



11-274

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, August 05, 2011

***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

**Saturday, August 06, 2011.**

Current rates as of:

**Thursday, August 04, 2011.**

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

#### CRUDE OIL - Outright Rates

##### MICRO BRENT CRUDE OIL FUTURES (MBZ)

MBZ	Spec	Tier 1	New	USD			9	7
MBZ	Hedge/Member	Tier 1	New	USD			7	7
MBZ	Spec	Tier 2	New	USD			9	7
MBZ	Hedge/Member	Tier 2	New	USD			7	7
MBZ	Spec	Tier 3	New	USD			8	6
MBZ	Hedge/Member	Tier 3	New	USD			6	6
MBZ	Spec	Tier 4	New	USD			8	6
MBZ	Hedge/Member	Tier 4	New	USD			6	6

##### MICRO CRUDE OIL FUTURES (MCL)

MCL	Spec	Tier 1	New	USD			8	6
MCL	Hedge/Member	Tier 1	New	USD			6	6
MCL	Spec	Tier 2	New	USD			8	6
MCL	Hedge/Member	Tier 2	New	USD			6	6
MCL	Spec	Tier 3	New	USD			7	6
MCL	Hedge/Member	Tier 3	New	USD			6	6
MCL	Spec	Tier 4	New	USD			7	5
MCL	Hedge/Member	Tier 4	New	USD			5	5
MCL	Spec	Tier 5	New	USD			7	5
MCL	Hedge/Member	Tier 5	New	USD			5	5
MCL	Spec	Tier 6	New	USD			7	5
MCL	Hedge/Member	Tier 6	New	USD			5	5
MCL	Spec	Tier 7	New	USD			7	5
MCL	Hedge/Member	Tier 7	New	USD			5	5

## 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

#### CRUDE OIL - Intra Spreads

#### Brent Crude Oil (BB, BZ, CY) - Tier 1 vs. Tier 2 (MICRO BRENT CRUDE OIL FUTURES)

MBZ	Spec		New	USD			3	2
MBZ	Hedge/Member		New	USD			2	2

#### Brent Crude Oil (BB, BZ, CY) - Tier 1 vs. Tier 3 (MICRO BRENT CRUDE OIL FUTURES)

MBZ	Spec		New	USD			3	2
MBZ	Hedge/Member		New	USD			2	2

#### Brent Crude Oil (BB, BZ, CY) - Tier 1 vs. Tier 4 (MICRO BRENT CRUDE OIL FUTURES)

MBZ	Spec		New	USD			3	2
MBZ	Hedge/Member		New	USD			2	2

## 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

#### **Brent Crude Oil (BB, BZ, CY) - Tier 2 vs. Tier 2 (MICRO BRENT CRUDE OIL FUTURES)**

MBZ	Spec		New	USD			2	1
MBZ	Hedge/Member		New	USD			1	1

#### **Brent Crude Oil (BB, BZ, CY) - Tier 2 vs. Tier 3 (MICRO BRENT CRUDE OIL FUTURES)**

MBZ	Spec		New	USD			1	1
MBZ	Hedge/Member		New	USD			1	1

#### **Brent Crude Oil (BB, BZ, CY) - Tier 2 vs. Tier 4 (MICRO BRENT CRUDE OIL FUTURES)**

MBZ	Spec		New	USD			1	1
MBZ	Hedge/Member		New	USD			1	1

#### **Brent Crude Oil (BB, BZ, CY) - Tier 3 vs. Tier 3 (MICRO BRENT CRUDE OIL FUTURES)**

MBZ	Spec		New	USD			2	2
MBZ	Hedge/Member		New	USD			2	2

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								

### **Brent Crude Oil (BB, BZ, CY) - Tier 3 vs. Tier 4 (MICRO BRENT CRUDE OIL FUTURES)**

MBZ	Spec		New	USD			2	1
MBZ	Hedge/Member		New	USD			1	1

### **Brent Crude Oil (BB, BZ, CY) - Tier 4 vs. Tier 4 (MICRO BRENT CRUDE OIL FUTURES)**

MBZ	Spec		New	USD			1	1
MBZ	Hedge/Member		New	USD			1	1

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Consecutive Months 1-2 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Consecutive Months 2-3 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Consecutive Months 3-4 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Consecutive Months 4-5 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			1	0
MCL	Hedge/Member		New	USD			0	0

