



13-214

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, May 10, 2013

***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, May 10, 2013.**

Current rates as of:

**Thursday, May 09, 2013.**

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
<b>Outright Rates</b>								
<b>ETHANOL - Outright Rates</b>								
<b>D6 ETHANOL RINS 2012 (D62)</b>								
D62	Spec	Mnth 1	New	USD			8,250	7,500
D62	Hedge/Member	Mnth 1	New	USD			7,500	7,500
D62	Spec	Mnths 2+	New	USD			8,250	7,500
D62	Hedge/Member	Mnths 2+	New	USD			7,500	7,500
<b>D6 ETHANOL RINS 2013 (D63)</b>								
D63	Spec	Mnth 1	New	USD			11,000	10,000
D63	Hedge/Member	Mnth 1	New	USD			10,000	10,000
D63	Spec	Mnths 2+	New	USD			11,000	10,000
D63	Hedge/Member	Mnths 2+	New	USD			10,000	10,000
<b>D6 ETHANOL RINS 2014 (D64)</b>								
D64	Spec	Mnth 1	New	USD			11,000	10,000
D64	Hedge/Member	Mnth 1	New	USD			10,000	10,000
D64	Spec	Mnths 2+	New	USD			11,000	10,000
D64	Hedge/Member	Mnths 2+	New	USD			10,000	10,000
<b>REFINED PRODUCTS - Outright Rates</b>								
<b>D4 BIODIESEL RINS 2012 (D42)</b>								
D42	Spec	Mnth 1	New	USD			8,250	7,500
D42	Hedge/Member	Mnth 1	New	USD			7,500	7,500
D42	Spec	Mnths 2+	New	USD			8,250	7,500
D42	Hedge/Member	Mnths 2+	New	USD			7,500	7,500
<b>D4 BIODIESEL RINS 2013 (D43)</b>								
D43	Spec	Mnth 1	New	USD			11,000	10,000
D43	Hedge/Member	Mnth 1	New	USD			10,000	10,000
D43	Spec	Mnths 2+	New	USD			11,000	10,000
D43	Hedge/Member	Mnths 2+	New	USD			10,000	10,000
<b>D4 BIODIESEL RINS 2014 (D44)</b>								
D44	Spec	Mnth 1	New	USD			11,000	10,000
D44	Hedge/Member	Mnth 1	New	USD			10,000	10,000
D44	Spec	Mnths 2+	New	USD			11,000	10,000
D44	Hedge/Member	Mnths 2+	New	USD			10,000	10,000
<b>D5 ADVANCED BIOFUEL RINS 2012 (D52)</b>								
D52	Spec	Mnth 1	New	USD			8,250	7,500
D52	Hedge/Member	Mnth 1	New	USD			7,500	7,500
D52	Spec	Mnths 2+	New	USD			8,250	7,500

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Outright Rates</b>								
D52	Hedge/Member	Mnths 2+	New	USD			7,500	7,500
<b>D5 ADVANCED BIOFUEL RINS 2013 (D53)</b>								
D53	Spec	Mnth 1	New	USD			11,000	10,000
D53	Hedge/Member	Mnth 1	New	USD			10,000	10,000
D53	Spec	Mnths 2+	New	USD			11,000	10,000
D53	Hedge/Member	Mnths 2+	New	USD			10,000	10,000
<b>D5 ADVANCED BIOFUEL RINS 2014 (D54)</b>								
D54	Spec	Mnth 1	New	USD			11,000	10,000
D54	Hedge/Member	Mnth 1	New	USD			10,000	10,000
D54	Spec	Mnths 2+	New	USD			11,000	10,000
D54	Hedge/Member	Mnths 2+	New	USD			10,000	10,000

