



14-153

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, April 10, 2014

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, April 11, 2014.

Current rates as of:

Thursday, April 10, 2014.

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

INTEREST RATES - Outright Rates

10-YR EUR INTEREST RATE SWAP FUT (N1E)

N1E	Spec		New	EUR			1,375	1,250
N1E	Hedge/Member		New	EUR			1,250	1,250

2-YR EUR INTEREST RATE SWAP FUT (T1E)

T1E	Spec		New	EUR			248	225
T1E	Hedge/Member		New	EUR			225	225

5-YR EUR INTEREST RATE SWAP FUT (F1E)

F1E	Spec		New	EUR			825	750
F1E	Hedge/Member		New	EUR			750	750

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

INTEREST RATES - Intra Spreads

10 YEAR EUR INTEREST RATE DSF (N1E) - All Months (10-YR EUR INTEREST RATE SWAP FUT)

N1E	Spec		New	EUR			303	275
N1E	Hedge/Member		New	EUR			275	275

2 YEAR EUR INTEREST RATE DSF (T1E) - All Months (2-YR EUR INTEREST RATE SWAP FUT)

T1E	Spec		New	EUR			143	130
T1E	Hedge/Member		New	EUR			130	130

5 YEAR EUR INTEREST RATE DSF (F1E) - All Months (5-YR EUR INTEREST RATE SWAP FUT)

F1E	Spec		New	EUR			248	225
F1E	Hedge/Member		New	EUR			225	225

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
INTEREST RATES - Inter-commodity Spread Rates						
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs 10 YEAR USD INTEREST RATE DSF (N1U - CME)						
Spread Credit Rate	New	+1:-1			70%	70%
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs 10-YEAR T-NOTE (21 - CME)						
Spread Credit Rate	New	+1:-1			60%	60%
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs 2 YEAR USD INTEREST RATE DSF (T1U - CME)						
Spread Credit Rate	New	+1:-5			40%	40%
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs 2-YEAR T-NOTE (26 - CME)						
Spread Credit Rate	New	+1:-2			0%	0%
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs 30 YEAR USD INTEREST RATE DSF (B1U - CME)						
Spread Credit Rate	New	+5:-3			60%	60%
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs 30-YEAR T-BOND (17 - CME)						
Spread Credit Rate	New	+5:-3			50%	50%
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs 5 YEAR USD INTEREST RATE DSF (F1U - CME)						
Spread Credit Rate	New	+2:-3			50%	50%
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs 5-YEAR T-NOTE (25 - CME)						
Spread Credit Rate	New	+2:-3			50%	50%
10 YEAR EUR INTEREST RATE DSF (N1E - CME) vs ULTRA LONG T-BOND (UBE - CME)						
Spread Credit Rate	New	+5:-2			50%	50%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+5:-1			40%	40%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 10 YEAR USD INTEREST RATE DSF (N1U - CME)						
Spread Credit Rate	New	+5:-1			40%	40%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 10-YEAR T-NOTE (21 - CME)						
Spread Credit Rate	New	+4:-1			0%	0%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 2 YEAR USD INTEREST RATE DSF (T1U - CME)						
Spread Credit Rate	New	+1:-1			80%	80%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 2-YEAR T-NOTE (26 - CME)						
Spread Credit Rate	New	+2:-1			50%	50%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 30 YEAR USD INTEREST RATE DSF (B1U - CME)						
Spread Credit Rate	New	+10:-1			0%	0%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 30-YEAR T-BOND (17 - CME)						
Spread Credit Rate	New	+7:-1			0%	0%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
Spread Credit Rate	New	+5:-2			50%	50%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 5 YEAR USD INTEREST RATE DSF (F1U - CME)						
Spread Credit Rate	New	+5:-2			60%	60%
2 YEAR EUR INTEREST RATE DSF (T1E - CME) vs 5-YEAR T-NOTE (25 - CME)						
Spread Credit Rate	New	+5:-2			35%	35%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+3:-2			70%	70%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 10 YEAR USD INTEREST RATE DSF (N1U - CME)						
Spread Credit Rate	New	+3:-2			60%	60%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 10-YEAR T-NOTE (21 - CME)						
Spread Credit Rate	New	+3:-2			50%	50%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 2 YEAR USD INTEREST RATE DSF (T1U - CME)						
Spread Credit Rate	New	+2:-5			60%	60%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 2-YEAR T-NOTE (26 - CME)						
Spread Credit Rate	New	+5:-6			40%	40%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 30 YEAR USD INTEREST RATE DSF (B1U - CME)						
Spread Credit Rate	New	+4:-1			50%	50%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 30-YEAR T-BOND (17 - CME)						
