



11-422

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, November 18, 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, November 19, 2011.**

Current rates as of:

Friday, November 18, 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								
CRUDE OIL - Outright Rates								
WESTRN CANADIAN SEL(WCS) CRUDE OIL (WCE)								
WCE	Spec		New	USD			7,150	6,500
WCE	Hedge/Member		New	USD			6,500	6,500
PETROLEUM CRACKS AND SPREADS - Outright Rates								
1 MO LH CAL SPRD FUTURES (UA9)								
UA9	Spec		New	USD			275	250
UA9	Hedge/Member		New	USD			250	250
2 MO LH CAL SPRD FUTURES (UB9)								
UB9	Spec		New	USD			330	300
UB9	Hedge/Member		New	USD			300	300
3 MO LH CAL SPRD FUTURES (UC9)								
UC9	Spec		New	USD			330	300
UC9	Hedge/Member		New	USD			300	300
6 MONTH LH SPREAD FUTURES (UM9)								
UM9	Spec		New	USD			715	650
UM9	Hedge/Member		New	USD			650	650
FAME BIO ARGUS RDM RED VS ICE GAS (FBT)								
FBT	Spec		New	USD			4,400	4,000
FBT	Hedge/Member		New	USD			4,000	4,000
NY ULSD 12 MO CAL SPRD SYN FUT (UZ9)								
UZ9	Spec		New	USD			715	650
UZ9	Hedge/Member		New	USD			650	650
NY ULSD CRACK SPREAD BALMO SWAP FUT (UBC)								
UBC	Spec		New	USD			5,500	5,000
UBC	Hedge/Member		New	USD			5,000	5,000
NY ULSD CRACK SPREAD SWAP (UCF)								
UCF	Spec		New	USD			3,300	3,000
UCF	Hedge/Member		New	USD			3,000	3,000
NY ULSD CRK SPD SYN (UP9)								
UP9	Spec		New	USD			660	600
UP9	Hedge/Member		New	USD			600	600
NY USLD CALENDAR SWAP (USF)								
USF	Spec		New	USD			5,500	5,000
USF	Hedge/Member		New	USD			5,000	5,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
RBOB VS NY ULSD SWAP FUTURES (RVU)								
RVU	Spec		New	USD			2,200	2,000
RVU	Hedge/Member		New	USD			2,000	2,000
RME BIO ARGUS RDM RED VS ICS GAS (BFR)								
BFR	Spec		New	USD			4,400	4,000
BFR	Hedge/Member		New	USD			4,000	4,000
REFINED PRODUCTS - Outright Rates								
FAME 0 ARGUS BIODIESEL FOB RDA RED (FBD)								
FBD	Spec		New	USD			6,050	5,500
FBD	Hedge/Member		New	USD			5,500	5,500
NY ULSD BALMO SWAP (UBS)								
UBS	Spec		New	USD			8,800	8,000
UBS	Hedge/Member		New	USD			8,000	8,000
NY ULSD LAST DAY FINANCIAL SWAP FUT (ULF)								
ULF	Spec		New	USD			6,380	5,800
ULF	Hedge/Member		New	USD			5,800	5,800
RME BIODIESEL ARGUS FOB RDA RED CLP (RBF)								
RBF	Spec		New	USD			4,950	4,500
RBF	Hedge/Member		New	USD			4,500	4,500

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

WESTERN CANADIAN SELECT (WCS) CRUDE OIL FUTURES - ALL MONTHS (WESTRN CANADIAN SEL(WCS) CRUDE OIL)

WCE	Spec		New	USD			1,430	1,300
WCE	Hedge/Member		New	USD			1,300	1,300

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								
FAME 0 BIODIESEL (ARGUS) FOB ROTTERDAM (RED COMPLIANT) VS> ICE GASOIL SPREAD SWAP FUTURE - ALL MONTHS (FAME BIO ARGUS RDM RED VS ICE GAS)								
FBT	Spec		New	USD			880	800
FBT	Hedge/Member		New	USD			800	800
NY ULSD AVERAGE PRICE OPTION - ALL MONTHS (NY USLD CALENDAR SWAP)								
USF	Spec		New	USD			275	250
USF	Hedge/Member		New	USD			250	250
NY ULSD CALENDAR SPREAD OPTION (6 MONTH) - ALL MONTHS (6 MONTH LH SPREAD FUTURES)								
UM9	Spec		New	USD			3,850	3,500
UM9	Hedge/Member		New	USD			3,500	3,500
NY ULSD CALENDAR SPREAD OPTION (12 MONTH) - ALL MONTHS (NY ULSD 12 MO CAL SPRD SYN FUT)								
UZ9	Spec		New	USD			3,850	3,500
UZ9	Hedge/Member		New	USD			3,500	3,500
NY ULSD CRACK SPREAD BALMO SWAP FUTURES - ALL MONTHS (NY ULSD CRACK SPREAD BALMO SWAP FUT)								
UBC	Spec		New	USD			275	250
UBC	Hedge/Member		New	USD			250	250
NY ULSD CRACK SPREAD OPTION - ALL MONTHS (NY ULSD CRK SPD SYN)								
UP9	Spec		New	USD			220	200
UP9	Spec		New	USD			110	100
UP9	Hedge/Member		New	USD			100	100
UP9	Hedge/Member		New	USD			200	200
NY ULSD CRACK SPREAD SWAP FUTURES- ALL MONTHS (NY ULSD CRACK SPREAD SWAP)								
UCF	Spec		New	USD			1,540	1,400
UCF	Hedge/Member		New	USD			1,400	1,400
RBOB vs. NY ULSD Swap Futures - All Months (RBOB VS NY ULSD SWAP FUTURES)								
RVU	Spec		New	USD			770	700
RVU	Hedge/Member		New	USD			700	700
RME BIODIESEL (ARGUS) FOB RDAM (RED COMPLIANT) VS ICE GASOIL SPREAD SWAP FUTURE - ALL MONTHS (RME BIO ARGUS RDM RED VS ICS GAS)								
BFR	Spec		New	USD			880	800
BFR	Hedge/Member		New	USD			800	800

