



#12-272

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

FROM: CME Clearing

SUBJECT: Review of Collateral Haircuts Advisory

DATE: Friday June 29, 2012

In conjunction with regular review of market volatility to ensure adequate collateral coverage, please find the current acceptable collateral and haircuts for CME Clearing below. CME Clearing reports the addition of Japanese Government Bonds for Futures, CDS, and IRS and Offshore Chinese Renminbi for Futures to the acceptable collateral list. Please see the table below for haircut information. Please see CME Clearing website for more details. <http://www.cmegroup.com/clearing/financial-and-collateral-management/>

Should you have any questions, please contact the Risk Management department at 312-648-3888 or Financial Management group at 312-207-2594.

Current Haircuts							
Asset Class		Time to Maturity				Issue Date is more than 270 days	Changes
		0-5 years	5-10 years	>10 years			
U.S. Treasuries	TBILL	0.5%					-
	TNOTE/TBOND	3.0%	4.5%	6.0%		1.5%	-
	TSTRIP	11.0%	11.0%	11.0%			-
U.S Government Agencies		0-5 years	5-10 years	>10 years			
	<i>FFCB, FHLB, FHLMC, FNMA</i>	3.5%					-
	NOTE/BOND	4.0%	5.5%	7.0%		1.5%	-
Foreign Sovereign Debt		0-5 years	5-10 years	10-30 years	>30 years		
	BILL	5.0%					-
	NOTE/BOND	6.0%	7.5%	9.0%	10.5%	1.5%	Japanese Government Bonds
Cash	US Dollar			No haircut			-
	Australian dollar, British pound, Canadian dollar, Euro, Japanese yen, New Zealand dollar, Norwegian krone, Swedish krona, Swiss franc			5%			-
	Offshore Chinese Renminbi			10%			Offshore Chinese Renminbi
	Mexican peso			15%			-
	Turkish lira			20%			-
Gold	15%						-
IEF 2	3%						-
IEF3/4	IEF4 – Corporate Bonds 20% Haircut. Contact Clearing House for more details.						-
IEF5	No Haircut						-
Stock	30%						-
TLGP	10%						-
Letters of Credit	No Haircut						-

\*Please see website for applicability of each asset class towards CDS, IRS and Futures requirements.