

12-214

TO: Clearing Member Firms

Chief Financial Officers Back Office Managers Margin Managers

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, May 18, 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 21, 2012.

Current rates as of:

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.

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spre	ad Rates					
	AGR	ICULTURE - Inte	er-commodity S	Spread Rates		
Corn (CBOT) (C) vs. S	oymeal (CBOT) (00	6)				
Spread Credit Rate	Decrease	+1:-1	55%	55%	45%	45%
Feeder Cattle (FC) vs.	Lean Hogs (LN)					
Spread Credit Rate	Decrease	+1:-2	40%	40%	30%	30%
Live Cattle (LC) vs. Le	an Hogs (LN)					
Spread Credit Rate	Decrease	+1:-1	50%	50%	30%	30%
OATS (O - CME) vs ET	HANOL (EH - CME	<u>=</u>)				
Spread Credit Rate	New	+1:-1			50%	50%
SOYBEAN OIL (07 - CI	ME) vs ETHANOL ((EH - CME)				
Spread Credit Rate	New	+1:-1			50%	50%
Soybean Oil (CBOT) (07) vs. Soybean (C	BOT) (S)				
Spread Credit Rate	Decrease	+2:-1	50%	50%	30%	30%
SOYBEANS (S - CME)	vs ETHANOL (EH	- CME)				
Spread Credit Rate	New	+1:-1			55%	55%
Soymeal (CBOT) (06)	vs. Soybean (CBO	T) (S)				
Spread Credit Rate	Decrease	+1:-1	45%	45%	30%	30%
Soymeal (CBOT) (06)	vs. Soybean Oil (C	BOT) (07)				
Spread Credit Rate	Decrease	+1:-1	70%	70%	50%	50%
WHEAT (W - CME) vs	ETHANOL (EH - CI	ME)				
Spread Credit Rate	New	+1:-1			65%	65%
WHEAT (W - CME) vs	OATS (O - CME)					
Spread Credit Rate	New	+1:-1			55%	55%
WHEAT (W - CME) vs	SOYBEANS (S - C	ME)				
Spread Credit Rate	Decrease	+3:-2	70%	70%	60%	60%

