12-182

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, April 27, 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, April 27, 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
Outright Rates								
			COAL - Outright Rates					
CSX COAL QUART STRP SYNT (CPM)								
CPM	Spec		New	USD			8,250	7,500
CPM	Hedge/Member		New	USD			7,500	7,500
POWDER RVR BASN COAL QUART STRP SYN (RPM)								
RPM	Spec		New	USD			8,250	7,500
RPM	Hedge/Member		New	USD			7,500	7,500
			METALS - Outright Rates					
ALUMINUM MW TRANS PREM PLATTS SWAPS (AUP)								
AUP	Spec		New	USD			330	300
AUP	Hedge/Member		New	USD			300	300
			NGL/PETROCHEMICALS - Outright Rates					
HDPE (PCW) BALMO SWAP FUTURES (HPD)								
HPD	Spec		New	USD			2,200	2,000
HPD	Hedge/Member		New	USD			2,000	2,000
LLDPE (PCW) BALMO SWAP FUTURES (LEL)								
LEL	Spec		New	USD			2,750	2,500
LEL	Hedge/Member		New	USD			2,500	2,500
PP (PCW) BALMO SWAP FUTURES (PPW)								
PPW	Spec		New	USD			2,750	2,500
PPW	Hedge/Member		New	USD			2,500	2,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
			REFINED PRODUCTS - Outright Rates					
RIM LOW-SULFER FUEL OIL (RMU)								
RMU	Spec		New	JPY			275,000	250,000
RMU	Hedge/Member		New	JPY			250,000	250,000
TOKYO A-GRD 1% SULFER FO SWAPS (RMF)								
RMF	Spec		New	JPY			220,000	200,000
RMF	Hedge/Member		New	JPY			200,000	200,000
TOKYO BAY 10PPM (RIM) SWAPS (RMS)								
RMS	Spec		New	JPY			165,000	150,000
RMS	Hedge/Member		New	JPY			150,000	150,000
TOKYO BAY GAS (RIM) SWAPS FUTURES (RMG)								
RMG	Spec		New	JPY			165,000	150,000
RMG	Hedge/Member		New	JPY			150,000	150,000
TOKYO BAY KEROSENE (RIM) SWAPS (RMK)								
RMK	Spec		New	JPY			165,000	150,000
RMK	Hedge/Member		New	JPY			150,000	150,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			COAL - Intra Spreads					
(POWDER RVR BASN COAL QUART STRP SYN)								
RPM	Spec		New	USD			2,200	2,000
RPM	Hedge/Member		New	USD			2,000	2,000
CSX Coal (Platts OTC Broker Index) Swaption Quarterly Combo - All Months (CSX COAL QUART STRP SYNT)								
CPM	Spec		New	USD			2,200	2,000
CPM	Hedge/Member		New	USD			2,000	2,000
			METALS - Intra Spreads					
Aluminum MW US Transaction Premium Platts (25MT) Swap Futures - All Months (ALUMINUM MW TRANS PREM PLATTS SWAPS)								
AUP	Spec		New	USD			83	75
AUP	Hedge/Member		New	USD			75	75
			NGL/PETROCHEMICALS - Intra Spreads					
HDPE High Density Polyethylene (PCW) BALMO Swap Futures - All Months (HDPE (PCW) BALMO SWAP FUTURES)								
HPD	Spec		New	USD			550	500
HPD	Hedge/Member		New	USD			500	500
LLDPE Linear Low Density Polyethylene (PCW) BALMO Swap Futures - All Months (LLDPE (PCW) BALMO SWAP FUTURES)								
LEL	Spec		New	USD			550	500
LEL	Hedge/Member		New	USD			500	500
PP Polypropylene (PCW) BALMO Swap Futures - All Months (PP (PCW) BALMO SWAP FUTURES)								
PPW	Spec		New	USD			550	500
PPW	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
Intra Spreads								
REFINED PRODUCTS - Intra Spreads								
Tokyo Bay 10ppm Gasoil (RIM) Swap Futures - All Months (TOKYO BAY 10PPM (RIM) SWAPS)								
RMS	Spec		New	JPY			49,500	45,000
RMS	Hedge/Member		New	JPY			45,000	45,000
Tokyo Bay A-Grade 0.1% Sulfur Fuel Oil (RIM) Swap Futures - All Months (RIM LOW-SULFER FUEL OIL)								
RMU	Spec		New	JPY			82,500	75,000
RMU	Hedge/Member		New	JPY			75,000	75,000
Tokyo Bay A-Grade 1% Sulfur Fuel Oil (RIM) Swap Futures - All Months (TOKYO A-GRD 1% SULFER FO SWAPS)								
RMF	Spec		New	JPY			66,000	60,000
RMF	Hedge/Member		New	JPY			60,000	60,000
Tokyo Bay Gasoline (RIM) Swap Futures - All Months (TOKYO BAY GAS (RIM) SWAPS FUTURES)								
RMG	Spec		New	JPY			49,500	45,000
RMG	Hedge/Member		New	JPY			45,000	45,000
Tokyo Bay Kerosene (RIM) Swap Futures - All Months (TOKYO BAY KEROSENE (RIM) SWAPS)								