Spread Credit Rate	New	+3:-1			40%	40%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 5 YEAR USD INTEREST RATE DSF (F1U - CME)						
Spread Credit Rate	New	+1:-1			80%	80%
5 YEAR EUR INTEREST RATE DSF (F1E - CME) vs 5-YEAR T-NOTE (25 - CME)						
Spread Credit Rate	New	+1:-1			60%	60%
EURODOLLAR (ED - CME) Contracts 1-3 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			0%	0%
EURODOLLAR (ED - CME) Contracts 1-3 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			30%	30%
EURODOLLAR (ED - CME) Contracts 1-3 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			0%	0%
EURODOLLAR (ED - CME) Contracts 13-16 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			50%	50%
EURODOLLAR (ED - CME) Contracts 13-16 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			40%	40%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
EURODOLLAR (ED - CME) Contracts 13-16 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			50%	50%
EURODOLLAR (ED - CME) Contracts 17-20 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			50%	50%
EURODOLLAR (ED - CME) Contracts 17-20 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			40%	40%
EURODOLLAR (ED - CME) Contracts 17-20 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			50%	50%
EURODOLLAR (ED - CME) Contracts 21-24 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 21-24 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			40%	40%
EURODOLLAR (ED - CME) Contracts 21-24 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			50%	50%
EURODOLLAR (ED - CME) Contracts 25-28 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 25-28 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			0%	0%
EURODOLLAR (ED - CME) Contracts 25-28 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			50%	50%
EURODOLLAR (ED - CME) Contracts 29-32 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 29-32 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			0%	0%
EURODOLLAR (ED - CME) Contracts 29-32 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 33-36 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 33-36 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			0%	0%
EURODOLLAR (ED - CME) Contracts 33-36 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 37-40 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			60%	60%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
EURODOLLAR (ED - CME) Contracts 37-40 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			0%	0%
EURODOLLAR (ED - CME) Contracts 37-40 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 41-44 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 41-44 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			0%	0%
EURODOLLAR (ED - CME) Contracts 41-44 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			60%	60%
EURODOLLAR (ED - CME) Contracts 4-8 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			35%	35%
EURODOLLAR (ED - CME) Contracts 4-8 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			40%	40%
EURODOLLAR (ED - CME) Contracts 4-8 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			40%	40%
EURODOLLAR (ED - CME) Contracts 9-12 vs 10 YEAR EUR INTEREST RATE DSF (N1E - CME)						
Spread Credit Rate	New	+2:-5			45%	45%
EURODOLLAR (ED - CME) Contracts 9-12 vs 2 YEAR EUR INTEREST RATE DSF (T1E - CME)						
Spread Credit Rate	New	+1:-1			40%	40%
EURODOLLAR (ED - CME) Contracts 9-12 vs 5 YEAR EUR INTEREST RATE DSF (F1E - CME)						
Spread Credit Rate	New	+3:-5			50%	50%

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						

INTEREST RATES - Short Option Minimum (SOM) Rate

10 YEAR EUR INTEREST RATE DSF (N1E) - SOM

Clearing Member Rate	New				1.100%	1.000%
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2 YEAR EUR INTEREST RATE DSF (T1E) - SOM

Clearing Member Rate	New				1.100%	1.000%
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5 YEAR EUR INTEREST RATE DSF (F1E) - SOM

Clearing Member Rate	New				1.100%	1.000%
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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
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Volatility Scan (volScan) Rate

INTEREST RATES - Volatility Scan (volScan) Rate

10 YEAR EUR INTEREST RATE DSF (N1E) - volScan

Clearing Member Rate	New	0.040
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2 YEAR EUR INTEREST RATE DSF (T1E) - volScan

Clearing Member Rate	New	0.040
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5 YEAR EUR INTEREST RATE DSF (F1E) - volScan

Clearing Member Rate	New	0.040
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