13-429

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, September 20, 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

Tuesday, September 24, 2013.

Current rates as of:

Friday, September 20, 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								
ERIS Flex - Outright Rates								
10-YR INT RATE SWAP SEC COUPON (ZC9210)								
ZC9210	Spec		Increase	USD	1,430	1,300	2,145	1,950
ZC9210	Hedge/Member		Increase	USD	1,300	1,300	1,950	1,950
30-YR INT RATE SWAP SEC COUPON (ZD9230)								
ZD9230	Spec		Increase	USD	3,850	3,500	4,400	4,000
ZD9230	Hedge/Member		Increase	USD	3,500	3,500	4,000	4,000
ERIS 2-YR INT RATE SWAP SEC COUPON (ZA9202)								
ZA9202	Spec		Increase	USD	165	150	385	350
ZA9202	Hedge/Member		Increase	USD	150	150	350	350
ERIS 5-YR INT RATE SWAP SEC COUPON (ZB9205)								
ZB9205	Spec		Increase	USD	660	600	1,100	1,000
ZB9205	Hedge/Member		Increase	USD	600	600	1,000	1,000
ERIS Standards - Outright Rates								
ERIS STANDARD 10Y INT RATE SWAP FUT (ZC9110)								
ZC9110	Spec		Increase	USD	1,430	1,300	2,145	1,950
ZC9110	Hedge/Member		Increase	USD	1,300	1,300	1,950	1,950
ERIS STANDARD 2Y INT RATE SWAP FUTU (ZA9102)								
ZA9102	Spec		Increase	USD	165	150	385	350
ZA9102	Hedge/Member		Increase	USD	150	150	350	350
ERIS STANDARD 30Y INT RATE SWAP FUT (ZD9130)								
ZD9130	Spec		Increase	USD	3,850	3,500	4,400	4,000
ZD9130	Hedge/Member		Increase	USD	3,500	3,500	4,000	4,000
ERIS STANDARD 5Y INT RATE SWAP FUTU (ZB9105)								
ZB9105	Spec		Increase	USD	660	600	1,100	1,000
ZB9105	Hedge/Member		Increase	USD	600	600	1,000	1,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ERIS Flex - Intra Spreads								
10YR INTEREST RATE SWAP FUTURE ERIS vs 10YR INTEREST RATE SWAP FUTURE ERIS (10-YR INT RATE SWAP SEC COUPON)								
ZC9210	Customer Rate		New	USD	110	100	220	200
ZC9210	Clearing/Member		Increase	USD	100	100	200	200
2YR INTEREST RATE SWAP FUTURE ERIS vs 2YR INTEREST RATE SWAP FUTURE ERIS (ERIS 2-YR INT RATE SWAP SEC COUPON)								
ZA9202	Customer Rate		New	USD	66	60	138	125
ZA9202	Clearing/Member		Increase	USD	60	60	125	125
5YR INTEREST RATE SWAP FUTURE ERIS vs 5YR INTEREST RATE SWAP FUTURE ERIS (ERIS 5-YR INT RATE SWAP SEC COUPON)								
ZB9205	Customer Rate		New	USD	66	60	220	200
ZB9205	Clearing/Member		Increase	USD	60	60	200	200
ERIS Standards - Intra Spreads								
10YR INTEREST RATE SWAP FUTURE ERIS vs 10YR INTEREST RATE SWAP FUTURE ERIS (ERIS STANDARD 10Y INT RATE SWAP FUT)								
ZC9110	Customer Rate		New	USD	110	100	220	200
ZC9110	Clearing/Member		Increase	USD	100	100	200	200
2YR INTEREST RATE SWAP FUTURE ERIS vs 2YR INTEREST RATE SWAP FUTURE ERIS (ERIS STANDARD 2Y INT RATE SWAP FUTU)								
ZA9102	Customer Rate		New	USD	66	60	138	125
ZA9102	Clearing/Member		Increase	USD	60	60	125	125
2YR INTEREST RATE SWAP FUTURE ERIS vs 2YR INTEREST RATE SWAP FUTURE ERIS (ERIS STANDARD 5Y INT RATE SWAP FUTU)								
ZB9105	Customer Rate		New	USD	66	60	220	200
ZB9105	Clearing/Member		Increase	USD	60	60	200	200

