All margin and credit rates on this page are for example purposes only.

** Scanning Based Spreads:
Scanning based spreads are spreads that we have setup so that they scan together as one target product before they are spread against each other. This is used for products that will travel in a similar pattern of price movements. One example would be Treasury products.

Calculation:
Scanning Based Spread: 80% credit for 30Yr, 10Yr, 5Yr, 3Yr, 2Yr at a ratio of 2:3:5:6:6.

This means that for any combination of the above products at their correct ratio you will receive an 80% credit off the top of the highest loss of the legs plus the smallest gain between the legs.

Steps:
1) Margin rate per leg times ratio per leg
2) Of those two values take the smaller and multiply by the percent credit.
3) Take the value of the higher value and subtract the value you get from Step 2

Examples:

+2 30Yr and -3 10Yr
30Yr - $3200
10Yr - $1800

1) $3200 * 2 = 6400; and $1800 * 3 = 5400
2) $5400 * 0.8 = 4320
3) $6400 - $4320 = $2080
**Spread Calculation Page**
Examples of spread calculations

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<tr>
<th>Span Scenario #</th>
<th>30 Year Scan</th>
<th>10 Year Scan</th>
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**++ Inter Spread Calculations:**
Inter Spreads are calculated as a percentage of credit off the top of the full outright margin of the products that make up the legs of the spread.

**Example:**
Corn vs. Soybeans (1:2) – 65% Inter Rate

**Outright Rates**
Corn $1500
Soybeans $3500

$1500 + 2 * $3500 = $8500 before spread credit
With Inter spread credit there is a saving of $5525 (8500 * 0.65) or in other words a charge of $3975 (8500 * 0.35)

**^^Intra Spread Calculations when there is a rate of $0:**
Intra spreads that display a rate of $0 is not necessarily the case. The way that SPAN calculates the spread margins on a portfolio is as follows: (Outright rate of leg 1 – Outright rate of leg 2) + Intra Spread Charge. The rates displayed on the Intra Spread pages are all of these rates with the exception where the formula would create a negative number. These rates are displayed as zeros. The rate for these spreads is: Outright rate of leg 1 – Outright rate of leg 2.
Spread Calculation Page
Examples of spread calculations

Example:
Product X Month 2 - $500
Product X Month 3 - $500
Product X Month 4 - $750

Intra Spread Charge Month 2 vs. 3 - $200
Intra Spread Charge Month 2 vs. 4 - $50
Intra Spread Charge Month 3 vs. 4 - $0

Portfolio: +1 Month 2 and -1 Month 3 has a margin of $200: ($500 - $500) + $200
+1 Month 2 and -1 Month 4 has a margin of $300: ($750 - $500) + $50
+1 Month 3 and -1 Month 4 has a margin of $250: ($750 - $500) + $0

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