14-331

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, August 27, 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

Thursday, August 28, 2014.

Current rates as of:

Wednesday, August 27, 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
Outright Rates								
			AGRICULTURE – Spot Month Add-On Charge					
SOYBEAN MEAL FUTURES (06)								
06	Spec	Front Month	New	USD			1,100	1,000
06	Hedge/Member	Front Month	New	USD			1,000	1,000
			CRUDE OIL - Outright Rates					
LLS (ARGUS) CALENDAR FUT (XA)								
XA	Spec	Mnth 1-6	New	USD			3,080	2,800
XA	Hedge/Member	Mnth 1-6	New	USD			2,800	2,800
XA	Spec	Mnths 7+	New	USD			2,090	1,900
XA	Hedge/Member	Mnths 7+	New	USD			1,900	1,900
			CRUDE OIL SPREADS - Outright Rates					
LLS (ARGUS) V WTI FUT (WJ)								
WJ	Spec	Mnth 1	Increase	USD	1,650	1,500	1,870	1,700
WJ	Hedge/Member	Mnth 1	Increase	USD	1,500	1,500	1,700	1,700
WJ	Spec	Mnths 2-3	Increase	USD	1,100	1,000	1,265	1,150
WJ	Hedge/Member	Mnths 2-3	Increase	USD	1,000	1,000	1,150	1,150
WJ	Spec	Mnths 4+	Increase	USD	660	600	825	750
WJ	Hedge/Member	Mnths 4+	Increase	USD	600	600	750	750

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					
GLFCST JET ARGUS UP/DN FUT (JU)								
JU	Spec		Increase	USD	1,430	1,300	1,650	1,500
JU	Hedge/Member		Increase	USD	1,300	1,300	1,500	1,500
GLFCST JET PLATTS UP/DN FUT (ME)								
ME	Spec	Mnth 2	Increase	USD	660	600	770	700
ME	Hedge/Member	Mnth 2	Increase	USD	600	600	700	700
ME	Spec	Mnths 3-5	Increase	USD	550	500	660	600
ME	Hedge/Member	Mnths 3-5	Increase	USD	500	500	600	600
LA JT(OPIS) VS. NY HRBR ULSD FUT (JS)								
JS	Spec		Increase	USD	1,870	1,700	2,090	1,900
JS	Hedge/Member		Increase	USD	1,700	1,700	1,900	1,900
NY JTFL (PLATTS) VS NY HRBR ULSD (1U)								
1U	Spec	Mnth 1	Increase	USD	2,530	2,300	2,860	2,600
1U	Hedge/Member	Mnth 1	Increase	USD	2,300	2,300	2,600	2,600
1U	Spec	Mnths 2+	Increase	USD	1,320	1,200	1,650	1,500
1U	Hedge/Member	Mnths 2+	Increase	USD	1,200	1,200	1,500	1,500
NY JTFUEL VS. NY HRBR ULSD (5U)								
5U	Spec		Increase	USD	1,100	1,000	1,375	1,250
5U	Hedge/Member		Increase	USD	1,000	1,000	1,250	1,250
			REFINED PRODUCTS - Outright Rates					
GC JET (ARGUS) CAL FUT (AF)								
AF	Spec		Decrease	USD	6,600	6,000	3,850	3,500
AF	Hedge/Member		Decrease	USD	6,000	6,000	3,500	3,500
LL JET (OPIS) FUT (LL)								
LL	Spec		Decrease	USD	6,050	5,500	3,850	3,500
LL	Hedge/Member		Decrease	USD	5,500	5,500	3,500	3,500
NEW YORK JET FUEL (ARGUS) FUT (4Y)								
4Y	Spec		Decrease	USD	6,600	6,000	3,850	3,500
4Y	Hedge/Member		Decrease	USD	6,000	6,000	3,500	3,500
NEW YORK JET FUEL (PLATTS) FUT (1Q)								
1Q	Spec		Decrease	USD	6,600	6,000	3,850	3,500
1Q	Hedge/Member		Decrease	USD	6,000	6,000	3,500	3,500

