



11-474

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, December 28, 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 **Friday, December 30, 2011.**

Current rates as of:

Wednesday, December 28, 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 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
Intra Spreads								
COAL - Intra Spreads								
Eastern Rail CSX Coal Swap Futures - All Months								
QX	Spec		Increase	USD	660	600	1,100	1,000
QX	Hedge/Member		Increase	USD	600	600	1,000	1,000
METALS - Intra Spreads								
COMEX Gold - Mths 1-4 vs Mths 1-4								
GC	Spec		Increase	USD	135	100	169	125
GC	Hedge/Member		Increase	USD	100	100	125	125
GCT	Spec		Increase	USD	135	100	169	125
GCT	Hedge/Member		Increase	USD	100	100	125	125
MGC	Spec		Increase	USD	14	10	17	13
MGC	Hedge/Member		Increase	USD	10	10	13	13
QO	Spec		Increase	USD	68	50	84	63
QO	Hedge/Member		Increase	USD	50	50	63	63
COMEX Gold – Mths 5-6 vs Mths 7-12								
GC	Spec		Decrease	USD	338	250	270	200
GC	Hedge/Member		Decrease	USD	250	250	200	200
GCT	Spec		Decrease	USD	338	250	270	200
GCT	Hedge/Member		Decrease	USD	250	250	200	200
MGC	Spec		Decrease	USD	34	25	27	20
MGC	Hedge/Member		Decrease	USD	25	25	20	20
QO	Spec		Decrease	USD	169	125	135	100
QO	Hedge/Member		Decrease	USD	125	125	100	100
COMEX Gold - Mths 7-12 vs Mths 7-12								
GC	Spec		Decrease	USD	338	250	270	200
GC	Hedge/Member		Decrease	USD	250	250	200	200
GCT	Spec		Decrease	USD	338	250	270	200
GCT	Hedge/Member		Decrease	USD	250	250	200	200
MGC	Spec		Decrease	USD	34	25	27	20
MGC	Hedge/Member		Decrease	USD	25	25	20	20
QO	Spec		Decrease	USD	169	125	135	100
QO	Hedge/Member		Decrease	USD	125	125	100	100
COMEX Silver – Mths 1-4 vs Mths 7-12								
6Q	Spec		Decrease	USD	203	150	176	130
6Q	Hedge/Member		Decrease	USD	150	150	130	130
QI	Spec		Decrease	USD	506	375	439	325
QI	Hedge/Member		Decrease	USD	375	375	325	325

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
SI	Spec		Decrease	USD	1,013	750	878	650
SI	Hedge/Member		Decrease	USD	750	750	650	650
SIT	Spec		Decrease	USD	1,013	750	878	650
SIT	Hedge/Member		Decrease	USD	750	750	650	650
COMEX Silver – Mths 5-6 vs Mths 5-6								
6Q	Spec		Decrease	USD	95	70	68	50
6Q	Hedge/Member		Decrease	USD	70	70	50	50
QI	Spec		Decrease	USD	236	175	169	125
QI	Hedge/Member		Decrease	USD	175	175	125	125
SI	Spec		Decrease	USD	473	350	338	250
SI	Hedge/Member		Decrease	USD	350	350	250	250
SIT	Spec		Decrease	USD	473	350	338	250
SIT	Hedge/Member		Decrease	USD	350	350	250	250
COMEX Silver - Mths 5-6vs Mths 7-12								
6Q	Spec		Decrease	USD	162	120	135	100
6Q	Hedge/Member		Decrease	USD	120	120	100	100
QI	Spec		Decrease	USD	405	300	338	250
QI	Hedge/Member		Decrease	USD	300	300	250	250
SI	Spec		Decrease	USD	810	600	675	500
SI	Hedge/Member		Decrease	USD	600	600	500	500
SIT	Spec		Decrease	USD	810	600	675	500
SIT	Hedge/Member		Decrease	USD	600	600	500	500
COMEX Silver - Mths 7-12 vs Mths 7-12								
6Q	Spec		Decrease	USD	135	100	108	80
6Q	Hedge/Member		Decrease	USD	100	100	80	80
QI	Spec		Decrease	USD	338	250	270	200
QI	Hedge/Member		Decrease	USD	250	250	200	200
SI	Spec		Decrease	USD	675	500	540	400
SI	Hedge/Member		Decrease	USD	500	500	400	400
SIT	Spec		Decrease	USD	675	500	540	400
SIT	Hedge/Member		Decrease	USD	500	500	400	400

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
CRUDE OIL - Short Option Minimum (SOM) Rate						
DATED BRENT (PLATTS) CALENDAR SWAP FUTURES (DBP, UB) - SOM						
Clearing Member Rate		Increase	11.00	10.00	33.00	30.00
ETHANOL - Short Option Minimum (SOM) Rate						
CHICAGO ETHANOL (PLATTS) SWAP FUTURES (CU, CVR) - SOM						
Clearing Member Rate		Increase	11.00	10.00	22.00	20.00
NY ETHANOL (PLATTS) SWAP FUTURES (EZ, NVP) - SOM						
Clearing Member Rate		Increase	11.00	10.00	22.00	20.00
NATURAL GAS - Short Option Minimum (SOM) Rate						
COLUMBIA GAS TCO BASIS SWAP (PLATTS IFERC) FUTURES (5D, TC) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
HENRY HUB BASIS SWAP (PLATTS IFERC) FUTURES (5E, HB) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
HOUSTON SHIP CHANNEL BASIS SWAP (PLATTS IFERC) FUTURES (5F, NH) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
MICHCON BASIS SWAP (PLATTS IFERC) FUTURES (4W, NF) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
NGPL MID-CON BASIS SWAP (PLATTS IFERC) FUTURES (5G, NL) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
NGPL TEXOK BASIS SWAP (PLATTS IFERC) FUTURES (5H, PD) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
PANHANDLE BASIS SWAP (PLATTS IFERC) FUTURES (5K, PH) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
ROCKIES BASIS SWAP (PLATTS IFERC) FUTURES (5I, NR) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
SOCAL BASIS SWAP (PLATTS IFERC) FUTURES (5M, NS) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
TEXAS EASTERN ZONE M-3 BASIS SWAP (PLATTS IFERC) FUTURES (5N, NX) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00
WAHA BASIS SWAP (PLATTS IFERC) FUTURES (5O, NW) - SOM						
Clearing Member Rate		Decrease	55.00	50.00	27.50	25.00

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						
EUROPEAN 1% FUEL OIL (PLATTS) BARGES FOB RDAM CALENDAR SWAP FUTURES (EFB, T0, UH) - SOM						
Clearing Member Rate		Increase	11.00	10.00	55.00	50.00
GULF COAST JET FUEL (PLATTS) CALENDAR SWAP FUTURES (GE, GVR) - SOM						
Clearing Member Rate		Increase	11.00	10.00	55.00	50.00
SINGAPORE FUEL OIL 380 CST (PLATTS) SWAP FUTURES (8H, MTS, SE) - SOM						
Clearing Member Rate		Increase	11.00	10.00	55.00	50.00