



13-526

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, November 14, 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, November 15, 2013.

Current rates as of:

Wednesday, November 13, 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								
CRUDE OIL SPREADS - Outright Rates								
CANADIAN HEAVYCRUDE(NET ENRGY) FUT (WCC)								
WCC	Spec	Mnths 1-3	Increase	USD	2,200	2,000	2,750	2,500
WCC	Hedge/Member	Mnths 1-3	Increase	USD	2,000	2,000	2,500	2,500
ELECTRICITY - Outright Rates								
PJM MONTHLY (JM)								
JM	Spec	Mnths 12-23	Increase	USD	1,265	1,150	1,595	1,450
JM	Hedge/Member	Mnths 12-23	Increase	USD	1,150	1,150	1,450	1,450
PJM PECO Z5 MW PK CLM DA LMP (4N)								
4N	Spec	Mnths 3-11	Increase	USD	198	180	275	250
4N	Hedge/Member	Mnths 3-11	Increase	USD	180	180	250	250
ETHANOL - Outright Rates								
D6 ETHANOL RINS 2013 (D63)								
D63	Spec	Mnth 1	Decrease	USD	13,200	12,000	11,000	10,000
D63	Hedge/Member	Mnth 1	Decrease	USD	12,000	12,000	10,000	10,000
D63	Spec	Mnths 2+	Decrease	USD	13,200	12,000	11,000	10,000
D63	Hedge/Member	Mnths 2+	Decrease	USD	12,000	12,000	10,000	10,000
D6 ETHANOL RINS 2014 (D64)								
D64	Spec	Mnth 1	Decrease	USD	13,200	12,000	11,000	10,000
D64	Hedge/Member	Mnth 1	Decrease	USD	12,000	12,000	10,000	10,000
D64	Spec	Mnths 2+	Decrease	USD	13,200	12,000	11,000	10,000
D64	Hedge/Member	Mnths 2+	Decrease	USD	12,000	12,000	10,000	10,000
NATURAL GAS - Outright Rates								
ANR OKLAHOMA (NE)								
NE	Spec	Mnth 6+	Increase	USD	99	90	121	110
NE	Hedge/Member	Mnth 6+	Increase	USD	90	90	110	110
MICHIGAN BASIS (NF)								
NF	Spec	Mnths 3-5	Increase	USD	83	75	99	90
NF	Hedge/Member	Mnths 3-5	Increase	USD	75	75	90	90
NF	Spec	Mnths 6+	Increase	USD	83	75	99	90
NF	Hedge/Member	Mnths 6+	Increase	USD	75	75	90	90
TRANSCO ZONE 6 BASIS FUT (NZ)								
NZ	Spec	Winter 2014	Increase	USD	880	800	1,100	1,000
NZ	Hedge/Member	Winter 2014	Increase	USD	800	800	1,000	1,000

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

PETROLEUM CRACKS AND SPREADS - Outright Rates

ARGS GSOLNE E-BOB OXY BARGES NWE CK (EOB)

EOB	Spec	Mnths 7+	Increase	USD	10,079	9,163	13,745	12,495
EOB	Hedge/Member	Mnths 7+	Increase	USD	9,163	9,163	12,495	12,495

DIESEL BARG FOB VS NY ULSD HEAT OIL (EL1)

EL1	Spec	Mnths 1	Decrease	USD	49,500	45,000	11,000	10,000
EL1	Hedge/Member	Mnths 1	Decrease	USD	45,000	45,000	10,000	10,000
EL1	Spec	Mnths 6+	Decrease	USD	49,500	45,000	11,000	10,000
EL1	Hedge/Member	Mnths 6+	Decrease	USD	45,000	45,000	10,000	10,000
EL1	Spec	Mths 2-5	Decrease	USD	49,500	45,000	11,000	10,000
EL1	Hedge/Member	Mths 2-5	Decrease	USD	45,000	45,000	10,000	10,000

GAS EURO-BOB OXY (ARG) CRACK (7K)

7K	Spec	Mnths 7+	Increase	USD	1,210	1,100	1,650	1,500
7K	Hedge/Member	Mnths 7+	Increase	USD	1,100	1,100	1,500	1,500

RBOB UP-DOWN CALENDAR FUT (RV)

RV	Spec	Mnths 3+	Increase	USD	1,089	990	1,485	1,350
RV	Hedge/Member	Mnths 3+	Increase	USD	990	990	1,350	1,350

SINGAPORE FUEL OIL SPREAD FUT (SD)

SD	Spec	Mnths 5+	Increase	USD	1,320	1,200	1,540	1,400
SD	Hedge/Member	Mnths 5+	Increase	USD	1,200	1,200	1,400	1,400

ULSD CAR CIF VS NYM ULSD HEAT OIL (EO1)

