



13-357

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, August 09, 2013

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, August 09, 2013.

Current rates as of:

Friday, August 09, 2013.

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								
PETROLEUM CRACKS AND SPREADS - Outright Rates								
EUR 3.5FUEL OIL RDAM PLATTS WK SPRD (EMW)								
EMW	Spec	Wk 1-4	New	USD			2,750	2,500
EMW	Hedge/Member	Wk 1-4	New	USD			2,500	2,500
EMW	Spec	Wk 5+	New	USD			825	750
EMW	Hedge/Member	Wk 5+	New	USD			750	750
SPORE 180 FUEL OIL MINI WK FUT (SDM)								
SDM	Spec	Wk 1-4	New	USD			2,750	2,500
SDM	Hedge/Member	Wk 1-4	New	USD			2,500	2,500
SDM	Spec	Wk 5+	New	USD			825	750
SDM	Hedge/Member	Wk 5+	New	USD			750	750
SPORE 380 FUEL OIL MINI WK SPRD FUT (SMW)								
SMW	Spec	Wk 1-4	New	USD			2,750	2,500
SMW	Hedge/Member	Wk 1-4	New	USD			2,500	2,500
SMW	Spec	Wk 5+	New	USD			825	750
SMW	Hedge/Member	Wk 5+	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								
PETROLEUM CRACKS AND SPREADS - Intra Spreads								
European 3.5% Fuel Oil Barges Fob Rdam (Platts) Mini Weekly Spread Futures - All Weeks (EUR 3.5FUEL OIL RDAM PLATTS WK SPRD)								
EMW	Spec		New	USD			825	750
EMW	Hedge/Member		New	USD			750	750
Singapore 180cst Fuel Oil (Platts) Mini Weekly Spread Futures - All Weeks (SPORE 180 FUEL OIL MINI WK FUT)								
SDM	Spec		New	USD			825	750
SDM	Hedge/Member		New	USD			750	750
Singapore 380cst Fuel Oil (Platts) Mini Weekly Spread Futures - All Weeks (SPORE 380 FUEL OIL MINI WK SPRD FUT)								
SMW	Spec		New	USD			825	750
SMW	Hedge/Member		New	USD			750	750

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						
PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate						
EUROPEAN 3.5% FUEL OIL BARGES FOB RDAM (PLATTS) MINI WEEKLY SPREAD FUTURES (EMW) - SOM						
Clearing Member Rate	New				55.000	50.000
SINGAPORE 380CST FUEL OIL (PLATTS) MINI WEEKLY SPREAD FUTURES (SDM) - SOM						
Clearing Member Rate	New				55.000	50.000
SINGAPORE 380CST FUEL OIL (PLATTS) MINI WEEKLY SPREAD FUTURES (SMW) - SOM						
Clearing Member Rate	New				55.000	50.000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
EUROPEAN 3.5% FUEL OIL BARGES FOB RDAM (PLATTS) MINI WEEKLY SPREAD FUTURES (EMW) - volScan						
Clearing Member Rate	Wk 1-4	New				0.080
Clearing Member Rate	Wk 5+	New				0.040
SINGAPORE 380CST FUEL OIL (PLATTS) MINI WEEKLY SPREAD FUTURES (SDM) - volScan						
Clearing Member Rate	Wk 1-4	New				0.080
Clearing Member Rate	Wk 5+	New				0.040
SINGAPORE 380CST FUEL OIL (PLATTS) MINI WEEKLY SPREAD FUTURES (SMW) - volScan						
Clearing Member Rate	Wk 1-4	New				0.080
Clearing Member Rate	Wk 5+	New				0.040