



15-085

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, March 20, 2015

***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, March 20, 2015.**

Current rates as of:

**Thursday, March 19, 2015.**

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

#### PETROLEUM CRACKS AND SPREADS - Outright Rates

##### NY BUCKEYE JET FUEL VS NY HARB ULSD (JET)

JET	Spec	Mnth 1	New	USD			3,432	3,120
JET	Hedge/Member	Mnth 1	New	USD			3,120	3,120
JET	Spec	Mnths 2+	New	USD			2,860	2,600
JET	Hedge/Member	Mnths 2+	New	USD			2,600	2,600

#### REFINED PRODUCTS - Outright Rates

##### NY BUCKEYE JET FUEL (PLATTS) FUTURE (BUC)

BUC	Spec		New	USD			6,600	6,000
BUC	Hedge/Member		New	USD			6,000	6,000

## 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

#### **PETROLEUM CRACKS AND SPREADS - Intra Spreads**

##### **(NY BUCKEYE JET FUEL VS NY HARB ULSD)**

JET	Spec		New	USD			660	600
JET	Hedge/Member		New	USD			600	600

#### **REFINED PRODUCTS - Intra Spreads**

##### **(NY BUCKEYE JET FUEL (PLATTS) FUTURE)**

BUC	Spec		New	USD			1,320	1,200
BUC	Hedge/Member		New	USD			1,200	1,200

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>						
<b>PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate</b>						
<b>NY BUCKEYE JET FUEL (PLATTS) VS. NY HARBOR ULSD FUTURES (JET) - SOM</b>						
Clearing Member Rate		New			38.500	35.000
<b>REFINED PRODUCTS - Short Option Minimum (SOM) Rate</b>						
<b>NY BUCKEYE JET FUEL (PLATTS) FUTURES (BUC) - SOM</b>						
Clearing Member Rate		New			66.000	60.000

## **SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS**

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate</b>						
<b>NY BUCKEYE JET FUEL (PLATTS) VS. NY HARBOR ULSD FUTURES (JET) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.050
Clearing Member Rate	Mnths 2+	New				0.050
<b>REFINED PRODUCTS - Volatility Scan (volScan) Rate</b>						
<b>NY BUCKEYE JET FUEL (PLATTS) FUTURES (BUC) - volScan</b>						
Clearing Member Rate		New				0.050