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
REFINED PRODUCTS - Intra Spreads								
FAME 0 (ARGUS) BIODIESEL FOB RDAM (RED COMPLIANT) SWAP FUTURE - ALL MONTHS (FAME 0 ARGUS BIODIESEL FOB RDA RED)								
FBD	Spec		New	USD			1,210	1,100
FBD	Hedge/Member		New	USD			1,100	1,100
NY ULSD BALMO SWAP FUTURES - ALL MONTHS (NY ULSD BALMO SWAP)								
UBS	Spec		New	USD			275	250
UBS	Hedge/Member		New	USD			250	250
NY ULSD LAST DAY FINANCIAL SWAP FUTURES - ALL MONTHS (NY ULSD LAST DAY FINANCIAL SWAP FUT)								
ULF	Spec		New	USD			825	750
ULF	Hedge/Member		New	USD			750	750
RME BIODIESEL (ARGUS) FOB RDAM (RED COMPLIANT) SWAP FUTURE - ALL MONTHS (RME BIODIESEL ARGUS FOB RDA RED CLP)								
RBF	Spec		New	USD			990	900
RBF	Hedge/Member		New	USD			900	900

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
PETROLEUM CRACKS AND SPREADS - Inter-commodity Spread Rates						
NY ULSD CRACK SPREAD BALMO SWAP FUTURES (NY-UBC - CME) vs NY ULSD CRACK SPREAD SWAP FUTURES (NY-UCF - CME)						
Spread Credit Rate	New	+1:-1			75%	75%
REFINED PRODUCTS - Inter-commodity Spread Rates						
NY ULSD BALMO SWAP FUTURES (NY-UBS - CME) vs NEW YORK HARBOR ULTRA-LOW SULFUR DIESEL (ULSD) FUTURES (NY-LH - CME)						
Spread Credit Rate	New	+1:-1			75%	75%
NY ULSD CALENDAR SWAP FUTURES (NY-USF - CME) vs NEW YORK HARBOR ULTRA-LOW SULFUR DIESEL (ULSD) FUTURES (NY-LH - CME)						
Spread Credit Rate	New	+1:-1			98%	98%
NY ULSD CALENDAR SWAP FUTURES (NY-USF - CME) vs NY ULSD LAST DAY FINANCIAL SWAP FUTURES (NY-ULF - CME)						
Spread Credit Rate	New	+1:-1			98%	98%
NY ULSD LAST DAY FINANCIAL SWAP FUTURES (NY-ULF - CME) vs NEW YORK HARBOR ULTRA-LOW SULFUR DIESEL (ULSD) FUTURES (NY-LH - CME)						
Spread Credit Rate	New	+1:-1			98%	98%

