12-324

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, August 01, 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

Thursday, August 02, 2012.

Current rates as of:

Wednesday, August 01, 2012.

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance

Intra Spreads

AGRICULTURE - Intra Spreads

Corn Calendar Swap (CCS) - 2nd New Crop v 2nd New Crop (Dec through Sep) (CORN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CCS	Spec		Increase	USD	270	200	405	300
CCS	Hedge/Member		Increase	USD	200	200	300	300

Corn Calendar Swap (CCS) - Current Crop v 2nd New Crop (Dec through Sep) (CORN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CCS	Spec		Increase	USD	810	600	1,215	900
CCS	Hedge/Member		Increase	USD	600	600	900	900

Corn Calendar Swap (CCS) - Current Crop v Current Crop (CORN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CCS	Spec		Increase	USD	270	200	473	350
CCS	Hedge/Member		Increase	USD	200	200	350	350

Corn Calendar Swap (CCS) - Current Crop v New Crop (Dec through Sep) (CORN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CCS	Spec		Increase	USD	810	600	1,215	900
CCS	Hedge/Member		Increase	USD	600	600	900	900

Corn Calendar Swap (CCS) - Mth 1 v 2nd New Crop (Dec through Sep) (CORN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CCS	Spec		Increase	USD	810	600	1,350	1,000
CCS	Hedge/Member		Increase	USD	600	600	1,000	1,000

Corn Calendar Swap (CCS) - Mth 1 v Current Crop (CORN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CCS	Spec		Increase	USD	810	600	1,350	1,000
CCS	Hedge/Member		Increase	USD	600	600	1,000	1,000

Corn Calendar Swap (CCS) - New Crop v 2nd New Crop (Dec through Sep) (CORN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CCS	Spec		Increase	USD	810	600	1,350	1,000
CCS	Hedge/Member		Increase	USD	600	600	1,000	1,000

Corn Calendar Swap (CCS) - New Crop v New Crop (Dec through Sep) (CORN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CCS	Spec		Increase	USD	270	200	473	350
CCS	Hedge/Member		Increase	USD	200	200	350	350

Soybean Calendar Swap (SNS) - 2nd New Crop v 2nd New Crop (Nov through Sep) (SOYBEAN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
SNS	Spec		Increase	USD	675	500	945	700
SNS	Hedge/Member		Increase	USD	500	500	700	700

Soybean Calendar Swap (SNS) - Current Crop v 2nd New Crop (Nov through Sep) (SOYBEAN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
SNS	Spec		Increase	USD	1,215	900	2,025	1,500
SNS	Hedge/Member		Increase	USD	900	900	1,500	1,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
Soybean Calendar Swap (SNS) - Current Crop v New Crop (Nov through Sep) (SOYBEAN CALENDAR SWAP)								
SNS	Spec		Increase	USD	1,215	900	1,688	1,250
SNS	Hedge/Member		Increase	USD	900	900	1,250	1,250
Soybean Calendar Swap (SNS) - Mth 1 v Mth 2 (SOYBEAN CALENDAR SWAP)								
SNS	Spec		Increase	USD	675	500	844	625
SNS	Hedge/Member		Increase	USD	500	500	625	625
Soybean Calendar Swap (SNS) - Mth 1-2 v 2nd New Crop (Nov through Sep) (SOYBEAN CALENDAR SWAP)								
SNS	Spec		Increase	USD	1,215	900	2,025	1,500
SNS	Hedge/Member		Increase	USD	900	900	1,500	1,500
Soybean Calendar Swap (SNS) - Mth 1-2 v New Crop (Nov through Sep) (SOYBEAN CALENDAR SWAP)								
SNS	Spec	Tier 1 vs 3	Increase	USD	1,215	900	2,025	1,500
SNS	Hedge/Member	Tier 1 vs 3	Increase	USD	900	900	1,500	1,500
SNS	Spec	Tier 1 vs 2	Increase	USD	1,215	900	1,688	1,250
SNS	Hedge/Member	Tier 1 vs 2	Increase	USD	900	900	1,250	1,250
Soybean Calendar Swap (SNS) - New Crop v 2nd New Crop (Nov through Sep) (SOYBEAN CALENDAR SWAP)								
SNS	Spec		Increase	USD	1,215	900	1,890	1,400
SNS	Hedge/Member		Increase	USD	900	900	1,400	1,400
Soybean Calendar Swap (SNS) - New Crop v New Crop (Nov through Sep) (SOYBEAN CALENDAR SWAP)								
SNS	Spec		Increase	USD	675	500	1,350	1,000
SNS	Hedge/Member		Increase	USD	500	500	1,000	1,000
Wheat Calendar Swap (WCS) - 2nd New Crop v 2nd New Crop (Jul through May) (WHEAT CALENDAR SWAP)								
WCS	Spec		Increase	USD	135	100	473	350
WCS	Hedge/Member		Increase	USD	100	100	350	350
Wheat Calendar Swap (WCS) - Current Crop v 2nd New Crop (Jul through May) (WHEAT CALENDAR SWAP)								
WCS	Spec		Increase	USD	135	100	473	350
WCS	Hedge/Member		Increase	USD	100	100	350	350
Wheat Calendar Swap (WCS) - Current Crop v Current Crop (WHEAT CALENDAR SWAP)								
WCS	Spec		Increase	USD	135	100	473	350
WCS	Hedge/Member		Increase	USD	100	100	350	350
Wheat Calendar Swap (WCS) - Current Crop v New Crop (Jul through May) (WHEAT CALENDAR SWAP)								
WCS	Spec		Increase	USD	135	100	473	350
WCS	Hedge/Member		Increase	USD	100	100	350	350
Wheat Calendar Swap (WCS) - New Crop v 2nd New Crop (Jul through May) (WHEAT CALENDAR SWAP)								
WCS	Spec		Increase	USD	135	100	473	350
WCS	Hedge/Member		Increase	USD	100	100	350	350

