



12-106

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, March 09, 2012

***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, March 09, 2012.**

Current rates as of:

**Thursday, March 08, 2012.**

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
<b>Outright Rates</b>								

## METALS - Outright Rates

### COMEX COPPER SWAP FUTURES (HGS)

HGS	Spec	Mths 1-4	New	USD			6,750	5,000
HGS	Hedge/Member	Mths 1-4	New	USD			5,000	5,000
HGS	Spec	Mths 5+	New	USD			6,750	5,000
HGS	Hedge/Member	Mths 5+	New	USD			5,000	5,000

## PETROLEUM CRACKS AND SPREADS - Outright Rates

### GASOLINE 10 PPM PLATTS FOB CRK SPRD (GKS)

GKS	Spec	Mnths 1-6	New	USD			3,300	3,000
GKS	Hedge/Member	Mnths 1-6	New	USD			3,000	3,000
GKS	Spec	Mnths 7+	New	USD			3,300	3,000
GKS	Hedge/Member	Mnths 7+	New	USD			3,000	3,000

### RBOB GAS VS EURO BOB OXY NWE BARGES (XER)

XER	Spec		New	USD			2,640	2,400
XER	Hedge/Member		New	USD			2,400	2,400

## REFINED PRODUCTS - Outright Rates

### 1% FUEL OIL PLATTS CIF BALMO SWAPS (FOB)

FOB	Spec		New	USD			45,100	41,000
FOB	Hedge/Member		New	USD			41,000	41,000

### 1% FUEL OIL PLATTS FOB BALMO SWAPS (FOM)

FOM	Spec		New	USD			45,100	41,000
FOM	Hedge/Member		New	USD			41,000	41,000

### 3.5% FUELOIL FOB MED CRK SPD BALMO (FOA)

FOA	Spec		New	USD			5,500	5,000
FOA	Hedge/Member		New	USD			5,000	5,000

### 3.5% FUELOIL FOB RDAM CRK SPD BALMO (FCB)

FCB	Spec		New	USD			6,050	5,500
FCB	Hedge/Member		New	USD			5,500	5,500

### DATED BRENT(PLATTS) BALMO SWAP (DBB)

DBB	Spec		New	USD			7,700	7,000
DBB	Hedge/Member		New	USD			7,000	7,000

## 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

#### METALS - Intra Spreads

##### COMEX Copper Calendar Swap - Mnths 1-4 vs Mnths 1-4 (COMEX COPPER SWAP FUTURES)

HGS	Spec		New	USD			203	150
HGS	Hedge/Member		New	USD			150	150

##### COMEX Copper Calendar Swap - Mnths 1-4 vs Mnths 5+ (COMEX COPPER SWAP FUTURES)

HGS	Spec		New	USD			304	225
HGS	Hedge/Member		New	USD			225	225

##### COMEX Copper Calendar Swap - Mnths 5+ vs Mnths 5+ (COMEX COPPER SWAP FUTURES)

HGS	Spec		New	USD			304	225
HGS	Hedge/Member		New	USD			225	225

#### PETROLEUM CRACKS AND SPREADS - Intra Spreads

##### Gasoline 10 ppm (Platts) FOB MED Crack Spread Swap Futures - All Months (GASOLINE 10 PPM PLATTS FOB CRK SPRD)

GKS	Spec		New	USD			550	500
GKS	Hedge/Member		New	USD			500	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

#### REFINED PRODUCTS - Intra Spreads

##### **(DATED BRENT(PLATTS) BALMO SWAP)**

DBB	Spec		New	USD			1,650	1,500
DBB	Hedge/Member		New	USD			1,500	1,500

##### **1% Fuel Oil (Platts) Cargoes CIF MED BALMO Swap Futures - All Months (1% FUEL OIL PLATTS CIF BALMO SWAPS)**

FOB	Spec		New	USD			16,500	15,000
FOB	Hedge/Member		New	USD			15,000	15,000

##### **1% Fuel Oil (Platts) Cargoes FOB MED BALMO Swap Futures - All Months (1% FUEL OIL PLATTS FOB BALMO SWAPS)**

FOM	Spec		New	USD			16,500	15,000
FOM	Hedge/Member		New	USD			15,000	15,000

##### **3.5% Fuel Oil (Platts) Barges FOB Rdam Crack Spread BALMO Swap Futures - All Months (3.5% FUELOIL FOB RDAM CRK SPD BALMO)**

FCB	Spec		New	USD			1,650	1,500
FCB	Hedge/Member		New	USD			1,500	1,500

##### **3.5% Fuel Oil (Platts) FOB MED Crack Spread BALMO Swap Futures - All Months (3.5% FUELOIL FOB MED CRK SPD BALMO)**

FOA	Spec		New	USD			1,650	1,500
FOA	Hedge/Member		New	USD			1,500	1,500

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						

### **CRUDE OIL - Inter-commodity Spread Rates**

**DATED BRENT (PLATTS) BALMO SWAP FUTURES (NY-DBB - CME) vs DATED BRENT (PLATTS) CALENDAR SWAP FUTURES (NY-UB - CME)**

Spread Credit Rate	New	+1:-1			75%	75%
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## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						

### **COPPER FUTURES (CX-HG - CME) vs COPPER CALENDAR SWAP FUTURES (CX-HGS - CME)**

Spread Credit Rate	New	+1:-1			98%	98%
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### **PETROLEUM CRACKS AND SPREADS - Inter-commodity Spread Rates**