	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
nter-commodity Spre	ad Rates					
	С	OAL - Inter-co	mmodity Spre	ad Rates		
IN DELIVERY MONTH (ARGUS/MCCLOSKE)				JRES (NY-6S - C	ME) vs COAL (A	PI 2) CIF ARA
Spread Credit Rate	Increase	+10:-1	0%	0%	30%	30%
N DELIVERY MONTH RICHARDS BAY (ARG					ME) vs COAL (A	PI 4) FOB
Spread Credit Rate	Increase	+10:-1	0%	0%	30%	30%
N DELIVERY MONTH RICHARDS BAY (ARG					E) vs COAL (API	I 4) FOB
Spread Credit Rate	Increase	+10:-1	0%	0%	30%	30%
	CRU	JDE OIL - Inter	-commodity S _I	pread Rates		
N DELIVERY MONTH DAY FINANCIAL FUTU			ON (CER) FUTU	JRES (NY-6S - C	ME) vs BRENT (CRUDE OIL LAS
Spread Credit Rate	New	+6:-1			30%	30%
	ENVIRO	NMENTAL - Ir	nter-commodit	y Spread Rates		
ELIDODE AN LINION A	LLOWANOE (FILA)					
EUROPEAN UNION AI (NYM-VA - CME)	LLOWANCE (EUA) F	FUTURES (NY	M-RC - CME) v	s CARBON CER	TIFIED EMISSIO	N REDUCTION
(NYM-VA - CME)	Decrease	+1:-1	M-RC - CME) v 80%	s CARBON CER	TIFIED EMISSIO	
(NYM-VA - CME) Spread Credit Rate IN DELIVERY MONTH	Decrease CERTIFIED EMISSION	+1:-1 ON REDUCTION	80%	80%	70%	70%
(NYM-VA - CME) Spread Credit Rate IN DELIVERY MONTH DAY FINANCIAL FUTU	Decrease CERTIFIED EMISSION	+1:-1 ON REDUCTION	80%	80%	70%	70%
NYM-VA - CME) Spread Credit Rate N DELIVERY MONTH DAY FINANCIAL FUTU Spread Credit Rate N DELIVERY MONTH	Decrease CERTIFIED EMISSI JRES (NY-BZ - CME New CERTIFIED EMISSI	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO	80% ON (CER) FUTU ON (CER) FUTU	80% JRES (NY-6S - C	70% ME) vs BRENT C	70% CRUDE OIL LAS
NYM-VA - CME) Spread Credit Rate IN DELIVERY MONTH DAY FINANCIAL FUTU Spread Credit Rate IN DELIVERY MONTH (ARGUS/MCCLOSKE)	Decrease CERTIFIED EMISSI JRES (NY-BZ - CME New CERTIFIED EMISSI	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO	80% ON (CER) FUTU ON (CER) FUTU	80% JRES (NY-6S - C	70% ME) vs BRENT C	70% CRUDE OIL LAS 30% PI 2) CIF ARA
Spread Credit Rate N DELIVERY MONTH DAY FINANCIAL FUTU Spread Credit Rate N DELIVERY MONTH ARGUS/MCCLOSKEY Spread Credit Rate N DELIVERY MONTH	Decrease CERTIFIED EMISSION JRES (NY-BZ - CME New CERTIFIED EMISSION () SWAP FUTURESS Increase CERTIFIED EMISSION	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO 6 (NY-MTF - CI +10:-1 ON REDUCTIO	80% ON (CER) FUTU ON (CER) FUTU ME) ON (CER) FUTU	80% URES (NY-6S - C	70% ME) vs BRENT C 30% ME) vs COAL (A	70% CRUDE OIL LAS 30% PI 2) CIF ARA 30%
Spread Credit Rate N DELIVERY MONTH DAY FINANCIAL FUTU Spread Credit Rate N DELIVERY MONTH (ARGUS/MCCLOSKEY Spread Credit Rate N DELIVERY MONTH (ARGUS/MCCLOSKEY Spread Credit Rate N DELIVERY MONTH RICHARDS BAY (ARG	Decrease CERTIFIED EMISSION JRES (NY-BZ - CME New CERTIFIED EMISSION () SWAP FUTURESS Increase CERTIFIED EMISSION	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO 6 (NY-MTF - CI +10:-1 ON REDUCTIO	80% ON (CER) FUTU ON (CER) FUTU ME) ON (CER) FUTU	80% URES (NY-6S - C	70% ME) vs BRENT C 30% ME) vs COAL (A	70% CRUDE OIL LAS 30% PI 2) CIF ARA 30% PI 4) FOB
Spread Credit Rate N DELIVERY MONTH DAY FINANCIAL FUTU Spread Credit Rate N DELIVERY MONTH ARGUS/MCCLOSKEY Spread Credit Rate N DELIVERY MONTH RICHARDS BAY (ARG	Decrease CERTIFIED EMISSIGNES (NY-BZ - CME New CERTIFIED EMISSIGNES (1) SWAP FUTURESS Increase CERTIFIED EMISSIGNES (1) SWAP	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO 6 (NY-MTF - CI +10:-1 ON REDUCTIO 6WAP FUTURE +10:-1	80% ON (CER) FUTU ON (CER) FUTU ME) ON (CER) FUTU ES (NY-MFF - C	80% URES (NY-6S - C)	70% ME) vs BRENT C 30% ME) vs COAL (A 30% ME) vs COAL (A	70% CRUDE OIL LAS 30% PI 2) CIF ARA 30% PI 4) FOB
