



13-274

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, June 13, 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, June 14, 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
Outright Rates								
COAL - Outright Rates								
COAL API5 FOB NEWCASTLE ARG/MC FUT (ACM)								
ACM	Spec		New	USD			3,025	2,750
ACM	Hedge/Member		New	USD			2,750	2,750
ELECTRICITY - Outright Rates								
ERCOT DAILY LOAD FORCAST FUT (EMC)								
EMC	Spec	Mnth 1	New	USD			1,760	1,600
EMC	Hedge/Member	Mnth 1	New	USD			1,600	1,600
EMC	Spec	Mnth 2	New	USD			1,760	1,600
EMC	Hedge/Member	Mnth 2	New	USD			1,600	1,600
EMC	Spec	Mnths 3-11	New	USD			1,760	1,600
EMC	Hedge/Member	Mnths 3-11	New	USD			1,600	1,600
EMC	Spec	Mnths 12+	New	USD			1,760	1,600
EMC	Hedge/Member	Mnths 12+	New	USD			1,600	1,600
METALS - Outright Rates								
1000 OZ SILVER FUTURES (SIL)								
SIL	Spec	Mnths 1-4	New	USD			2,475	2,250
SIL	Hedge/Member	Mnths 1-4	New	USD			2,250	2,250
SIL	Spec	Mnths 5-6	New	USD			2,475	2,250
SIL	Hedge/Member	Mnths 5-6	New	USD			2,250	2,250
SIL	Spec	Mnths 7-12	New	USD			2,475	2,250
SIL	Hedge/Member	Mnths 7-12	New	USD			2,250	2,250
SIL	Spec	Mnths 13+	New	USD			2,475	2,250
SIL	Hedge/Member	Mnths 13+	New	USD			2,250	2,250

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 5) fob Newcastle (Argus/McCloskey) Futures - All Months (COAL API5 FOB NEWCASTLE ARG/MC FUT)

ACM	Spec	New	USD		1,760	1,600
ACM	Hedge/Member	New	USD		1,600	1,600

ELECTRICITY - Intra Spreads

ERCOT Daily Load Forecast Futures - All Months (ERCOT DAILY LOAD FORCAST FUT)

EMC	Spec	New	USD		770	700
EMC	Hedge/Member	New	USD		700	700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

METALS - Intra Spreads

COMEX Silver - Tier 1 vs Tier 1 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD		33	30
SIL	Hedge/Member	New	USD		30	30

COMEX Silver - Tier 1 vs Tier 2 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD		50	45
SIL	Hedge/Member	New	USD		45	45

COMEX Silver - Tier 1 vs Tier 3 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD		99	90
SIL	Hedge/Member	New	USD		90	90

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

COMEX Silver - Tier 1 vs Tier 4 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD		198	180
SIL	Hedge/Member	New	USD		180	180

COMEX Silver - Tier 2 vs Tier 2 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD		39	35
SIL	Hedge/Member	New	USD		35	35

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

COMEX Silver - Tier 2 vs Tier 3 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD	77	70
SIL	Hedge/Member	New	USD	70	70

COMEX Silver - Tier 3 vs Tier 3 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD	77	70
SIL	Hedge/Member	New	USD	70	70

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

COMEX Silver - Tier 3 vs Tier 4 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD		198	180
SIL	Hedge/Member	New	USD		180	180

COMEX Silver - Tier 4 vs Tier 4 (1000 OZ SILVER FUTURES)

SIL	Spec	New	USD		198	180
SIL	Hedge/Member	New	USD		180	180

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
COAL - Short Option Minimum (SOM) Rate						
COAL (API 5) FOB NEWCASTLE (ARGUS/MCCLOSKEY) FUTURES (ACM) - SOM						
Clearing Member Rate		New			55.00	50.00
ELECTRICITY - Short Option Minimum (SOM) Rate						
ERCOT DAILY LOAD FORECAST FUTURES (EMC) - SOM						
Clearing Member Rate		New			55.00	50.00
METALS - Short Option Minimum (SOM) Rate						
1000 OZ SILVER FUTURES (SIL) - SOM						
Clearing Member Rate		New			66.00	60.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
COAL - Volatility Scan (volScan) Rate						
COAL (API 5) FOB NEWCASTLE (ARGUS/MCCLOSKEY) FUTURES (ACM) - volScan						
Clearing Member Rate		New				0.08
ELECTRICITY - Volatility Scan (volScan) Rate						
ERCOT DAILY LOAD FORECAST FUTURES (EMC) - volScan						
Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnth 2	New				0.08
Clearing Member Rate	Mnths 3-11	New				0.08
Clearing Member Rate	Mnths 12+	New				0.08
METALS - Volatility Scan (volScan) Rate						
1000 OZ SILVER FUTURES (SIL) - volScan						
Clearing Member Rate	Mnths 1-4	New				0.14
Clearing Member Rate	Mnths 5-6	New				0.08
Clearing Member Rate	Mnths 7-12	New				0.05
Clearing Member Rate	Mnths 13+	New				0.04