CME Group

14-489

TO:	Clearing Member Firms Chief Financial Officers Back Office Managers Margin Managers
FROM:	CME Clearing
SUBJECT:	Performance Bond Requirements
DATE:	Wednesday, December 17, 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

Wednesday, December 17, 2014.

Current rates as of:

Wednesday, December 17, 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 - Outright Rates

FEEDER CATTLE FUTURES (FC)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
FC	Spec	Mnth 1	Increase	USD	1,650	1,500	2,475	2,250
FC	Hedge/Member	Mnth 1	Increase	USD	1,500	1,500	2,250	2,250
FC	Spec	Mnths 2+	Increase	USD	1,650	1,500	2,475	2,250
FC	Hedge/Member	Mnths 2+	Increase	USD	1,500	1,500	2,250	2,250

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
AGRICULTURE - Intra Spreads								
Feeder Cattle (FC) - All Months (FEEDER CATTLE FUTURES)								
FC	Spec		Increase	USD	715	650	990	900
FC	Hedge/Member		Increase	USD	650	650	900	900

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
AGRICULTURE - Inter-commodity Spread Rates						
Feeder Cattle vs. KCBT Wheat						
Spread Credit Rate	Decrease	+3:-2	25%	25%	0%	0%