



13-566

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, December 12, 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, December 13, 2013.

Current rates as of:

Wednesday, December 11, 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								
CRUDE OIL SPREADS - Outright Rates								
ICE BRENT DUBAI FUT (DB)								
DB	Spec	Mnths 9+	Increase	USD	165	150	275	250
DB	Hedge/Member	Mnths 9+	Increase	USD	150	150	250	250
LLS (ARGUS) V WTI FUT (WJ)								
WJ	Spec	Mnths 2-3	Increase	USD	1,100	1,000	1,320	1,200
WJ	Hedge/Member	Mnths 2-3	Increase	USD	1,000	1,000	1,200	1,200
WJ	Spec	Mnths 4+	Increase	USD	990	900	1,210	1,100
WJ	Hedge/Member	Mnths 4+	Increase	USD	900	900	1,100	1,100
ELECTRICITY - Outright Rates								
AER-DAYTON HUB MONTHLY (VM)								
VM	Spec	Mnths 3-11	Increase	USD	1,925	1,750	2,090	1,900
VM	Hedge/Member	Mnths 3-11	Increase	USD	1,750	1,750	1,900	1,900
VM	Spec	Mnths 12+	Increase	USD	1,815	1,650	1,980	1,800
VM	Hedge/Member	Mnths 12+	Increase	USD	1,650	1,650	1,800	1,800
ISO NEW ENGLAND OFF-PEAK LMP FUT (KI)								
KI	Spec	Mnths 3-5	Increase	USD	7,425	6,750	9,900	9,000
KI	Hedge/Member	Mnths 3-5	Increase	USD	6,750	6,750	9,000	9,000
KI	Spec	Mnths 6-11	Increase	USD	3,850	3,500	5,225	4,750
KI	Hedge/Member	Mnths 6-11	Increase	USD	3,500	3,500	4,750	4,750
ISO NEW ENGLAND PEAK LMP FUT (NI)								
NI	Spec	Mnth 1	Increase	USD	17,600	16,000	22,000	20,000
NI	Hedge/Member	Mnth 1	Increase	USD	16,000	16,000	20,000	20,000
NI	Spec	Mnth 2	Increase	USD	16,500	15,000	19,800	18,000
NI	Hedge/Member	Mnth 2	Increase	USD	15,000	15,000	18,000	18,000
NI	Spec	Mnths 3-5	Increase	USD	8,800	8,000	11,000	10,000
NI	Hedge/Member	Mnths 3-5	Increase	USD	8,000	8,000	10,000	10,000
NI	Spec	Mnths 6-11	Increase	USD	4,125	3,750	6,600	6,000
NI	Hedge/Member	Mnths 6-11	Increase	USD	3,750	3,750	6,000	6,000
NEPOOL CONECTIC 5MW D AH PK (P2)								
P2	Spec	Mnths 3-5	Increase	USD	880	800	1,100	1,000
P2	Hedge/Member	Mnths 3-5	Increase	USD	800	800	1,000	1,000
P2	Spec	Mnths 6-11	Increase	USD	330	300	660	600

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

P2	Hedge/Member	Mnths 6-11	Increase	USD	300	300	600	600
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NEPOOL INTR HUB 5MW D AH PK (U6)

U6	Spec	Mnths 3-5	Increase	USD	880	800	1,100	1,000
U6	Hedge/Member	Mnths 3-5	Increase	USD	800	800	1,000	1,000
U6	Spec	Mnths 6-11	Increase	USD	385	350	660	600
U6	Hedge/Member	Mnths 6-11	Increase	USD	350	350	600	600

NEPOOL NE MASS 5MW D AH PK (P7)

P7	Spec	Mnths 3-5	Increase	USD	880	800	1,100	1,000
P7	Hedge/Member	Mnths 3-5	Increase	USD	800	800	1,000	1,000
P7	Spec	Mnths 6-11	Increase	USD	330	300	660	600
P7	Hedge/Member	Mnths 6-11	Increase	USD	300	300	600	600

NEPOOL NEW HAMP 5MW D AH PK (U2)

U2	Spec	Mnth 2	Increase	USD	1,375	1,250	1,925	1,750
U2	Hedge/Member	Mnth 2	Increase	USD	1,250	1,250	1,750	1,750
U2	Spec	Mnths 3-11	Increase	USD	880	800	1,100	1,000
U2	Hedge/Member	Mnths 3-11	Increase	USD	800	800	1,000	1,000

NEPOOL RHD ISLD 5MW D AH PK (U4)

U4	Spec	Mnths 3-5	Increase	USD	880	800	1,100	1,000
U4	Hedge/Member	Mnths 3-5	Increase	USD	800	800	1,000	1,000

NEPOOL SE MASS 5MW D AH PK (P4)

