CME Group

12-330

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, August 03, 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, August 03, 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

S&P GSCI ENHANCED ER SWAP FUT (RRE)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
RRE	Spec		New	USD			3,000	2,000
RRE	Hedge/Member		New	USD			2,000	2,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

Intra Spreads

AGRICULTURE - Intra Spreads

S&P GSCI ENHANCED ER SWAP FUT (RRE)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
RRE	Spec		New	USD			600	400
RRE	Hedge/Member		New	USD			400	400

AGRICULTURE - Inter Spreads

S&P GSCI ENHANCED ER SWAP FUT (RRE) vs GSCI ER Futures Basket-100

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
RRE	Spec		New	USD			70%	70%
RRE	Hedge/Memeber		New	USD			70%	70%

CC Code	Combined Commodity Name	Ratio	Side
RRE	S&P GSCI ENHANCED ER SWAP FUT	100	A
NY-CL	LIGHT SWEET CRUDE OIL FUTURES	21	B
NY-BB	BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES	11	B
NY-RB	RBOB GASOLINE FUTURES	3	B
NY-HO	NEW YORK HARBOR NO. 2 HEATING OIL FUTURES	3	B
NY-NG	HENRY HUB NATURAL GAS FUTURES	5	B
CX-HG	COPPER FUTURES	2	B
CX-GC	GOLD FUTURES	1	B
W	WHEAT	6	B
C	CORN	9	B
S	SOYBEANS	2	B
LC	LIVE CATTLE	4	B
LN	LEAN HOG	3	B

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
AGRICULTURE - Short Option Minimum (SOM) Rate						
S&P GSCI ENHANCED ER SWAP FUT (RRE) - SOM						
Clearing Member Rate		New			1.00%	1.00%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
AGRICULTURE - Volatility Scan (volScan) Rate						
S&P GSCI ENHANCED ER SWAP FUT (RRE) - volScan						
Clearing Member Rate		New				0.04