11-371

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, October 14, 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, October 15, 2011.**

Current rates as of:

Friday, October 14, 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								
PETROLEUM CRACKS AND SPREADS - Outright Rates								
BRNT CFD PLAT VS BRNT 2ND MNTH WKLY - All Months (CFB)								
CFB	Spec		New	USD			2,200	2,000
CFB	Hedge/Member		New	USD			2,000	2,000
BRNT CFD PLAT VS BRNT 3RD MNTH WKLY - All Months (CFC)								
CFC	Spec		New	USD			2,200	2,000
CFC	Hedge/Member		New	USD			2,000	2,000
BRNT CFD VS PLTS BRNT FRNT MNTH WK - All Months (CFA)								
CFA	Spec		New	USD			2,200	2,000
CFA	Hedge/Member		New	USD			2,000	2,000
DIESEL BARG RDAM VS ULSD CAR NWE F - All Months (BBU)								
BBU	Spec		New	USD			11,000	10,000
BBU	Hedge/Member		New	USD			10,000	10,000
ULSD CIF MED VS CARG NWE FUT - All Months (UCU)								
UCU	Spec		New	USD			11,000	10,000
UCU	Hedge/Member		New	USD			10,000	10,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance

Intra Spreads

PETROLEUM CRACKS AND SPREADS - Intra Spreads

Brent CFD (Platts) vs Brent Second Month (Platts) Weekly Swap Futures - All Months (BRNT CFD PLAT VS BRNT 2ND MNTH WKLY)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CFB	Spec		New	USD			440	400
CFB	Hedge/Member		New	USD			400	400

Brent CFD (Platts) vs Brent Third Month (Platts) Weekly Swap Futures - All Months (BRNT CFD PLAT VS BRNT 3RD MNTH WKLY)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CFC	Spec		New	USD			440	400
CFC	Hedge/Member		New	USD			400	400

Brent CFO (Platts) vs Brent Front Month (Platts) Weekly Swap Futures - All Months (BRNT CFD VS PLTS BRNT FRNT MNTH WK)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CFA	Spec		New	USD			440	400
CFA	Hedge/Member		New	USD			400	400

Diesel 10 ppm Barges FOB Rdam vs. USLD 10ppm (Platts) Cargos CIF NWE Swap Futures - All Months (DIESEL BARG RDAM VS ULSD CAR NWE F)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
BBU	Spec		New	USD			2,200	2,000
BBU	Hedge/Member		New	USD			2,000	2,000

ULSD 10 ppm Cargoes CIF MED vs. ULSD 10 ppm (Platts) Cargoes CIF NWE Swap Futures - All Months (ULSD CIF MED VS CARG NWE FUT)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
UCU	Spec		New	USD			2,200	2,000
UCU	Hedge/Member		New	USD			2,000	2,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate						
BRENT CFD (PLATTS) VS BRENT FRONT MONTH (PLATTS) WEEKLY SWAP FUTURES (CFA) - SOM						
Clearing Member Rate		New			55.00	50.00
BRENT CFD (PLATTS) VS BRENT SECOND MONTH (PLATTS) WEEKLY SWAP FUTURES (CFB) - SOM						
Clearing Member Rate		New			55.00	50.00
BRENT CFD (PLATTS) VS BRENT THIRD MONTH (PLATTS) WEEKLY SWAP FUTURES (CFC) - SOM						
Clearing Member Rate		New			55.00	50.00
USLD 10PPM CARGOES CIF MED VS. ULSD 10PPM (PLATTS) CARGOES CIF NWE SWAP FUTURES (UCU) - SOM						
Clearing Member Rate		New			55.00	50.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate						
BRENT CFD (PLATTS) VS BRENT FRONT MONTH (PLATTS) WEEKLY SWAP FUTURES (CFA) - volScan						
Clearing Member Rate		New				0.08
BRENT CFD (PLATTS) VS BRENT SECOND MONTH (PLATTS) WEEKLY SWAP FUTURES (CFB) - volScan						
Clearing Member Rate		New				0.08
BRENT CFD (PLATTS) VS BRENT THIRD MONTH (PLATTS) WEEKLY SWAP FUTURES (CFC) - volScan						
Clearing Member Rate		New				0.08
DIESEL 10 PPM BARGES FOB RDAM VS. ULSD 10PPM (PLATTS) CARGOES CIF NWE SWAP FUTURES (BBU) - volScan						
Clearing Member Rate		New				0.08
USLD 10PPM CARGOES CIF MED VS. ULSD 10PPM (PLATTS) CARGOES CIF NWE SWAP FUTURES (UCU) - volScan						
Clearing Member Rate		New				0.08