RMK	Spec		New	JPY			49,500	45,000
RMK	Hedge/Member		New	JPY			45,000	45,000

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
NGL/PETROCHEMICALS - Inter-commodity Spread Rates						
HDPE HIGH DENSITY POLYETHYLENE (PCW) BALMO SWAP FUTURES (NY-HPD - CME) vs HDPE HIGH DENSITY POLYETHYLENE (PCW) CALENDAR SWAP FUTURES (NY-HPE - CME)						
Spread Credit Rate	New	+1:-1			75%	75%
LLDPE LINEAR LOW DENSITY POLYETHYLENE (PCW) BALMO SWAP FUTURES (NY-LEL - CME) vs LLDPE LINEAR LOW DENSITY POLYETHYLENE (PCW) CALENDAR SWAP FUTURES (NY-LPE - CME)						
Spread Credit Rate	New	+1:-1			75%	75%
PP POLYPROPYLENE (PCW) BALMO SWAP FUTURES (NY-PPW - CME) vs PP POLYPROPYLENE (PCW) CALENDAR SWAP FUTURES (NY-PPP - CME)						
Spread Credit Rate	New	+1:-1			75%	75%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
		COAL - Short Option Minimum (SOM) Rate				
CSX COAL (PLATTS OTC BROKER INDEX) SWAPTION QUARTERLY COMBO (CPF, CPM) - SOM						
Clearing Member Rate		New			165.00	150.00
POWDER RIVER BASIN COAL (PLATTS OTC BROKER INDEX) SWAPTION QUARTERLY COMBO (RPF, RPM) - SOM						
Clearing Member Rate		New			165.00	150.00
		METALS - Short Option Minimum (SOM) Rate				
ALUMINUM MW US TRANSACTION PREMIUM PLATTS (25MT) SWAP FUTURES (AUP) - SOM						
Clearing Member Rate		New			55.00	50.00
		NGL/PETROCHEMICALS - Short Option Minimum (SOM) Rate				
HDPE HIGH DENSITY POLYETHYLENE (PCW) BALMO SWAP FUTURES (HPD) - SOM						
Clearing Member Rate		New			55.00	50.00
LLDPE LINEAR LOW DENSITY POLYETHYLENE (PCW) BALMO SWAP FUTURES (LEL) - SOM						
Clearing Member Rate		New			55.00	50.00
PP POLYPROPYLENE (PCW) BALMO SWAP FUTURES (PPW) - SOM						
Clearing Member Rate		New			55.00	50.00
		REFINED PRODUCTS - Short Option Minimum (SOM) Rate				
TOKYO BAY 10PPM GASOIL (RIM) SWAP FUTURES (RMS) - SOM						
Clearing Member Rate		New			5,500.00	5,000.00
TOKYO BAY A-GRADE 0.1% SULFUR FUEL OIL (RIM) SWAP FUTURES (RMU) - SOM						
Clearing Member Rate		New			5,500.00	5,000.00
TOKYO BAY A-GRADE 1% SULFUR FUEL OIL (RIM) SWAP FUTURES (RMF) - SOM						
Clearing Member Rate		New			5,500.00	5,000.00
TOKYO BAY GASOLINE (RIM) SWAP FUTURES (RMG) - SOM						
Clearing Member Rate		New			5,500.00	5,000.00
TOKYO BAY KEROSENE (RIM) SWAP FUTURES (RMK) - SOM						
Clearing Member Rate		New			5,500.00	5,000.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
		COAL - Volatility Scan (volScan) Rate				
CSX COAL (PLATTS OTC BROKER INDEX) SWAPTION QUARTERLY COMBO (CPF, CPM) - volScan						
Clearing Member Rate		New				0.08
POWDER RIVER BASIN COAL (PLATTS OTC BROKER INDEX) SWAPTION QUARTERLY COMBO (RPF, RPM) - volScan						
Clearing Member Rate		New				0.08
		METALS - Volatility Scan (volScan) Rate				
ALUMINUM MW US TRANSACTION PREMIUM PLATTS (25MT) SWAP FUTURES (AUP) - volScan						
Clearing Member Rate		New				0.08
		NGL/PETROCHEMICALS - Volatility Scan (volScan) Rate				
HDPE HIGH DENSITY POLYETHYLENE (PCW) BALMO SWAP FUTURES (HPD) - volScan						
Clearing Member Rate		New				0.08
LLDPE LINEAR LOW DENSITY POLYETHYLENE (PCW) BALMO SWAP FUTURES (LEL) - volScan						
Clearing Member Rate		New				0.08
PP POLYPROPYLENE (PCW) BALMO SWAP FUTURES (PPW) - volScan						
Clearing Member Rate		New				0.08
		REFINED PRODUCTS - Volatility Scan (volScan) Rate				
TOKYO BAY 10PPM GASOIL (RIM) SWAP FUTURES (RMS) - volScan						
Clearing Member Rate		New				0.08
TOKYO BAY A-GRADE 0.1% SULFUR FUEL OIL (RIM) SWAP FUTURES (RMU) - volScan						
Clearing Member Rate		New				0.08
TOKYO BAY A-GRADE 1% SULFUR FUEL OIL (RIM) SWAP FUTURES (RMF) - volScan						
Clearing Member Rate		New				0.08
TOKYO BAY GASOLINE (RIM) SWAP FUTURES (RMG) - volScan						
Clearing Member Rate		New				0.08
TOKYO BAY KEROSENE (RIM) SWAP FUTURES (RMK) - volScan						
Clearing Member Rate		New				0.08