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Consecutive Months 5-6 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			0	0
MCL	Hedge/Member		New	USD			0	0

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Consecutive Months 6-7 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			0	0
MCL	Hedge/Member		New	USD			0	0

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Consecutive Months 7-8 and on (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			0	0
MCL	Hedge/Member		New	USD			0	0

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 1 vs. Tier 2 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			2	2
MCL	Hedge/Member		New	USD			2	2

### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 1 vs. Tier 3 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			2	1
MCL	Hedge/Member		New	USD			1	1

## 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

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 1 vs. Tier 4 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			2	2
MCL	Hedge/Member		New	USD			2	2

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 1 vs. Tier 5 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			3	3
MCL	Hedge/Member		New	USD			3	3

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 1 vs. Tier 6 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			3	3
MCL	Hedge/Member		New	USD			3	3

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 1 vs. Tier 7 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			4	3
MCL	Hedge/Member		New	USD			3	3



## 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

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 2 vs. Tier 2 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			2	1
MCL	Hedge/Member		New	USD			1	1

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 2 vs. Tier 3 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 2 vs. Tier 4 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			2	2
MCL	Hedge/Member		New	USD			2	2

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 2 vs. Tier 5 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			4	3
MCL	Hedge/Member		New	USD			3	3

## 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

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 2 vs. Tier 6 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			4	3
MCL	Hedge/Member		New	USD			3	3

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 2 vs. Tier 7 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			4	3
MCL	Hedge/Member		New	USD			3	3

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 3 vs. Tier 3 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

## 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

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 3 vs. Tier 4 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			2	1
MCL	Hedge/Member		New	USD			1	1

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 3 vs. Tier 5 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			3	2
MCL	Hedge/Member		New	USD			2	2

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 3 vs. Tier 6 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			3	3
MCL	Hedge/Member		New	USD			3	3

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 3 vs. Tier 7 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			4	3
MCL	Hedge/Member		New	USD			3	3

## 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

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 4 vs. Tier 4 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 4 vs. Tier 5 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 4 vs. Tier 6 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			2	1
MCL	Hedge/Member		New	USD			1	1

#### **Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 4 vs. Tier 7 (MICRO CRUDE OIL FUTURES)**

MCL	Spec		New	USD			3	2
MCL	Hedge/Member		New	USD			2	2

## 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

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 5 vs. Tier 5 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 5 vs. Tier 6 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 5 vs. Tier 7 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			2	2
MCL	Hedge/Member		New	USD			2	2

## 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

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 6 vs. Tier 6 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 6 vs. Tier 7 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			2	1
MCL	Hedge/Member		New	USD			1	1

#### Light Sweet Crude Oil (CL, CS, WS, 26) - Tier 7 vs. Tier 7 (MICRO CRUDE OIL FUTURES)

MCL	Spec		New	USD			1	1
MCL	Hedge/Member		New	USD			1	1

## 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>CRUDE OIL - Short Option Minimum (SOM) Rate</b>						
<b>BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (MBZ) - SOM</b>						
Clearing Member Rate		New			40.50	30.00
<b>CRUDE OIL FINANCIAL FUTURES (MCL) - SOM</b>						
Clearing Member Rate		New			81.00	60.00

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>CRUDE OIL - Volatility Scan (volScan) Rate</b>						
<b>BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES ( MBZ) - volScan</b>						
Clearing Member Rate	Tier 1	New				0.11
Clearing Member Rate	Tier 2	New				0.05
Clearing Member Rate	Tier 3	New				0.03
Clearing Member Rate	Tier 4	New				0.03
<b>CRUDE OIL FINANCIAL FUTURES (MCL) - volScan</b>						
Clearing Member Rate	Tier 1	New				0.10
Clearing Member Rate	Tier 2	New				0.05
Clearing Member Rate	Tier 3	New				0.03
Clearing Member Rate	Tier 4	New				0.02
Clearing Member Rate	Tier 5	New				0.02
Clearing Member Rate	Tier 6	New				0.02
Clearing Member Rate	Tier 7	New				0.02