NYM-VA - CME) Spread Credit Rate N DELIVERY MONTH DAY FINANCIAL FUTU Spread Credit Rate N DELIVERY MONTH ARGUS/MCCLOSKEY Spread Credit Rate N DELIVERY MONTH RICHARDS BAY (ARG Spread Credit Rate N DELIVERY MONTH RICHARDS BAY (ARG Spread Credit Rate N DELIVERY MONTH EMISSION REDUCTIO	Decrease CERTIFIED EMISSIGNES (NY-BZ - CME New CERTIFIED EMISSIGNES (1) SWAP FUTURESS Increase CERTIFIED EMISSIGNES (1) SWAP	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO 6 (NY-MTF - CI +10:-1 ON REDUCTIO 6WAP FUTURE +10:-1	80% ON (CER) FUTU ON (CER) FUTU ME) ON (CER) FUTU ES (NY-MFF - C	80% URES (NY-6S - C)	70% ME) vs BRENT C 30% ME) vs COAL (A 30% ME) vs COAL (A	70% CRUDE OIL LAS 30% PI 2) CIF ARA 30% PI 4) FOB 30% TH CERTIFIED
Spread Credit Rate N DELIVERY MONTH DAY FINANCIAL FUTU Spread Credit Rate N DELIVERY MONTH ARGUS/MCCLOSKEY Spread Credit Rate N DELIVERY MONTH RICHARDS BAY (ARG Spread Credit Rate N DELIVERY MONTH EMISSION REDUCTIO Spread Credit Rate N DELIVERY MONTH EMISSION REDUCTIO	Decrease CERTIFIED EMISSIGNES (NY-BZ - CME New CERTIFIED EMISSIGNES (Y) SWAP FUTURESS Increase CERTIFIED EMISSIGNES (US/MCCLOSKEY) SIGNES (US/MCCLOSK	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO 6 (NY-MTF - CI +10:-1 ON REDUCTIO SWAP FUTURE +10:-1 I ALLOWANCE CME) +1:-1	80% ON (CER) FUTU ON (CER) FUTU ME) ON (CER) FUTU ES (NY-MFF - CO 0% E (EUA) (NYM-6	80% URES (NY-6S - C) URES (NY-6S - C)	70% ME) vs BRENT C 30% ME) vs COAL (A 30% ME) vs COAL (A 30% DELIVERY MONT	70% CRUDE OIL LAS 30% PI 2) CIF ARA 30% PI 4) FOB TH CERTIFIED 70%
Spread Credit Rate N DELIVERY MONTH DAY FINANCIAL FUTU Spread Credit Rate N DELIVERY MONTH ARGUS/MCCLOSKEY Spread Credit Rate N DELIVERY MONTH RICHARDS BAY (ARG Spread Credit Rate N DELIVERY MONTH EMISSION REDUCTIO Spread Credit Rate N DELIVERY MONTH EMISSION REDUCTIO Spread Credit Rate N DELIVERY MONTH EMISSION REDUCTIO	Decrease CERTIFIED EMISSIGNES (NY-BZ - CME New CERTIFIED EMISSIGNES (Y) SWAP FUTURESS Increase CERTIFIED EMISSIGNES (US/MCCLOSKEY) SIGNES (US/MCCLOSK	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO 6 (NY-MTF - CI +10:-1 ON REDUCTIO SWAP FUTURE +10:-1 I ALLOWANCE CME) +1:-1	80% ON (CER) FUTU ON (CER) FUTU ME) ON (CER) FUTU ES (NY-MFF - CO 0% E (EUA) (NYM-6	80% URES (NY-6S - C) URES (NY-6S - C)	70% ME) vs BRENT C 30% ME) vs COAL (A 30% ME) vs COAL (A 30% DELIVERY MONT	70% CRUDE OIL LAS 30% PI 2) CIF ARA 30% PI 4) FOB 30% TH CERTIFIED 70% 14) FOB
	Decrease CERTIFIED EMISSIGNES (NY-BZ - CME New CERTIFIED EMISSIGNES (NY-BZ - CME CERTIFIED EMISSIGNES (NY-BZ - CME CERTIFIED EMISSIGNES (NY-BZ - CME) Increase EUROPEAN UNION (NY-6S - CME) Decrease EUROPEAN UNION (NY-BZ - CME) EUROPEAN UNION (NY-BZ - CME) Increase EUROPEAN UNION (NY-BZ - CME) Increase EUROPEAN UNION (NY-BZ - CME) Increase EUROPEAN UNION (NY-BZ - CME)	+1:-1 ON REDUCTIO) +6:-1 ON REDUCTIO S (NY-MTF - CI +10:-1 ON REDUCTIO SWAP FUTURE +10:-1 I ALLOWANCE CME) +1:-1 I ALLOWANCE +10:-1 I ALLOWANCE +10:-1	80% ON (CER) FUTU ON (CER) FUTU ME) ON (CER) FUTU ES (NY-MFF - CO 80% E (EUA) (NYM-6 E (EUA) FUTUR ES (NY-MFF - CO 0% E (EUA) FUTUR ES (EUA) FUTUR ES (EUA) FUTUR	80% URES (NY-6S - CI O% URES (NY-6S - CI EME) O% 80% 8ES (NY-6T - CME) O% OMES (NY-6T - CME) O%	70% ME) vs BRENT C 30% ME) vs COAL (A 30% ME) vs COAL (A 30% DELIVERY MONT 70% E) vs COAL (API 30%	70% CRUDE OIL LAS 30% PI 2) CIF ARA 30% PI 4) FOB 70% 14) FOB 30% 30% 30% 30% 30% 30% 30%

