CME Group

12-382

TO:	Clearing Member Firms Chief Financial Officers Back Office Managers Margin Managers
FROM:	CME Clearing
SUBJECT:	Performance Bond Requirements
DATE:	Friday, September 07, 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, September 07, 2012.

Current rates as of:

Thursday, September 06, 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								
COAL - Outright Rates								
COAL API 8 CFR SOUTH CHINA (SSI)								
SSI	Spec		New	USD			3,850	3,500
SSI	Hedge/Member		New	USD			3,500	3,500
U.S. MIDWEST BUSHELING SCRAP (BUS)								
BUS	Spec		New	USD			1,210	1,100
BUS	Hedge/Member		New	USD			1,100	1,100

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
COAL - Intra Spreads								
Coal (API 8) CFR South China (Argus/McCloskey) Swap Futures - All Months (COAL API 8 CFR SOUTH CHINA)								
SSI	Spec		New	USD			1,100	1,000
SSI	Hedge/Member		New	USD			1,000	1,000
U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Futures - All Months (U.S. MIDWEST BUSHELING SCRAP)								
BUS	Spec		New	USD			440	400
BUS	Hedge/Member		New	USD			400	400

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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
COAL - Short Option Minimum (SOM) Rate						
COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) SWAP FUTURES (SSI) - SOM						
Clearing Member Rate		New			33.00	30.00
U.S. MIDWEST #1 BUSHELING FERROUS SCRAP (AMM) FUTURES (BUS) - SOM						
Clearing Member Rate		New			33.00	30.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
COAL - Volatility Scan (volScan) Rate						
COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) SWAP FUTURES (SSI) - volScan						
Clearing Member Rate		New				0.08
U.S. MIDWEST #1 BUSHELING FERROUS SCRAP (AMM) FUTURES (BUS) - volScan						
Clearing Member Rate		New				0.08

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