



12-199

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, May 11, 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 **Monday, May 14, 2012.**

Current rates as of:

**Thursday, May 10, 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

| Rate Type  | Tier Description | Change   | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--|------------------|----------|-----------------|---------------------|-------------|-----------------|
| <b>Volatility Scan (volScan) Rate</b>  |                  |          |                 |                     |             |                 |
| <b>COAL - Volatility Scan (volScan) Rate</b>   |                  |          |                 |                     |             |                 |
| <b>CAPP COAL QUARTERLY SWAPTION (61, 6K) - volScan</b>   |                  |          |                 |                     |             |                 |
| Clearing Member Rate   |                  | Decrease |                 | 0.06                |             | 0.04            |
| <b>COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURESS (MTF, MTO) - volScan</b>   |                  |          |                 |                     |             |                 |
| Clearing Member Rate   |                  | Decrease |                 | 0.06                |             | 0.04            |
| <b>CRUDE OIL - Volatility Scan (volScan) Rate</b>  |                  |          |                 |                     |             |                 |
| <b>BRENT (ICE) CALENDAR SWAP FUTURES (BA, CY, IBS) - volScan</b>   |                  |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnth 1           | Decrease |                 | 0.11                |             | 0.08            |
| Clearing Member Rate   | Mnth 2-4         | Decrease |                 | 0.05                |             | 0.04            |
| Clearing Member Rate   | Mnth 17+         | Decrease |                 | 0.03                |             | 0.02            |
| <b>BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (BB, BE, BZ, BZL, BZS, BZT, IBS, OS) - volScan</b>   |                  |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnth 1           | Decrease |                 | 0.11                |             | 0.08            |
| Clearing Member Rate   | Mnth 2-4         | Decrease |                 | 0.05                |             | 0.04            |
| Clearing Member Rate   | Mnth 17+         | Decrease |                 | 0.03                |             | 0.02            |
| <b>BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (BB, BBT, MBZ) - volScan</b>  |                  |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnth 1           | Decrease |                 | 0.11                |             | 0.08            |
| Clearing Member Rate   | Mnth 2-4         | Decrease |                 | 0.05                |             | 0.04            |
| Clearing Member Rate   | Mnth 17+         | Decrease |                 | 0.03                |             | 0.02            |
| <b>CRUDE OIL COMBO ON CALENDAR STRIP (6F, 8S) - volScan</b>  |                  |          |                 |                     |             |                 |
| Clearing Member Rate   |                  | Decrease |                 | 0.06                |             | 0.04            |
| <b>CRUDE OIL FINANCIAL FUTURES (MCL, QM, WS) - volScan</b>   |                  |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnth 1           | Decrease |                 | 0.09                |             | 0.08            |
| <b>CRUDE OIL LAST DAY FINANCIAL FUTURES (26) - volScan</b>   |                  |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnth 1           | Decrease |                 | 0.09                |             | 0.08            |
| <b>LIGHT SWEET CRUDE OIL FUTURES (C01, C02, C03, C04, C05, C06, C07, C08, C09, C10, C11, C12, C13, C14, C15, C16, C17, C18, C19, C20, C21, C22, C23, C24, C25, C26, C27, C28, C29, C30, C31, CD, CL, CLL, CLS, CLT, LC, LO, XC, XCT) - volScan</b> |                  |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnth 1           | Decrease |                 | 0.09                |             | 0.08            |
| <b>WTI CALENDAR SWAP FUTURES (AO, CS) - volScan</b>  |                  |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnth 1           | Decrease |                 | 0.09                |             | 0.08            |