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance

Inter-commodity Spread Rates

COAL - Inter-commodity Spread Rates

CENTRAL APPALACHIAN COAL FUTURES (NY-QL - CME) vs CSX COAL (PLATTS OTC BROKER INDEX) SWAP FUTURES (NY-QX - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Increase	+2:-3	55%	55%	70%	70%

COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURESS (NY-MTF - CME) vs CENTRAL APPALACHIAN COAL FUTURES (NY-QL - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Increase	+3:-2	50%	50%	55%	55%

COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURESS (NY-MTF - CME) vs CSX COAL (PLATTS OTC BROKER INDEX) SWAP FUTURES (NY-QX - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+1:-1	35%	35%	30%	30%

COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURESS (NY-MTF - CME) vs POWDER RIVER BASIN COAL (PLATTS OTC BROKER INDEX) SWAP FUTURES (NY-QP - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+1:-1	20%	20%	0%	0%

COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MFF - CME) vs INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) SWAP FUTURES (NY-MCC - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Increase	+1:-1	30%	30%	45%	45%

COAL (API 5) FOB NEWCASTLE (ARGUS/MCCLOSKEY) FUTURES (NY-ACM - CME) vs INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) SWAP FUTURES (NY-MCC - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+1:-1			40%	40%

COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-SSI - CME) vs COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURESS (NY-MTF - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+1:-1			50%	50%

COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-SSI - CME) vs COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MFF - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+1:-1			50%	50%

COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-SSI - CME) vs INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) SWAP FUTURES (NY-MCC - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+1:-1	65%	65%	60%	60%

COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-SSI - CME) vs INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) SWAP FUTURES (NY-MCC - CME).

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+1:-1			60%	60%

CRUDE OIL - Inter-commodity Spread Rates

UB vs. EFM (UB - Dated Brent (Platts) Financial Futures, EFM - European 1% Fuel Oil Cargoes FOB MED (Platts) Futures)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+19:-3			50%	50%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
ERIS Flex - Inter-commodity Spread Rates						
10YR INTEREST RATE SWAP FUTURE ERIS (ZC9210 - CME) vs 2 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (T1U - CME)						
Spread Credit Rate	Decrease	+1:+2	30%	30%	0%	0%
2 YR SWAP ERIS vs 10 YR DELIVERABLE SWAP CME						
Spread Credit Rate	Decrease	+2:+1	30%	30%	0%	0%
2 YR SWAP ERIS vs 10 YR SWAP ERIS						
Spread Credit Rate	Decrease	+2:-1	30%	30%	0%	0%
2 YR SWAP ERIS vs 5 YR DELIVERABLE SWAP CME						
Spread Credit Rate	Decrease	+6:+5	40%	40%	0%	0%
2 YR SWAP ERIS vs 5 YR SWAP ERIS						
Spread Credit Rate	Decrease	+6:-5	40%	40%	0%	0%
2YR INTEREST RATE SWAP FUTURE ERIS (ZA9202 - CME) vs 5YR INTEREST RATE SWAP FUTURE ERIS (ZB9105 - CME)						
Spread Credit Rate	Decrease	+6:-5	40%	40%	0%	0%
5YR INTEREST RATE SWAP FUTURE ERIS (ZB9205 - CME) vs 2 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (T1U - CME)						
Spread Credit Rate	Decrease	+5:+6	40%	40%	0%	0%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						

ERIS Standards - Inter-commodity Spread Rates

10YR INTEREST RATE SWAP FUTURE ERIS (ZC9110 - CME) vs 2 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (T1U - CME)