P4	Spec	Mnths 3-11	Increase	USD	880	800	1,100	1,000
P4	Hedge/Member	Mnths 3-11	Increase	USD	800	800	1,000	1,000

NEPOOL W CNTR M 5MW D AH PK (R6)

R6	Spec	Mnths 3-5	Increase	USD	880	800	1,100	1,000
R6	Hedge/Member	Mnths 3-5	Increase	USD	800	800	1,000	1,000
R6	Spec	Mnths 6-11	Increase	USD	330	300	660	600
R6	Hedge/Member	Mnths 6-11	Increase	USD	300	300	600	600

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
NYISO G (KG)								
KG	Spec	Mnth 2	Increase	USD	2,200	2,000	2,530	2,300
KG	Hedge/Member	Mnth 2	Increase	USD	2,000	2,000	2,300	2,300
KG	Spec	Mnths 3-11	Increase	USD	1,485	1,350	1,870	1,700
KG	Hedge/Member	Mnths 3-11	Increase	USD	1,350	1,350	1,700	1,700
NYISO J (KJ)								
KJ	Spec	Mnth 2	Increase	USD	2,475	2,250	2,640	2,400
KJ	Hedge/Member	Mnth 2	Increase	USD	2,250	2,250	2,400	2,400
KJ	Spec	Mnths 3-11	Increase	USD	1,430	1,300	1,650	1,500
KJ	Hedge/Member	Mnths 3-11	Increase	USD	1,300	1,300	1,500	1,500
NYISO ZONE G 5MW D AH O PK (D2)								
D2	Spec	Mnth 2	Increase	USD	22	20	26	24
D2	Hedge/Member	Mnth 2	Increase	USD	20	20	24	24
D2	Spec	Mnths 3-11	Increase	USD	17	15	21	19
D2	Hedge/Member	Mnths 3-11	Increase	USD	15	15	19	19
NYISO ZONE G 5MW D AH PK (T3)								
T3	Spec	Mnth 2	Increase	USD	440	400	506	460
T3	Hedge/Member	Mnth 2	Increase	USD	400	400	460	460
T3	Spec	Mnths 3-11	Increase	USD	297	270	374	340
T3	Hedge/Member	Mnths 3-11	Increase	USD	270	270	340	340
NYISO ZONE J 5MW D AH O PK (D4)								
D4	Spec	Mnth 2	Increase	USD	17	15	22	20
D4	Hedge/Member	Mnth 2	Increase	USD	15	15	20	20
D4	Spec	Mnths 3-11	Increase	USD	17	15	22	20
D4	Hedge/Member	Mnths 3-11	Increase	USD	15	15	20	20
NYISO ZONE J 5MW D AH PK (D3)								
D3	Spec	Mnth 2	Increase	USD	495	450	528	480
D3	Hedge/Member	Mnth 2	Increase	USD	450	450	480	480
D3	Spec	Mnths 3-11	Increase	USD	286	260	330	300
D3	Hedge/Member	Mnths 3-11	Increase	USD	260	260	300	300
PJM AD HUB 5MW REAL TIME PK (Z9)								
Z9	Spec	Mnths 3-11	Increase	USD	193	175	275	250
Z9	Hedge/Member	Mnths 3-11	Increase	USD	175	175	250	250
Z9	Spec	Mnths 12+	Increase	USD	193	175	275	250
Z9	Hedge/Member	Mnths 12+	Increase	USD	175	175	250	250

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

ETHANOL - Outright Rates

NEW YORK ETHANOL FUT (EZ)

EZ	Spec	Mth 1	Increase	USD	6,600	6,000	8,800	8,000
EZ	Hedge/Member	Mth 1	Increase	USD	6,000	6,000	8,000	8,000

NATURAL GAS - Outright Rates

TEXAS EASTERN ZONE M-3 BASIS FUT (NX)

NX	Spec	Mth 1	Increase	USD	550	500	908	825
NX	Hedge/Member	Mth 1	Increase	USD	500	500	825	825

NGL/PETROCHEMICALS - Outright Rates

MT. BELVIEU ETHYLENE(PCW) FIN FUT (MBN)

MBN	Spec		Increase	USD	4,620	4,200	5,280	4,800
MBN	Hedge/Member		Increase	USD	4,200	4,200	4,800	4,800

PETROLEUM CRACKS AND SPREADS - Outright Rates

NY HRBR ULSD CRK SPRD FUT (HK)

HK	Spec	Mths 6+	Increase	USD	1,320	1,200	1,430	1,300
HK	Hedge/Member	Mths 6+	Increase	USD	1,200	1,200	1,300	1,300

WEATHER - Outright Rates

H6 PHILADELPHIA HDD FUTURES (H6)

H6	Spec		Increase	USD	9%	7%	14%	10%
H6	Hedge/Member		Increase	USD	7%	7%	10%	10%