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| Rate Type  | <u>Tier Description</u> | Change   | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--|-------------------------|----------|-----------------|---------------------|-------------|-----------------|
| <b>Volatility Scan (volScan) Rate</b>  |                         |          |                 |                     |             |                 |
| <b>ELECTRICITY - Volatility Scan (volScan) Rate</b>  |                         |          |                 |                     |             |                 |
| <b>PJM AEP DAYTON HUB PEAK CALENDAR-MONTH LMP SWAP FUTURES (OT, PJD, VM) - volScan</b>             |                         |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnths 3-11              | Decrease |                 | 0.06                |             | 0.04            |
| Clearing Member Rate   | Mnths 12+               | Decrease |                 | 0.06                |             | 0.04            |
| <b>PJM COMBO ON CALENDAR STRIP (28, 6O) - volScan</b>  |                         |          |                 |                     |             |                 |
| Clearing Member Rate   |                         | Decrease |                 | 0.10                |             | 0.07            |
| <b>PJM PEAK CALENDAR-MONTH LMP SWAP FUTURES (JM, JO, PML) - volScan</b>                            |                         |          |                 |                     |             |                 |
| Clearing Member Rate   | Mnth 2                  | Decrease |                 | 0.10                |             | 0.07            |
| Clearing Member Rate   | Mnths 3-11              | Decrease |                 | 0.05                |             | 0.04            |
| <b>METALS - Volatility Scan (volScan) Rate</b>   |                         |          |                 |                     |             |                 |
| <b>IRON ORE FUTURES (ICT, TIO) - volScan</b>   |                         |          |                 |                     |             |                 |
| Clearing Member Rate   |                         | Decrease |                 | 0.08                |             | 0.06            |
| <b>NATURAL GAS - Volatility Scan (volScan) Rate</b>  |                         |          |                 |                     |             |                 |
| <b>NATURAL GAS COMBO ON CALENDAR STRIP (6J, 8P) - volScan</b>                                      |                         |          |                 |                     |             |                 |
| Clearing Member Rate   |                         | Decrease |                 | 0.08                |             | 0.06            |
| <b>NATURAL GAS COMBO ON SUMMER STRIP (4D, 8R) - volScan</b>  |                         |          |                 |                     |             |                 |
| Clearing Member Rate   |                         | Decrease |                 | 0.08                |             | 0.06            |
| <b>NATURAL GAS COMBO ON WINTER STRIP (6I, 8U) - volScan</b>  |                         |          |                 |                     |             |                 |
| Clearing Member Rate   |                         | Decrease |                 | 0.08                |             | 0.06            |
| <b>NGL/PETROCHEMICALS - Volatility Scan (volScan) Rate</b>   |                         |          |                 |                     |             |                 |
| <b>CONWAY PROPANE 5 DECIMALS (OPIS) SWAP FUTURES (8K, CPR, W1) - volScan</b>                       |                         |          |                 |                     |             |                 |
| Clearing Member Rate   |                         | Decrease |                 | 0.08                |             | 0.06            |
| <b>MONT BELVIEU NATURAL GASOLINE 5 DECIMALS (OPIS) SWAP FUTURES (4I, 4J, 7Q, E1, W3) - volScan</b> |                         |          |                 |                     |             |                 |
| Clearing Member Rate   | Mth 1                   | Decrease |                 | 0.08                |             | 0.06            |
| Clearing Member Rate   | Mth 2+                  | Decrease |                 | 0.05                |             | 0.03            |

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| Rate Type   | Tier Description | Change   | Current Initial | Current Maintenance | New Initial | New Maintenance |
|---|------------------|----------|-----------------|---------------------|-------------|-----------------|
| <b>Volatility Scan (volScan) Rate</b>   |                  |          |                 |                     |             |                 |
| <b>REFINED PRODUCTS - Volatility Scan (volScan) Rate</b>  |                  |          |                 |                     |             |                 |
| <b>EUROPEAN 3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CALENDAR SWAP FUTURES (0D, Q6, UV) - volScan</b> |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mths 1           | Decrease |                 | 0.12                |             | 0.09            |
| Clearing Member Rate  | Mths 2+          | Decrease |                 | 0.05                |             | 0.04            |
| <b>EUROPEAN GASOIL (ICE) SWAP FUTURES (F7, GX, QA) - volScan</b>                                    |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mth 1            | Decrease |                 | 0.12                |             | 0.08            |
| Clearing Member Rate  | Mnth 2-6         | Decrease |                 | 0.05                |             | 0.04            |
| Clearing Member Rate  | Mnth 7-11        | Decrease |                 | 0.03                |             | 0.02            |
| Clearing Member Rate  | Mnth 12+         | Decrease |                 | 0.03                |             | 0.02            |
| <b>EUROPEAN GASOIL BULLET SWAP FUTURES (7F, 7FT, BG, F8) - volScan</b>                              |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1           | Decrease |                 | 0.12                |             | 0.08            |
| Clearing Member Rate  | Mnth 2-6         | Decrease |                 | 0.05                |             | 0.04            |
| Clearing Member Rate  | Mnth 7-11        | Decrease |                 | 0.03                |             | 0.02            |
| Clearing Member Rate  | Mnth 12+         | Decrease |                 | 0.03                |             | 0.02            |
| <b>GULF COAST NO. 6 FUEL OIL 3.0% (PLATTS) SWAP FUTURES (FG, MF) - volScan</b>                      |                  |          |                 |                     |             |                 |
| Clearing Member Rate  |                  | Decrease |                 | 0.12                |             | 0.08            |
| Clearing Member Rate  |                  | Decrease |                 | 0.05                |             | 0.04            |
| <b>HEATING OIL CALENDAR SWAP FUTURES (AT, MP, QH) - volScan</b>                                     |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1           | Decrease |                 | 0.13                |             | 0.09            |
| Clearing Member Rate  | Mnth 2           | Decrease |                 | 0.06                |             | 0.05            |
| Clearing Member Rate  | Mnth 3           | Decrease |                 | 0.05                |             | 0.04            |
| <b>HEATING OIL FINANCIAL FUTURES (BH, QH) - volScan</b>   |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1           | Decrease |                 | 0.13                |             | 0.09            |
| Clearing Member Rate  | Mnth 2           | Decrease |                 | 0.06                |             | 0.05            |
| Clearing Member Rate  | Mnth 3+          | Decrease |                 | 0.05                |             | 0.04            |
| <b>HEATING OIL LAST DAY FINANCIAL FUTURES (23) - volScan</b>  |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1           | Decrease |                 | 0.13                |             | 0.09            |
| Clearing Member Rate  | Mnth 2           | Decrease |                 | 0.06                |             | 0.05            |
| Clearing Member Rate  | Mnth 3           | Decrease |                 | 0.05                |             | 0.04            |
| <b>NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (HO, HOL, HOT, LB, OH) - volScan</b>                   |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mth 1            | Decrease |                 | 0.13                |             | 0.09            |
| Clearing Member Rate  | Mth 2            | Decrease |                 | 0.06                |             | 0.05            |
| Clearing Member Rate  | Mths 3           | Decrease |                 | 0.05                |             | 0.04            |
| <b>RBOB GASOLINE CALENDAR SWAP FUTURES (RA, RL) - volScan</b>                                       |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1           | Decrease |                 | 0.13                |             | 0.10            |
| Clearing Member Rate  | Mnth 2           | Decrease |                 | 0.06                |             | 0.04            |
| Clearing Member Rate  | Mnth 3+          | Decrease |                 | 0.04                |             | 0.03            |
| <b>RBOB GASOLINE FINANCIAL FUTURES (QU, RT) - volScan</b>   |                  |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1           | Decrease |                 | 0.13                |             | 0.10            |
| Clearing Member Rate  | Mnth 2           | Decrease |                 | 0.06                |             | 0.04            |

