



13-302

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, June 28, 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 28, 2013.

Current rates as of:

Thursday, June 27, 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								

PETROLEUM CRACKS AND SPREADS - Outright Rates

DIESEL10PPM BARG VS ICE LS GAS DIFF (LSE)

LSE	Spec	Mnth 1	New	USD			22,000	20,000
LSE	Hedge/Member	Mnth 1	New	USD			20,000	20,000
LSE	Spec	Mnths 2+	New	USD			22,000	20,000
LSE	Hedge/Member	Mnths 2+	New	USD			20,000	20,000

EU LOW SULPHUR GASOIL CRACK (LSC)

LSC	Spec	Mnth 1	New	USD			4,785	4,350
LSC	Hedge/Member	Mnth 1	New	USD			4,350	4,350
LSC	Spec	Mnths 2+	New	USD			4,785	4,350
LSC	Hedge/Member	Mnths 2+	New	USD			4,350	4,350

SINGAPORE GASOIL VS ICE GASOIL DIF (LSS)

LSS	Spec	Mnth 1	New	USD			44,000	40,000
LSS	Hedge/Member	Mnth 1	New	USD			40,000	40,000
LSS	Spec	Mnths 2+	New	USD			44,000	40,000
LSS	Hedge/Member	Mnths 2+	New	USD			40,000	40,000

ULSD10PPM CIF CAR VS ICE LS GAS DIF (LSU)

LSU	Spec	Mnth 1	New	USD			22,000	20,000
LSU	Hedge/Member	Mnth 1	New	USD			20,000	20,000
LSU	Spec	Mnths 2+	New	USD			22,000	20,000
LSU	Hedge/Member	Mnths 2+	New	USD			20,000	20,000

ULSD10PPM CIF MED VS ICE GASOIL DIF (LSL)

LSL	Spec	Mnth 1	New	USD			22,000	20,000
LSL	Hedge/Member	Mnth 1	New	USD			20,000	20,000
LSL	Spec	Mnths 2+	New	USD			22,000	20,000
LSL	Hedge/Member	Mnths 2+	New	USD			20,000	20,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

REFINED PRODUCTS - Outright Rates

EU LOW SULPHUR CAL MONTH FUTURES (LSM)

LSM	Spec	Mnth 1	New	USD			4,125	3,750
LSM	Hedge/Member	Mnth 1	New	USD			3,750	3,750
LSM	Spec	Mnths 2+	New	USD			4,125	3,750
LSM	Hedge/Member	Mnths 2+	New	USD			3,750	3,750

EU LOW SULPHUR GASOIL BULLET (LSP)

LSP	Spec	Mnth 1	New	USD			4,125	3,750
LSP	Hedge/Member	Mnth 1	New	USD			3,750	3,750
LSP	Spec	Mnths 2+	New	USD			4,125	3,750
LSP	Hedge/Member	Mnths 2+	New	USD			3,750	3,750

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

PETROLEUM CRACKS AND SPREADS - Intra Spreads

European Diesel 10ppm Barges FOB Rdam (Platts) vs. Low Sulphur Gasoil Futures - All Months (DIESEL10PPM BARG VS ICE LS GAS DIF)

LSE	Spec		New	USD			8,250	7,500
LSE	Hedge/Member		New	USD			7,500	7,500

Low Sulphur Gasoil Crack Spread Financial Futures - All Months (EU LOW SULPHUR GASOIL CRACK)

LSC	Spec		New	USD			1,925	1,750
LSC	Hedge/Member		New	USD			1,750	1,750

Singapore Gasoil (Platts) vs. Low Sulphur Gasoil Futures - All Months (SINGAPORE GASOIL VS ICE GASOIL DIF)

LSS	Spec		New	USD			16,500	15,000
LSS	Hedge/Member		New	USD			15,000	15,000

ULSD 10ppm Cargoes CIF Med (Platts) Futures vs. Low Sulphur Gasoil Futures - All Months (ULSD10PPM CIF MED VS ICE GASOIL DIF)

LSL	Spec		New	USD			8,250	7,500
LSL	Hedge/Member		New	USD			7,500	7,500

ULSD 10ppm Cargoes CIF NWE (Platts) vs. Low Sulphur Gasoil Futures - All Months (ULSD10PPM CIF CAR VS ICE LS GAS DIF)

LSU	Spec		New	USD			8,250	7,500
LSU	Hedge/Member		New	USD			7,500	7,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

REFINED PRODUCTS - Intra Spreads

Low Sulphur Gasoil (100mt) Calendar Month Futures - All Months (EU LOW SULPHUR CAL MONTH FUTURES)

LSM	Spec		New	USD			1,650	1,500
LSM	Hedge/Member		New	USD			1,500	1,500

Low Sulphur Gasoil (100mt) Penultimate Day Futures - All Months (EU LOW SULPHUR GASOIL BULLET)

LSP	Spec		New	USD			1,650	1,500
LSP	Hedge/Member		New	USD			1,500	1,500

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						

PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate

EUROPEAN DIESEL 10PPM BARGES FOB RDAM (PLATTS) VS. LOW SULPHUR GASOIL FUTURES (LSE) - SOM

Clearing Member Rate	New		55.00	50.00
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LOW SULPHUR GASOIL CRACK SPREAD FINANCIAL FUTURES (LSC) - SOM

Clearing Member Rate	New		55.00	50.00
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SINGAPORE GASOIL (PLATTS) VS. LOW SULPHUR GASOIL FUTURES (LSS) - SOM

Clearing Member Rate	New		55.00	50.00
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ULSD 10PPM CARGOES CIF MED (PLATTS) FUTURES VS. LOW SULPHUR GASOIL FUTURES (LSL) - SOM

Clearing Member Rate	New		55.00	50.00
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ULSD 10PPM CARGOES CIF NWE (PLATTS) VS. LOW SULPHUR GASOIL FUTURES (LSU) - SOM

Clearing Member Rate	New		55.00	50.00
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REFINED PRODUCTS - Short Option Minimum (SOM) Rate

LOW SULPHUR GASOIL (100MT) CALENDAR MONTH FUTURES (LSM, LSO) - SOM

Clearing Member Rate	New		55.00	50.00
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LOW SULPHUR GASOIL (100MT) PENULTIMATE DAY FUTURES (LSP) - SOM

Clearing Member Rate	New		55.00	50.00
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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						

PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate

EUROPEAN DIESEL 10PPM BARGES FOB RDAM (PLATTS) VS. LOW SULPHUR GASOIL FUTURES (LSE) - volScan

Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08

LOW SULPHUR GASOIL CRACK SPREAD FINANCIAL FUTURES (LSC) - volScan

Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08

SINGAPORE GASOIL (PLATTS) VS. LOW SULPHUR GASOIL FUTURES (LSS) - volScan

Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08

ULSD 10PPM CARGOES CIF MED (PLATTS) FUTURES VS. LOW SULPHUR GASOIL FUTURES (LSL) - volScan

Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08

ULSD 10PPM CARGOES CIF NWE (PLATTS) VS. LOW SULPHUR GASOIL FUTURES (LSU) - volScan

Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08

REFINED PRODUCTS - Volatility Scan (volScan) Rate

LOW SULPHUR GASOIL (100MT) CALENDAR MONTH FUTURES (LSM, LSO) - volScan

Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08

LOW SULPHUR GASOIL (100MT) PENULTIMATE DAY FUTURES (LSP) - volScan

Clearing Member Rate	Mnth 1	New				0.08
Clearing Member Rate	Mnths 2+	New				0.08