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
Wheat Calendar Swap (WCS) - New Crop v New Crop (Jul through May) (WHEAT CALENDAR SWAP)								
WCS	Spec		Increase	USD	135	100	473	350
WCS	Hedge/Member		Increase	USD	100	100	350	350

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
AGRICULTURE - Inter-commodity Spread Rates						
Corn (CBOT) (C) vs. Feeder Cattle (FC) vs. Live Cattle (LC)						
Spread Credit Rate	Increase	+1:+1:-2	40%	40%	70%	70%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

AGRICULTURE – Inter-commodity Ratios

GSCI Breakdown

GSCI ER Futures Basket-100 vs. OTC S&P GSCI Excess Return Swap (SES)
GSCI ER Futures Basket-100 vs. OTC S&P GSCI Excess Return Swap (SE2)
GSCI ER Futures Basket-100 vs. OTC S&P GSCI Excess Return Swap (SE3)

CME Product	SES Basket of 100	SE2 Basket to 100	SE3 Basket to 100
Brent Crude Oil	11	11	11
Copper	1	1	1
Corn	9	9	9
Crude Oil	21	21	21
European Gasoil	6	6	6
Gold	1	1	1
Heating Oil	3	3	3
Lean Hogs	3	3	3
Live Cattle	4	4	4
Natural Gas	5	5	5
RBOB Gasoline	3	3	3
Silver	0	0	0
Soybeans	2	2	2
Wheat	6	6	6

GSCI Breakdown

GSCI Basket-100 vs. Goldman Sachs Commodity Index (GI)
GSCI Basket-100 vs. Goldman Sachs Commodity Index Excess Return (GA)

CME Product	GI Basket of 100	GA Basket to 100
Brent Crude Oil	27	-6
Copper	6	-2
Corn	23	-6
Crude Oil	53	-17
Feeder Cattle	1	0
Gold	3	-1
Heating Oil	7	-2
Lean Hogs	7	-2
Live Cattle	9	-3
Natural Gas	11	-4
RBOB Gasoline	7	-2
Silver	0	0
Soybeans	6	-2
Wheat	14	-5

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Description	Current	New
Ratios			

AGRICULTURE – Inter-commodity Ratios

Corn (CBOT) (C) vs. Feeder Cattle (FC) vs. Live Cattle (LC)

Spread Credit Ratio	Change	+1:+2:-4	+1:+1:-2

DJ-UBS Breakdown	DJ UBS Futures Basket-100 vs. OTC Dow Jones UBS Commodity Index Swap(DGS)			
	DJ UBS Futures Basket-100 vs. Dow Jones UBS Commodity Index (64)			
		DGS	64	
	CME Product	Basket of 100	Basket of 100	
	Copper	3	3	
	Corn	7	2	
	Crude Oil	3	1	
	Gold	2	0	
	Heating Oil	1	0	
	Lean Hogs	2	4	
	Live Cattle	2	0	
	Natural Gas	11	0	
	RBOB Gasoline	1	0	
	Silver	0	2	
	Soybean Oil	4	2	
	Soybeans	4	1	
	Wheat	5	2	