EO1	Spec	Mnths 1	Decrease	USD	50,600	46,000	11,000	10,000
EO1	Hedge/Member	Mnths 1	Decrease	USD	46,000	46,000	10,000	10,000
EO1	Spec	Mnths 6+	Decrease	USD	50,600	46,000	11,000	10,000
EO1	Hedge/Member	Mnths 6+	Decrease	USD	46,000	46,000	10,000	10,000
EO1	Spec	Mths 2-5	Decrease	USD	50,600	46,000	11,000	10,000
EO1	Hedge/Member	Mths 2-5	Decrease	USD	46,000	46,000	10,000	10,000

ULSD CARG CIF VS NYM ULSD HEAT OIL (EP1)

EP1	Spec	Mnths 1	Decrease	USD	50,600	46,000	11,000	10,000
EP1	Hedge/Member	Mnths 1	Decrease	USD	46,000	46,000	10,000	10,000
EP1	Spec	Mnths 6+	Decrease	USD	50,600	46,000	11,000	10,000
EP1	Hedge/Member	Mnths 6+	Decrease	USD	46,000	46,000	10,000	10,000
EP1	Spec	Mths 2-5	Decrease	USD	50,600	46,000	11,000	10,000
EP1	Hedge/Member	Mths 2-5	Decrease	USD	46,000	46,000	10,000	10,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								

REFINED PRODUCTS - Outright Rates

D4 BIODIESEL RINS 2013 (D43)

D43	Spec	Mnth 1	Decrease	USD	11,000	10,000	8,800	8,000
D43	Hedge/Member	Mnth 1	Decrease	USD	10,000	10,000	8,000	8,000
D43	Spec	Mnths 2+	Decrease	USD	11,000	10,000	8,800	8,000
D43	Hedge/Member	Mnths 2+	Decrease	USD	10,000	10,000	8,000	8,000

D4 BIODIESEL RINS 2014 (D44)

D44	Spec	Mnth 1	Decrease	USD	11,000	10,000	8,800	8,000
D44	Hedge/Member	Mnth 1	Decrease	USD	10,000	10,000	8,000	8,000
D44	Spec	Mnths 2+	Decrease	USD	11,000	10,000	8,800	8,000
D44	Hedge/Member	Mnths 2+	Decrease	USD	10,000	10,000	8,000	8,000

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						

AGRICULTURE - Inter-commodity Spread Rates

ETHANOL (EH - CME) vs CORN CALENDAR SWAP (CCS - CME)

Spread Credit Rate	New	+1:-2			40%	40%
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ETHANOL - Inter-commodity Spread Rates

D6 ETHANOL RINS (ARGUS) 2013 FUTURES (NY-D63 - CME) vs D4 BIODIESEL RINS (ARGUS) 2013 FUTURES (NY-D43 - CME)

Spread Credit Rate	New	+1:-1			30%	30%
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D6 ETHANOL RINS (ARGUS) 2013 FUTURES (NY-D63 - CME) vs D6 ETHANOL RINS (ARGUS) 2014 FUTURES (NY-D64 - CME)

Spread Credit Rate	New	+1:-1			40%	40%
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ETHANOL (EH - CME) vs CORN CALENDAR SWAP (CCS - CME)

Spread Credit Rate	New	+1:-2			40%	40%
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REFINED PRODUCTS - Inter-commodity Spread Rates

D6 ETHANOL RINS (ARGUS) 2013 FUTURES (NY-D63 - CME) vs D4 BIODIESEL RINS (ARGUS) 2013 FUTURES (NY-D43 - CME)

Spread Credit Rate	New	+1:-1			30%	30%
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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 DIESEL 10PPM BARGES FOB RDAM (PLATTS) VS. NY HARBOR ULSD FUTURES (EL1) - SOM						
Clearing Member Rate		Increase	11.000	10.000	55.000	50.000
ULSD 10PPM CARGOES CIF MED (PLATTS) VS. NY HARBOR ULSD FUTURES (EP1) - SOM						
Clearing Member Rate		Increase	11.000	10.000	55.000	50.000
ULSD 10PPM CARGOES CIF NWE (PLATTS) VS. NY HARBOR ULSD FUTURES (EO1) - SOM						
Clearing Member Rate		Increase	11.000	10.000	55.000	50.000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
NATURAL GAS - Volatility Scan (volScan) Rate						
ANR, LOUISIANA NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DAR) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
ANR, OKLAHOMA NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DAL) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
CENTER POINT NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DAC) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
COLUMBIA GULF, MAINLINE NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DCE) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
DEMARC NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DNP) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
KERN RIVER NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DFE) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
MALIN NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DML) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
NGPL STX NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DNS) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
SUMAS NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DVS) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080
VENTURA NATURAL GAS (PLATTS IFERC) FIXED PRICE FUTURES (DVA) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.080
Clearing Member Rate	Mnths 2-5	Increase		0.025		0.080