

# Short Option Minimum Tier Requirements Report

This report shows the minimum performance bond requirement by Short Option Minimum per combined commodity. If a position contains short options, it shows the Short Option Minimum charge, and then further breaks down the short option position by calls and puts.

## **Exch Cmplx: Exchange Complex**

The exchange complex, clearing organization or cross margining agreement. The Exchange Complex contains the set of Combined Commodities for a single exchange, clearing organization or cross margining agreement (although in some cases the Exchange Complex may have more than one exchange). To view the complete listing of Exchange Complexes refer to the Exchanges report under the reports Master folder.

## **Comb Comm: Combined Commodity**

The set of all eligible products used to generate a total requirement for each Exchange Complex within a portfolio. A Combined Commodity generally consists of all products of the same underlying physical. For example, at the CME, the Eurodollar combined commodity encompasses Mid-Curve options, Eurodollars and Eurodollar options. To view the complete listing of Combined Commodities, refer to the Combined Commodities report under the Risk Parameters folder.

**Level:** The breakdown of the scanning risk calculations for net and gross portfolios. The scan scenario is shown as net for a net portfolio, but for a gross portfolio scan risk calculations are categorized by inter, intra and naked.

**Class:** Specifies the different levels of performance bond requirements. This allows an exchange or clearing organization to divide its performance bond requirement into different, acceptable forms of collateral.

**Maint/Init:** Identifies whether a performance bond requirement is a Maintenance Requirement or an Initial Requirement.

**Tier No.:** A tier is a set of consecutive contract expirations for one Combined Commodity. The tier number refers to a series of contract expirations within a tier. Overall is used to identify all contract expirations in a Combined Commodity.

## **SOM: Short Option Minimum**

To cover the risks associated with deep-out-of-the-money short options positions, where SPAN may calculate a zero or negligible performance bond requirement, a minimum portfolio requirement based on the portfolio's short options may be assessed. If a Short Option Minimum exists for a product, the performance bond requirement cannot fall below this floor level.

**Short Options:** Option products being sold.

**Calls:** Shows the number of short option calls per combined commodity

**Puts:** Shows the number of short option puts per combined commodity