12-503

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, November 20, 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

Wednesday, November 21, 2012.

Current rates as of:

Tuesday, November 20, 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								
PETROLEUM CRACKS AND SPREADS - Outright Rates								
3.5% F OIL(PLTS) BRGES FOB RDM CRCK (BOB)								
BOB	Spec	Mnths 2+	Increase	USD	5,937	5,398	9,081	8,255
BOB	Hedge/Member	Mnths 2+	Increase	USD	5,398	5,398	8,255	8,255
EURO DIESEL 10PPM VS. ICE (ET)								
ET	Spec	Mnths 1	Increase	USD	4,730	4,300	9,460	8,600
ET	Hedge/Member	Mnths 1	Increase	USD	4,300	4,300	8,600	8,600
FUEL OIL CRACK VS. ICE (FO)								
FO	Spec	Mnths 2+	Increase	USD	935	850	1,430	1,300
FO	Hedge/Member	Mnths 2+	Increase	USD	850	850	1,300	1,300
MINI EUR DIESEL10PPM VS ICE GS FUT (MUD)								
MUD	Spec	Mnths 1	Increase	USD	473	430	946	860
MUD	Hedge/Member	Mnths 1	Increase	USD	430	430	860	860

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
COAL - Inter-commodity Spread Rates						
COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-SSI - CME) vs INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) SWAP FUTURES (NY-MCC - CME)						
Spread Credit Rate	New	+1:-1			65%	65%