	Increase	+3:-2	85%	85%	90%	90%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
ENVIRONMENTAL - Short Option Minimum (SOM) Rate						
CALIFORNIA CARBON ALLOWANCE FUTURES (CAO, CCA) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	3.30%	3.00%
CERTIFIED EMISSION REDUCTION (CER) FUTURES (VA, VG) - SOM						
Clearing Member Rate		Decrease	66.00	60.00	3.30%	3.00%
CLIMATE ACTION RESERVE(CAR) FUTURES (NON-VINTAGE (CO, CR) - SOM						
Clearing Member Rate		Decrease	66.00	60.00	3.30%	3.00%
EMISSION REDUCTION UNIT (ERU) FUTURES (ERO, REU) - SOM						
Clearing Member Rate		Decrease	22.00	20.00	3.30%	3.00%
EUROPEAN UNION ALLOWANCE (EUA) FUTURES (AV, RC) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	3.30%	3.00%
IN DELIVERY MONTH CERTIFIED EMISSION REDUCTION (CER) FUTURES (6P, 6S, 9E) - SOM						
Clearing Member Rate		Decrease	22.00	20.00	3.30%	3.00%
IN DELIVERY MONTH EUROPEAN UNION ALLOWANCE (EUA) FUTURES (6T, 6U, 9G) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	3.30%	3.00%
REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) CO2 ALLOWANCE FUTURES (OR, RJ) - SOM						
Clearing Member Rate		Decrease	22.00	20.00	3.30%	3.00%
SO2 EMISSIONS ALLOWANCE FUTURES (09, AS, RS, S2) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	3.30%	3.00%
METALS - Short Option Minimum (SOM) Rate						
COPPER CALENDAR SWAP FUTURES (CAP, HGS) - SOM						
Clearing Member Rate		Increase	40.50	30.00	54.00	40.00
COPPER FUTURES (HG, HX, QC) - SOM						
Clearing Member Rate		Increase	40.50	30.00	54.00	40.00
GOLD FUTURES (8Q, GC, GCT, L01, L02, L03, L04, L05, L06, L07, L08, L09, L10, L11, L12, L13, L14, L15, L16, L17, L18, L19, L20, L21, L22, L23, L24, L25, L26, L27, L28, L29, L30, L31, MGC, OG, QO, QS) - SOM						
Clearing Member Rate		Increase	40.50	30.00	47.25	35.00
SILVER FUTURES (6Q, QI, SI, SIT, SO) - SOM						
Clearing Member Rate		Increase	40.50	30.00	54.00	40.00
U.S. MIDWEST DOMESTIC HOT-ROLLED COIL STEEL INDEX FUTURES (HR, HRO) - SOM						
Clearing Member Rate		Decrease	22.00	20.00	16.50	15.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
INTEREST RATES - Volatility Scan (volScan) Rate						
2-YEAR T-NOTE (26, 26, 59) - volScan						
Clearing Member Rate		Decrease		0.01		0.01
5-YEAR T-NOTE (25, 25, 57) - volScan						
Clearing Member Rate		Decrease		0.02		0.02
METALS - Volatility Scan (volScan) Rate						
COPPER FUTURES (HG, HX, QC) - volScan						
Clearing Member Rate	Mths 1-4	Decrease		0.11		0.08
Clearing Member Rate	Mths 5+	Decrease		0.05		0.04
GOLD FUTURES (8Q, GC, GCT, L01, L02, L03, L04, L05, L06, L07, L08, L09, L10, L11, L12, L13, L14, L15, L16, L17, L18, L19, L20, L21, L22, L23, L24, L25, L26, L27, L28, L29, L30, L31, MGC, OG, QO, QS) - volScan						
Clearing Member Rate	Mths 1-4	Decrease		0.08		0.06
Clearing Member Rate	Mths 5-6	Decrease		0.05		0.04
Clearing Member Rate	Mths 7-12	Decrease		0.03		0.03
Clearing Member Rate	Mths 13+	Decrease		0.03		0.03
IRON ORE FUTURES (ICT, TIO) - volScan						
Clearing Member Rate	Mths 1-2	Increase		0.06		0.08
PLATINUM FUTURES (PL, PO, PQ, QR) - volScan						
Clearing Member Rate	Mths 1	Decrease		0.11		0.08
Clearing Member Rate	Mths 2+	Decrease		0.06		0.04