#### **3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CRACK SPREAD BALMO SWAP FUTURES (NY-FCB - CME) vs 3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CRACK SPREAD SWAP FUTURES (NY-FO - CME)**

Spread Credit Rate	New	+1:-1			75%	75%
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#### **3.5% FUEL OIL (PLATTS) FOB MED CRACK SPREAD BALMO SWAP FUTURES (NY-FOA - CME) vs 3.5% FUEL OIL (PLATTS) FOB MED CRACK SPREAD SWAP FUTURES (NY-FL - CME)**

Spread Credit Rate	New	+1:-1			75%	75%
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### **REFINED PRODUCTS - Inter-commodity Spread Rates**

#### **1% FUEL OIL (PLATTS) CARGOES CIF MED BALMO SWAP FUTURES (NY-FOB - CME) vs 1% FUEL OIL (PLATTS) CARGOES CIF MED SWAP FUTURES (NY-1W - CME)**

Spread Credit Rate	New	+1:-1			75%	75%
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#### **1% FUEL OIL (PLATTS) CARGOES FOB MED BALMO SWAP FUTURES (NY-FOM - CME) vs EUROPEAN 1% FUEL OIL CARGOES FOB MED (PLATTS) SWAP FUTURES (NY-EFM - CME)**

Spread Credit Rate	New	+1:-1			75%	75%
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#### **3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CRACK SPREAD BALMO SWAP FUTURES (NY-FCB - CME) vs 3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CRACK SPREAD SWAP FUTURES (NY-FO - CME)**

Spread Credit Rate	New	+1:-1			75%	75%
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#### **3.5% FUEL OIL (PLATTS) FOB MED CRACK SPREAD BALMO SWAP FUTURES (NY-FOA - CME) vs 3.5% FUEL OIL (PLATTS) FOB MED CRACK SPREAD SWAP FUTURES (NY-FL - CME)**

Spread Credit Rate	New	+1:-1			75%	75%
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#### **DATED BRENT (PLATTS) BALMO SWAP FUTURES (NY-DBB - CME) vs DATED BRENT (PLATTS) CALENDAR SWAP FUTURES (NY-UB - CME)**

Spread Credit Rate	New	+1:-1			75%	75%
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## 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>METALS - Short Option Minimum (SOM) Rate</b>						
<b>COPPER CALENDAR SWAP FUTURES (CAP, HGS) - SOM</b>						
Clearing Member Rate		New			40.50	30.00
<b>PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate</b>						
<b>GASOLINE 10 PPM (PLATTS) FOB MED CRACK SPREAD SWAP FUTURES (GKS) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>REFINED PRODUCTS - Short Option Minimum (SOM) Rate</b>						
<b>1% FUEL OIL (PLATTS) CARGOES CIF MED BALMO SWAP FUTURES (FOB) - SOM</b>						
Clearing Member Rate		New			220.00	200.00
<b>1% FUEL OIL (PLATTS) CARGOES FOB MED BALMO SWAP FUTURES (FOM) - SOM</b>						
Clearing Member Rate		New			220.00	200.00
<b>3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CRACK SPREAD BALMO SWAP FUTURES (FCB) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>3.5% FUEL OIL (PLATTS) FOB MED CRACK SPREAD BALMO SWAP FUTURES (FOA) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>DATED BRENT (PLATTS) BALMO SWAP FUTURES (DBB) - SOM</b>						
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
<b>Volatility Scan (volScan) Rate</b>						
<b>METALS - Volatility Scan (volScan) Rate</b>						
<b>COPPER CALENDAR SWAP FUTURES (CAP, HGS) - volScan</b>						
Clearing Member Rate	Mths 1-4	New				0.11
Clearing Member Rate	Mths 5+	New				0.05
<b>PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate</b>						
<b>GASOLINE 10 PPM (PLATTS) FOB MED CRACK SPREAD SWAP FUTURES (GKS) - volScan</b>						
Clearing Member Rate	Mnths 1-6	New				0.08
Clearing Member Rate	Mnths 7+	New				0.08
<b>RBOB GASOLINE VS. EURO-BOB OXY (ARGUS) NWE BARGES (1000MT) SWAP FUTURES (EXR, XER) - volScan</b>						
Clearing Member Rate		New				0.08
<b>REFINED PRODUCTS - Volatility Scan (volScan) Rate</b>						
<b>1% FUEL OIL (PLATTS) CARGOES CIF MED BALMO SWAP FUTURES (FOB) - volScan</b>						
Clearing Member Rate		New				0.08
<b>1% FUEL OIL (PLATTS) CARGOES FOB MED BALMO SWAP FUTURES (FOM) - volScan</b>						
Clearing Member Rate		New				0.08
<b>3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CRACK SPREAD BALMO SWAP FUTURES (FCB) - volScan</b>						
Clearing Member Rate		New				0.08
<b>3.5% FUEL OIL (PLATTS) FOB MED CRACK SPREAD BALMO SWAP FUTURES (FOA) - volScan</b>						
Clearing Member Rate		New				0.08
<b>DATED BRENT (PLATTS) BALMO SWAP FUTURES (DBB) - volScan</b>						
Clearing Member Rate		New				0.08