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance	
Inter-commodity Sprea	d Rates						
ETHANOL - Inter-commodity Spread Rates							
OATS (O - CME) vs ETH	HANOL (EH - CME)						
Spread Credit Rate	New	+1:-1			50%	50%	
SOYBEAN OIL (07 - CM	IE) vs ETHANOL (E	H - CME)					
Spread Credit Rate	New	+1:-1			50%	50%	
SOYBEANS (S - CME) vs ETHANOL (EH - CME)							
Spread Credit Rate	New	+1:-1			55%	55%	
WHEAT (W - CME) vs ETHANOL (EH - CME)							
Spread Credit Rate	New	+1:-1			65%	65%	

Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
n) Rate					
AGRI	CULTURE - Vo	latility Scan (vol	Scan) Rate		
ER (9R, CB, CB, DB	, DB) - volScan	1			
	Decrease		0.07		0.05
SE (CSC, CSC) - vo	Scan				
	Decrease		0.07		0.05
Scan					
Mnth 1	Decrease		0.12		0.08
Old Crop	Decrease		0.07		0.05
New Crop	Decrease		0.07		0.04
2nd New Crop	Decrease		0.05		0.03
volScan					
Month 3+	Decrease		0.05		0.03
FC, FC) - volScan					
	Decrease		0.05		0.04
I) - volScan					
	Decrease		0.05		0.04
LC) - volScan					
	Decrease		0.05		0.04
A, DA, JQ, JQ) - vol	Scan				
Less than 14 days t	o Decrease		0.06		0.05
Month 1	Decrease		0.06		0.05
Months 2-5	Decrease		0.06		0.04
Months 6+	Decrease		0.06		0.03
K, DK) - volScan					
Months 2-5	Decrease		0.05		0.03
Months 6+	Decrease		0.05		0.03
F, NF) - volScan					
Month 1-2	Decrease		0.06		0.05
Month 3+	Decrease		0.06		0.03
	Decrease		0.07		0.05
volScan					
	Decrease		0.07		0.05
06, USDINR) - volSca	an				
New Crop	Decrease		0.06		0.04
•					
	Decrease		0.06		0.04
•			5.50		3.0
Old Crop	Decrease				0.06
	AGRI ER (9R, CB, CB, DB SE (CSC, CSC) - vol Scan Mnth 1 Old Crop New Crop 2nd New Crop volScan Month 3+ FC, FC) - volScan LC) - volScan Less than 14 days the Month 1 Months 2-5 Months 6+ K, DK) - volScan Months 2-5 Months 6+ F, NF) - volScan Month 1-2 Month 3+	AGRICULTURE - Vo ER (9R, CB, CB, DB, DB) - volScar Decrease ESE (CSC, CSC) - volScan Decrease Coan Month 1 Decrease New Crop Decrease Now Crop Decrease Now Crop Decrease Nonth 3+ Decrease LC) - volScan Decrease LC) - volScan Less than 14 days to Decrease Month 1 Decrease Month 1 Decrease Month 3+ Decrease Month 1 Decrease Month 1 Decrease Month 1 Decrease Month 6+ Decrease K, DK) - volScan Months 2-5 Decrease Months 6+ Decrease Month 6+ Decrease Month 1-2 Decrease Month 3+ Decrease Month 3+ Decrease Month 1-2 Decrease Month 3+ Decrease Month 1-2 Decrease Month 3+ Decrease Nonth 3+ Decrease Nonth 3- Decrease Decrease Nonth 3- Decrease	AGRICULTURE - Volatility Scan (volstan Decrease SE (CSC, CSC) - volScan Decrease SE (CSC, CSC) - volScan Decrease Scan Mnth 1 Decrease Old Crop Decrease New Crop Decrease 2nd New Crop Decrease YolScan Month 3+ Decrease FC, FC) - volScan Decrease LC) - volScan Decrease LC) - volScan Less than 14 days to Decrease Month 1 Decrease Months 2-5 Decrease Months 6+ Decrease K, DK) - volScan Month 1-2 Decrease Month 1-2 Decrease Month 1-2 Decrease Month 3+ Decrease Month 3+ Decrease Month 1-2 Decrease Month 1-2 Decrease Month 3+ Decrease VolScan Decrease VolScan Decrease VolScan Decrease Nonth 1-2 Decrease Month 1-2 Decrease Month 1-2 Decrease Month 1-2 Decrease Month 1-2 Decrease Nonth 1-2 Decrease	Name	Name

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volSca	ın) Rate					
Clearing Member Rate	New Crop	Decrease		0.07		0.04
WHEAT (W, W, YW) - v	olScan					
Clearing Member Rate	New Crop	Decrease		0.06		0.04