13-570

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, December 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, December 13, 2013.

Current rates as of:

Friday, December 13, 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								
CANADIAN LIGHT SWEET OIL (CIL)								
CIL	Spec	Mnths 1-2	New	USD			4,180	3,800
CIL	Hedge/Member	Mnths 1-2	New	USD			3,800	3,800
CIL	Spec	Mnths 3-6	New	USD			3,080	2,800
CIL	Hedge/Member	Mnths 3-6	New	USD			2,800	2,800
CIL	Spec	Mnths 7+	New	USD			2,200	2,000
CIL	Hedge/Member	Mnths 7+	New	USD			2,000	2,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

CRUDE OIL SPREADS - Intra Spreads

CANADIAN LIGHT SWEET OIL (NET ENERGY) INDEX FUTURES (CANADIAN LIGHT SWEET OIL)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
CIL	Spec		New	USD			330	300
CIL	Hedge/Member		New	USD			300	300

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

CRUDE OIL - Inter-commodity Spread Rates

CANADIAN LIGHT SWEET OIL (NET ENERGY) INDEX FUTURES (NY-CIL - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+1:-1			15%	15%

CRUDE OIL SPREADS - Inter-commodity Spread Rates

CANADIAN LIGHT SWEET OIL (NET ENERGY) INDEX FUTURES (NY-CIL - CME) vs CANADIAN HEAVY CRUDE OIL (NET ENERGY) INDEX FUTURES (NY-WCC - CME)

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

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
CRUDE OIL SPREADS - Short Option Minimum (SOM) Rate						
CANADIAN LIGHT SWEET OIL (NET ENERGY) INDEX FUTURES (CIL) - SOM						
Clearing Member Rate		New			55.000	50.000

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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
CRUDE OIL SPREADS - Volatility Scan (volScan) Rate						
CANADIAN LIGHT SWEET OIL (NET ENERGY) INDEX FUTURES (CIL) - volScan						
Clearing Member Rate	Mnths 1-2	New				25.000%
Clearing Member Rate	Mnths 3-6	New				25.000%
Clearing Member Rate	Mnths 7+	New				25.000%