



11-318

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, September 08, 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, September 10, 2011.

Current rates as of:

Thursday, September 08, 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
Outright Rates								
COAL - Outright Rates								
CHINA COAL CFR MARKR 5500KC SWAP (CMC)								
CMC	Spec		New	USD			5,500	5,000
CMC	Hedge/Member		New	USD			5,000	5,000
COAL API6 FOB NEWCASTLE SWAP FUT (NCL)								
NCL	Spec		New	USD			5,500	5,000
NCL	Hedge/Member		New	USD			5,000	5,000
ELECTRICITY - Outright Rates								
NYISO NYC IN-CITY CAPACITY CAL MO (NNC)								
NNC	Spec		New	USD			11,000	10,000
NNC	Hedge/Member		New	USD			10,000	10,000
NYISO REST OF STATE CAPACITY CAL MO (NRS)								
NRS	Spec		New	USD			1,375	1,250
NRS	Hedge/Member		New	USD			1,250	1,250
PETROLEUM CRACKS AND SPREADS - Outright Rates								
EURO DIESEL 10 BARG VS GSOL50 PLTS (ENF)								
ENF	Spec		New	USD			7,700	7,000
ENF	Hedge/Member		New	USD			7,000	7,000
GASOIL50 BARG VS GASOIL 0.1 BARG (GFN)								
GFN	Spec		New	USD			6,600	6,000
GFN	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
Intra Spreads								
COAL - Intra Spreads								
China Coal (IHS McCloskey/Xinhua Infolink South China CFR Marker 5,500kc NAR) Swap Futures - All Months (CHINA COAL CFR MARKR 5500KC SWAP)								
CMC	Spec		New	USD			1,100	1,000
CMC	Hedge/Member		New	USD			1,000	1,000
Coal (API 6) fob Newcastle (Argus/McCloskey) Swap Futures - All Months (COAL API6 FOB NEWCASTLE SWAP FUT)								
NCL	Spec		New	USD			1,100	1,000
NCL	Hedge/Member		New	USD			1,000	1,000
ELECTRICITY - Intra Spreads								
NYISO NYC In-City Capacity Calendar Month Swap Futures - All Months (NYISO NYC IN-CITY CAPACITY CAL MO)								
NNC	Spec		New	USD			2,200	2,000
NNC	Hedge/Member		New	USD			2,000	2,000
NYISO Rest of the State Capacity Calendar Month Swap Futures - All Months (NYISO REST OF STATE CAPACITY CAL MO)								
NRS	Spec		New	USD			275	250
NRS	Hedge/Member		New	USD			250	250
PETROLEUM CRACKS AND SPREADS - Intra Spreads								
European Diesel 10 ppm Barges FOB Rdam vs. Gasoil 50 ppm (Platts) Barges FOB Rdam Swap Futures - All Months (EURO DIESEL 10 BARG VS GSOL50 PLTS)								
ENF	Spec		New	USD			3,300	3,000
ENF	Hedge/Member		New	USD			3,000	3,000
Gasoil 50 ppm Barges FOB Rdam vs. Gasoil 0.1% (Platts) Barges FOB Rdam Swap Futures - All Months (GASOIL50 BARG VS GASOIL 0.1 BARG)								
GFN	Spec		New	USD			3,300	3,000
GFN	Hedge/Member		New	USD			3,000	3,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
COAL - Short Option Minimum (SOM) Rate						
CHINA COAL (IHS MCCLOSKEY/XINHUA INFOLINK SOUTH CHINA CFR MARKER 5,500KC NAR) SWAP FUTURES (CMC) - SOM						
Clearing Member Rate		New			55.00	50.00
COAL (API 6) FOB NEWCASTLE (ARGUS/MCCLOSKEY) SWAP FUTURES (NCL) - SOM						
Clearing Member Rate		New			55.00	50.00
ELECTRICITY - Short Option Minimum (SOM) Rate						
NYISO NYC IN-CITY CAPACITY CALENDAR MONTH SWAP FUTURES (NNC) - SOM						
Clearing Member Rate		New			55.00	50.00
NYISO REST OF THE STATE CAPACITY CALENDAR MONTH SWAP FUTURES (NRS) - SOM						
Clearing Member Rate		New			55.00	50.00
PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate						
EUROPEAN DIESEL 10 PPM BARGES FOB RDAM VS. GASOIL 50 PPM (PLATTS) BARGES FOB RDAM SWAP FUTURES (ENF) - SOM						
Clearing Member Rate		New			55.00	50.00
GASOIL 50 PPM BARGES FOB RDAM VS. GASOIL 0.1% (PLATTS) BARGES FOB RDAM SWAP FUTURES (GFN) - SOM						
Clearing Member Rate		New			55.00	50.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
COAL - Volatility Scan (volScan) Rate						
CHINA COAL (IHS MCCLOSKEY/XINHUA INFOLINK SOUTH CHINA CFR MARKER 5,500KC NAR) SWAP FUTURES (CMC) - volScan						
Clearing Member Rate		New				0.08
COAL (API 6) FOB NEWCASTLE (ARGUS/MCCLOSKEY) SWAP FUTURES (NCL) - volScan						
Clearing Member Rate		New				0.08
ELECTRICITY - Volatility Scan (volScan) Rate						
NYISO NYC IN-CITY CAPACITY CALENDAR MONTH SWAP FUTURES (NNC) - volScan						
Clearing Member Rate		New				0.08
NYISO REST OF THE STATE CAPACITY CALENDAR MONTH SWAP FUTURES (NRS) - volScan						
Clearing Member Rate		New				0.08
PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate						
EUROPEAN DIESEL 10 PPM BARGES FOB RDAM VS. GASOIL 50 PPM (PLATTS) BARGES FOB RDAM SWAP FUTURES (ENF) - volScan						
Clearing Member Rate		New				0.08
GASOIL 50 PPM BARGES FOB RDAM VS. GASOIL 0.1% (PLATTS) BARGES FOB RDAM SWAP FUTURES (GFN) - volScan						
Clearing Member Rate		New				0.08