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|---|-------------------------|----------|-----------------|---------------------|-------------|-----------------|
| <b>Volatility Scan (volScan) Rate</b>   |                         |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 3+                 | Decrease |                 | 0.04                |             | 0.03            |
| <b>RBOB GASOLINE FUTURES (OB, RB, RBL, RBT, RF) - volScan</b>                           |                         |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1                  | Decrease |                 | 0.13                |             | 0.10            |
| Clearing Member Rate  | Mnth 2                  | Decrease |                 | 0.06                |             | 0.04            |
| Clearing Member Rate  | Mnth 3+                 | Decrease |                 | 0.04                |             | 0.03            |
| <b>RBOB GASOLINE LAST DAY FINANCIAL FUTURES (27) - volScan</b>                          |                         |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1                  | Decrease |                 | 0.13                |             | 0.10            |
| Clearing Member Rate  | Mnth 2                  | Decrease |                 | 0.06                |             | 0.04            |
| Clearing Member Rate  | Mnth 3+                 | Decrease |                 | 0.04                |             | 0.03            |
| <b>SINGAPORE FUEL OIL 180 CST (PLATTS) CALENDAR SWAP FUTURES (0F, C5, UA) - volScan</b> |                         |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1                  | Decrease |                 | 0.12                |             | 0.08            |
| Clearing Member Rate  | Mnths 2+                | Decrease |                 | 0.06                |             | 0.04            |
| <b>SINGAPORE FUEL OIL 380 CST (PLATTS) SWAP FUTURES (8H, MTS, SE) - volScan</b>         |                         |          |                 |                     |             |                 |
| Clearing Member Rate  | Tier 1                  | Decrease |                 | 0.08                |             | 0.06            |
| Clearing Member Rate  | Tier 2                  | Decrease |                 | 0.08                |             | 0.06            |
| <b>SINGAPORE GASOIL (PLATTS) SWAP FUTURES (M2, MSG, SG) - volScan</b>                   |                         |          |                 |                     |             |                 |
| Clearing Member Rate  | Mnth 1                  | Decrease |                 | 0.12                |             | 0.08            |
| Clearing Member Rate  | Mnth 2+                 | Decrease |                 | 0.05                |             | 0.04            |
| <b>SINGAPORE JET KEROSENE (PLATTS) SWAP FUTURES (KS, N2) - volScan</b>                  |                         |          |                 |                     |             |                 |
| Clearing Member Rate  | Mth 1                   | Decrease |                 | 0.12                |             | 0.10            |