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>ETHANOL - Intra Spreads</b>								
<b>D6 Ethanol RINS (Argus) 2012 Futures - All Months (D6 ETHANOL RINS 2012)</b>								
D62	Spec		New	USD			3,300	3,000
D62	Hedge/Member		New	USD			3,000	3,000
<b>D6 Ethanol RINS (Argus) 2013 Futures - All Months (D6 ETHANOL RINS 2013)</b>								
D63	Spec		New	USD			4,400	4,000
D63	Hedge/Member		New	USD			4,000	4,000
<b>D6 Ethanol RINS (Argus) 2014 Futures - All Months (D6 ETHANOL RINS 2014)</b>								
D64	Spec		New	USD			4,400	4,000
D64	Hedge/Member		New	USD			4,000	4,000
<b>REFINED PRODUCTS - Intra Spreads</b>								
<b>D4 Biodiesel RINS (Argus) 2012 Futures - All Months (D4 BIODIESEL RINS 2012)</b>								
D42	Spec		New	USD			3,300	3,000
D42	Hedge/Member		New	USD			3,000	3,000
<b>D4 Biodiesel RINS (Argus) 2013 Futures - All Months (D4 BIODIESEL RINS 2013)</b>								
D43	Spec		New	USD			4,400	4,000
D43	Hedge/Member		New	USD			4,000	4,000
<b>D4 Biodiesel RINS (Argus) 2014 Futures - All Months (D4 BIODIESEL RINS 2014)</b>								
D44	Spec		New	USD			4,400	4,000
D44	Hedge/Member		New	USD			4,000	4,000
<b>D5 Advanced Biofuel RINS (Argus) 2012 Futures - All Months (D5 ADVANCED BIOFUEL RINS 2012)</b>								
D52	Spec		New	USD			3,300	3,000
D52	Hedge/Member		New	USD			3,000	3,000
<b>D5 Advanced Biofuel RINS (Argus) 2013 Futures - All Months (D5 ADVANCED BIOFUEL RINS 2013)</b>								
D53	Spec		New	USD			4,400	4,000
D53	Hedge/Member		New	USD			4,000	4,000
<b>D5 Advanced Biofuel RINS (Argus) 2014 Futures - All Months (D5 ADVANCED BIOFUEL RINS 2014)</b>								
D54	Spec		New	USD			4,400	4,000
D54	Hedge/Member		New	USD			4,000	4,000

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>						
<b>ETHANOL - Short Option Minimum (SOM) Rate</b>						
<b>D6 ETHANOL RINS (ARGUS) 2012 FUTURES (D62) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>D6 ETHANOL RINS (ARGUS) 2013 FUTURES (D63) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>D6 ETHANOL RINS (ARGUS) 2014 FUTURES (D64) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>REFINED PRODUCTS - Short Option Minimum (SOM) Rate</b>						
<b>D4 BIODIESEL RINS (ARGUS) 2012 FUTURES (D42) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>D4 BIODIESEL RINS (ARGUS) 2013 FUTURES (D43) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>D4 BIODIESEL RINS (ARGUS) 2014 FUTURES (D44) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>D5 ADVANCED BIOFUEL RINS (ARGUS) 2012 FUTURES (D52) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>D5 ADVANCED BIOFUEL RINS (ARGUS) 2013 FUTURES (D53) - SOM</b>						
Clearing Member Rate		New			55.00	50.00
<b>D5 ADVANCED BIOFUEL RINS (ARGUS) 2014 FUTURES (D54) - SOM</b>						
Clearing Member Rate		New			55.00	50.00

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>ETHANOL - Volatility Scan (volScan) Rate</b>						
<b>D6 ETHANOL RINS (ARGUS) 2012 FUTURES (D62) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08
<b>D6 ETHANOL RINS (ARGUS) 2013 FUTURES (D63) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08
<b>D6 ETHANOL RINS (ARGUS) 2014 FUTURES (D64) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08
<b>REFINED PRODUCTS - Volatility Scan (volScan) Rate</b>						
<b>D4 BIODIESEL RINS (ARGUS) 2012 FUTURES (D42) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08
<b>D4 BIODIESEL RINS (ARGUS) 2013 FUTURES (D43) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08
<b>D4 BIODIESEL RINS (ARGUS) 2014 FUTURES (D44) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08
<b>D5 ADVANCED BIOFUEL RINS (ARGUS) 2012 FUTURES (D52) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08
<b>D5 ADVANCED BIOFUEL RINS (ARGUS) 2013 FUTURES (D53) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08
<b>D5 ADVANCED BIOFUEL RINS (ARGUS) 2014 FUTURES (D54) - volScan</b>						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08