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						
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs CRUDE OIL FINANCIAL FUTURES (NY-WS - CME)						
Spread Credit Rate	New	+1:-1			80%	80%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-26 - CME)						
Spread Credit Rate	New	+1:-1			80%	80%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs EUROPEAN 1% FUEL OIL CARGOES FOB MED VS. EUROPEAN 1% FUEL OIL CARGOES FOB NWE SPREAD (PLATTS) SWAP FUTURES (NY-ENS - CME)						
Spread Credit Rate	New	+15:-2			80%	80%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs HEATING OIL FINANCIAL FUTURES (NY-BH - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs HEATING OIL LAST DAY FINANCIAL FUTURES (NY-23 - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL, CS, WS)						
Spread Credit Rate	Increase	+1:-1	70%	70%	80%	80%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs WTI CALENDAR SWAP FUTURES (NY-CS - CME)						
Spread Credit Rate	Increase	+1:-1	70%	70%	80%	80%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs WTI CALENDAR SWAP FUTURES (NY-CS - CME).						
Spread Credit Rate	Increase	+1:-1	70%	70%	80%	80%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance

Inter-commodity Spread Rates

PETROLEUM CRACKS AND SPREADS - Inter-commodity Spread Rates

LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs EUROPEAN 1% FUEL OIL CARGOES FOB MED VS. EUROPEAN 1% FUEL OIL CARGOES FOB NWE SPREAD (PLATTS) SWAP FUTURES (NY-ENS - CME)

Spread Credit Rate	New	+15:-2			80%	80%

NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME)

Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%

NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME) vs EUROPEAN GASOIL (ICE) SWAP FUTURES (NY-GX - CME)

Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%

NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME) vs EUROPEAN GASOIL BULLET SWAP FUTURES (NY-BG - CME)

Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%

NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs HEATING OIL LAST DAY FINANCIAL FUTURES (NY-23 - CME)

Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%

NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME)

Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%

NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME) vs EUROPEAN GASOIL (ICE) SWAP FUTURES (NY-GX - CME)

Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
REFINED PRODUCTS - Inter-commodity Spread Rates						
GULF COAST JET (ARGUS) CALENDAR SWAP FUTURES (NY-AF - CME) vs HEATING OIL LAST DAY FINANCIAL FUTURES (NY-23 - CME)						
Spread Credit Rate	New	+1:-1			70%	70%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs HEATING OIL FINANCIAL FUTURES (NY-BH - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs HEATING OIL LAST DAY FINANCIAL FUTURES (NY-23 - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME)						
Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%
NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME) vs EUROPEAN GASOIL (ICE) SWAP FUTURES (NY-GX - CME)						
Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%
NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME) vs EUROPEAN GASOIL BULLET SWAP FUTURES (NY-BG - CME)						
Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%
NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs HEATING OIL LAST DAY FINANCIAL FUTURES (NY-23 - CME)						
Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%
NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME)						
Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%
NY HARBOR ULSD VS. LOW SULPHUR GASOIL (1,000BBL) FUTURES (NY-NLS - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME) vs EUROPEAN GASOIL (ICE) SWAP FUTURES (NY-GX - CME)						
Spread Credit Rate	Increase	+15:-15:+2	90%	90%	97%	97%
NY JET FUEL (ARGUS) SWAP FUTURES (NY-4Y - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
NY JET FUEL (ARGUS) SWAP FUTURES (NY-4Y - CME) vs HEATING OIL FINANCIAL FUTURES (NY-BH - CME)						
Spread Credit Rate	New	+1:-1			65%	65%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
NY JET FUEL (ARGUS) SWAP FUTURES (NY-4Y - CME) vs HEATING OIL LAST DAY FINANCIAL FUTURES (NY-23 - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
NY JET FUEL (ARGUS) SWAP FUTURES (NY-4Y - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
NY JET FUEL (PLATTS) SWAP FUTURES (NY-1Q - CME) vs HEATING OIL CALENDAR SWAP FUTURES (NY-MP - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
NY JET FUEL (PLATTS) SWAP FUTURES (NY-1Q - CME) vs HEATING OIL FINANCIAL FUTURES (NY-BH - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
NY JET FUEL (PLATTS) SWAP FUTURES (NY-1Q - CME) vs HEATING OIL LAST DAY FINANCIAL FUTURES (NY-23 - CME)						
Spread Credit Rate	New	+1:-1			65%	65%
NY JET FUEL (PLATTS) SWAP FUTURES (NY-1Q - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME)						
Spread Credit Rate	New	+1:-1			65%	65%

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
CRUDE OIL - Volatility Scan (volScan) Rate						
LLS (ARGUS) CALENDAR SWAP FUTURES (XA) - volScan						
Clearing Member Rate	Mnth 1-6	New				0.050
Clearing Member Rate	Mnths 7+	New				0.050