Spread Credit Rate	Decrease	+2:+1	30%	30%	0%	0%

2 YR SWAP ERIS vs 10 YR DELIVERABLE SWAP CME

Spread Credit Rate	Decrease	+1:+5	30%	30%	0%	0%

2 YR SWAP ERIS vs 10 YR SWAP ERIS

Spread Credit Rate	Decrease	+2:-1	30%	30%	0%	0%

2 YR SWAP ERIS vs 5 YR DELIVERABLE SWAP CME

Spread Credit Rate	Decrease	+6:+5	40%	40%	0%	0%

2 YR SWAP ERIS vs 5 YR SWAP ERIS

Spread Credit Rate	Decrease	+6:-5	40%	40%	0%	0%

2YR INTEREST RATE SWAP FUTURE ERIS (ZA9202 - CME) vs 5YR INTEREST RATE SWAP FUTURE ERIS (ZB9105 - CME)

Spread Credit Rate	Decrease	+6:-5	40%	40%	0%	0%

2YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS

Spread Credit Rate	Decrease	+7:+10	50%	50%	0%	0%

5YR INTEREST RATE SWAP FUTURE ERIS (ZB9105 - CME) vs 2 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (T1U - CME)

Spread Credit Rate	Decrease	+6:+5	40%	40%	0%	0%

5YR INTEREST RATE SWAP FUTURE ERIS vs 30YR TREASURY

Spread Credit Rate	Decrease	+3:+1	60%	60%	50%	50%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance

Inter-commodity Spread Rates

INTEREST RATES - Inter-commodity Spread Rates

10YR INTEREST RATE SWAP FUTURE ERIS (ZC9110 - CME) vs 2 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (T1U - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+2:+1	30%	30%	0%	0%

10YR INTEREST RATE SWAP FUTURE ERIS (ZC9210 - CME) vs 2 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (T1U - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+1:+2	30%	30%	0%	0%

2 YR SWAP ERIS vs 10 YR DELIVERABLE SWAP CME

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+2:+1	30%	30%	0%	0%

2 YR SWAP ERIS vs 5 YR DELIVERABLE SWAP CME

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+6:+5	40%	40%	0%	0%

2YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+7:+10	50%	50%	0%	0%

5YR INTEREST RATE SWAP FUTURE ERIS (ZB9105 - CME) vs 2 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (T1U - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+6:+5	40%	40%	0%	0%

5YR INTEREST RATE SWAP FUTURE ERIS (ZB9205 - CME) vs 2 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (T1U - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+5:+6	40%	40%	0%	0%

5YR INTEREST RATE SWAP FUTURE ERIS vs 30YR TREASURY

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	+3:+1	60%	60%	50%	50%

REFINED PRODUCTS - Inter-commodity Spread Rates

UB vs. EFM (UB - Dated Brent (Platts) Financial Futures, EFM - European 1% Fuel Oil Cargoes FOB MED (Platts) Futures)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+19:-3			50%	50%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
AGRICULTURE - Volatility Scan (volScan) Rate						
CASH SETTLED CHEESE (CSC) - volScan						
Clearing Member Rate	Mnths 2+	Decrease		0.050		0.030
FEEDER CATTLE (9F1, FC) - volScan						
Clearing Member Rate	Mnths 2+	Decrease		0.030		0.020
KANSAS WHEAT FUTURES (KW, KWO) - volScan						
Clearing Member Rate	Old Crop	Increase		0.040		0.060
LIVE CATTLE (9K1, LC) - volScan						
Clearing Member Rate	Mnths 2+	Decrease		0.030		0.020
FX - Volatility Scan (volScan) Rate						
BRITISH POUND (BP, M6B, YB) - volScan						
Clearing Member Rate		Decrease		0.030		0.025
EURO FX (E7, EC, M6E, YT) - volScan						
Clearing Member Rate		Decrease		0.030		0.025
NATURAL GAS - Volatility Scan (volScan) Rate						
NORTHERN ROCKIES PIPE SWAP (XR, ZR) - volScan						
Clearing Member Rate		Decrease		0.100		0.080
REFINED PRODUCTS - Volatility Scan (volScan) Rate						
GULF COAST JET FUEL (PLATTS) CALENDAR SWAP FUTURES (GE, GVR) - volScan						
Clearing Member Rate	Mnths 2-6	Decrease		0.080		0.050
Clearing Member Rate	Mnths 7+	Decrease		0.080		0.040