



13-382

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, August 23, 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, August 23, 2013.

Current rates as of:

Friday, August 23, 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								

ELECTRICITY - Outright Rates

PJM DAILY LOAD FORECAST FUT (PDJ)

PDJ	Spec	Day 1	New	USD			495	450
PDJ	Hedge/Member	Day 1	New	USD			450	450
PDJ	Spec	Day 2	New	USD			495	450
PDJ	Hedge/Member	Day 2	New	USD			450	450
PDJ	Spec	Days 3-11	New	USD			495	450
PDJ	Hedge/Member	Days 3-11	New	USD			450	450
PDJ	Spec	Days 12+	New	USD			495	450
PDJ	Hedge/Member	Days 12+	New	USD			450	450

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ELECTRICITY - Intra Spreads								
PJM Daily Load Forecast Futures - All Months (PJM DAILY LOAD FORECAST FUT)								
PDJ	Spec		New	USD			330	300
PDJ	Hedge/Member		New	USD			300	300

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						
ELECTRICITY - Short Option Minimum (SOM) Rate						
PJM DAILY LOAD FORECAST FUTURES (PDJ) - SOM						
Clearing Member Rate		New			55.000	50.000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
ELECTRICITY - Volatility Scan (volScan) Rate						
PJM DAILY LOAD FORECAST FUTURES (PDJ) - volScan						
Clearing Member Rate	Day 1		New			0.080
Clearing Member Rate	Day 2		New			0.080
Clearing Member Rate	Days 3-11		New			0.080
Clearing Member Rate	Days 12+		New			0.080