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						
CRUDE OIL - Short Option Minimum (SOM) Rate						
WESTERN CANADIAN SELECT (WCS) CRUDE OIL FUTURES (WCE) - SOM						
Clearing Member Rate		New			55.00	50.00
NGL/PETROCHEMICALS - Short Option Minimum (SOM) Rate						
MONT BELVIEU LDH ISO-BUTANE (OPIS) SWAP FUTURES (MBL) - SOM						
Clearing Member Rate		New			55.00	50.00
PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate						
FAME 0 BIODIESEL (ARGUS) FOB ROTTERDAM (RED COMPLIANT) VS. ICE GASOIL SPREAD SWAP FUTURE (FBT) - SOM						
Clearing Member Rate		New			55.00	50.00
GULF COAST SME BIODIESEL (ARGUS) SWAP FUTURES (GSI) - SOM						
Clearing Member Rate		New			55.00	50.00
NY ULSD 1 MONTH CSO (UA9, UCA) - SOM						
Clearing Member Rate		New			49.50	45.00
NY ULSD 12 MONTH CSO (UCZ, UZ9) - SOM						
Clearing Member Rate		New			49.50	45.00
NY ULSD 2 MONTH CSO (UB9, UCB) - SOM						
Clearing Member Rate		New			49.50	45.00
NY ULSD 4 MONTH CSO (UM9, UMM) - SOM						
Clearing Member Rate		New			49.50	45.00
NY ULSD CRACK SPREAD OPTION SYNTHETIC (UCO, UP9) - SOM						
Clearing Member Rate		New			44.00	40.00
NY ULSD CRACK SPREAD SWAP FUTURES (UCF, UCP) - SOM						
Clearing Member Rate		New			55.00	50.00
NY USLD 3 MONTH CSO (UC9, UCC) - SOM						
Clearing Member Rate		New			49.50	45.00
RBOB VS. NY ULSD SWAP FUTURES (RVU) - SOM						
Clearing Member Rate		New			55.00	50.00
RME BIODIESEL (ARGUS) FOB RDAM (RED COMPLIANT) VS. ICE GASOIL SPREAD SWAP FUTURE (BFR) - 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
Short Option Minimum (SOM) Rate						
REFINED PRODUCTS - Short Option Minimum (SOM) Rate						
FAME 0 (ARGUS) BIODIESEL FOB RDAM (RED COMPLIANT) SWAP FUTURE (FBD) - SOM						
Clearing Member Rate		New			55.00	50.00
NY ULSD BALMO SWAP FUTURES (UBS) - SOM						
Clearing Member Rate		New			55.00	50.00
NY ULSD CALENDAR SWAP FUTURES (UAO) - SOM						
Clearing Member Rate		New			55.00	50.00
NY ULSD LAST DAY FINANCIAL SWAP FUTURES (ULF) - SOM						
Clearing Member Rate		New			55.00	50.00
RME BIODIESEL (ARGUS) FOB RDAM (RED COMPLIANT) SWAP FUTURE (RBF) - 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
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Volatility Scan (volScan) Rate

CRUDE OIL - Volatility Scan (volScan) Rate

WESTERN CANADIAN SELECT (WCS) CRUDE OIL FUTURES (WCE) - volScan

Clearing Member Rate		New				0.08
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NGL/PETROCHEMICALS - Volatility Scan (volScan) Rate

MONT BELVIEU LDH ISO-BUTANE (OPIS) SWAP FUTURES (MBL) - volScan

Clearing Member Rate		New				0.08
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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate						
FAME 0 BIODIESEL (ARGUS) FOB ROTTERDAM (RED COMPLIANT) VS. ICE GASOIL SPREAD SWAP FUTURE (FBT) - volScan						
Clearing Member Rate		New				0.08
GULF COAST SME BIODIESEL (ARGUS) SWAP FUTURES (GSI) - volScan						
Clearing Member Rate		New				0.08
NY ULSD 12 MONTH CSO (UCZ, UZ9) - volScan						
Clearing Member Rate		New				0.08
NY ULSD 2 MONTH CSO (UB9, UCB) - volScan						
Clearing Member Rate		New				0.03
NY ULSD 4 MONTH CSO (UM9, UMM) - volScan						
Clearing Member Rate		New				0.03
NY ULSD AVERAGE PRICE OPTION (USF, USF) - volScan						
Clearing Member Rate		New				0.03
NY ULSD CRACK SPREAD AVERAGE PRICE OPTION (UCF) - volScan						
Clearing Member Rate		New				0.03
NY ULSD CRACK SPREAD BALMO SWAP FUTURES (UBC) - volScan						
Clearing Member Rate		New				0.03
NY ULSD CRACK SPREAD OPTION SYNTHETIC (UCO, UP9) - volScan						
Clearing Member Rate		New				0.70
NY ULSD CRACK SPREAD SWAP FUTURES (UCF, UCP) - volScan						
Clearing Member Rate		New				0.08
NY USLD 3 MONTH CSO (UC9, UCC) - volScan						
Clearing Member Rate		New				0.03
RBOB VS. NY ULSD SWAP FUTURES (RVU) - volScan						
Clearing Member Rate		New				0.08
RME BIODIESEL (ARGUS) FOB RDAM (RED COMPLIANT) VS. ICE GASOIL SPREAD SWAP FUTURE (BFR) - volScan						
Clearing Member Rate		New				0.08

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
REFINED PRODUCTS - Volatility Scan (volScan) Rate						
FAME 0 (ARGUS) BIODIESEL FOB RDAM (RED COMPLIANT) SWAP FUTURE (FBD) - volScan						
Clearing Member Rate		New				0.08
NY ULSD BALMO SWAP FUTURES (UBS) - volScan						
Clearing Member Rate		New				0.08
NY ULSD CALENDAR SWAP FUTURES (UAO) - volScan						
Clearing Member Rate		New				0.08
NY ULSD LAST DAY FINANCIAL SWAP FUTURES (ULF) - volScan						
Clearing Member Rate		New				0.08
RME BIODIESEL (ARGUS) FOB RDAM (RED COMPLIANT) SWAP FUTURE (RBF) - volScan						
Clearing Member Rate		New				0.08