12-213

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, May 17, 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, May 18, 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

AGRICULTURE - Outright Rates

BLACK SEA WHEAT FUTURES (BSW)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
BSW	Spec	Old Crop	New	USD			3,375	2,500
BSW	Hedge/Member	Old Crop	New	USD			2,500	2,500
BSW	Spec	New Crop	New	USD			3,375	2,500
BSW	Hedge/Member	New Crop	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
Intra Spreads								
AGRICULTURE - Intra Spreads								
Black Sea Wheat - 2nd New Crop v 2nd New Crop (Jul through May) (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			506	375
BSW	Hedge/Member		New	USD			375	375
Black Sea Wheat - Current Crop v 2nd New Crop (Jul through May) (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			1,114	825
BSW	Hedge/Member		New	USD			825	825
Black Sea Wheat - Current Crop v Current Crop (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			506	375
BSW	Hedge/Member		New	USD			375	375
Black Sea Wheat - Current Crop v New Crop (Jul through May) (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			776	575
BSW	Hedge/Member		New	USD			575	575
Black Sea Wheat - New Crop v 2nd New Crop (Jul through May) (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			641	475
BSW	Hedge/Member		New	USD			475	475
Black Sea Wheat - New Crop v New Crop (Jul through May) (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			574	425
BSW	Hedge/Member		New	USD			425	425
Black Sea Wheat Butterfly - Contracts 1-3 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			506	375
BSW	Hedge/Member		New	USD			375	375
Black Sea Wheat Butterfly - Contracts 2-4 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			506	375
BSW	Hedge/Member		New	USD			375	375
Black Sea Wheat Butterfly - Contracts 3-5 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			338	250
BSW	Hedge/Member		New	USD			250	250
Black Sea Wheat Butterfly - Contracts 4-6 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			338	250
BSW	Hedge/Member		New	USD			250	250
Black Sea Wheat Calendar Spread - Consecutive Contract 1-2 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			405	300
BSW	Hedge/Member		New	USD			300	300

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
Black Sea Wheat Calendar Spread - Consecutive Contract 2-3 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			338	250
BSW	Hedge/Member		New	USD			250	250
Black Sea Wheat Calendar Spread - Consecutive Contract 3-4 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			304	225
BSW	Hedge/Member		New	USD			225	225
Black Sea Wheat Calendar Spread - Consecutive Contract 4-5 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			304	225
BSW	Hedge/Member		New	USD			225	225
Black Sea Wheat Calendar Spread - Consecutive Contract 5-6 (BLACK SEA WHEAT FUTURES)								
BSW	Spec		New	USD			304	225
BSW	Hedge/Member		New	USD			225	225

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-Commodity Spread Rates						
AGRICULTURE - Inter-Commodity Spread Rates						
Black Sea Wheat vs. CBOT Wheat						
Spread Credit Rate	New	+1:-1			65%	65%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Black Sea Wheat Span Parameters (BSW)		
Type	*Period*	*Rate*
Vol Scan	Old Crop	6%
Vol Scan	New Crop	6%
Short Option Minimum	Old Crop	$25
Short Option Minimum	New Crop	$25