



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

FROM: CME Clearing

ADVISORY #: 14-130
SUBJECT: Review of Collateral Haircuts Advisory

DATE: Friday March 28, 2014

In conjunction with regular review of market volatility to ensure adequate collateral coverage, please find the current acceptable collateral and haircuts for CME Clearing below. Please note that the changes column found below indicates any near term changes to collateral and haircuts. Please see CME Clearing website for more details. <http://www.cmegroup.com/clearing/financial-and-collateral-management/>

Should you have any questions, please contact the Risk Management department at 312-648-3888 or the Financial Management group at 312-207-2594.

| Current Haircuts | | | | | | | |
|-------------------------|--|---------------|----------------|-----------------|------------------|-----------|---------|
| Asset Class | Time to Maturity | | | | | | Changes |
| U.S. Treasuries | | 0 to ≤1 years | >1 to ≤3 years | >3 to ≤5 years | >5 to ≤10 years | >10 years | |
| | TBILL | 0.5% | -- | -- | -- | -- | - |
| | TFRN | 1.0% | 2.0% | -- | -- | -- | - |
| | TNOTE/TBOND | 1.0% | 2.0% | 3.0% | 4.5% | 6.0% | - |
| | TSTRIP | 11.0% | 11.0% | 11.0% | 11.0% | 11.0% | - |
| U.S Government Agencies | | 0 to ≤5 years | | >5 to ≤10 years | >10 years | | |
| | <i>FFCB, FHLB, FHLMC, FNMA</i> | 3.5% | | | | | - |
| | NOTE/BOND | 4.0% | | 5.5% | 7.0% | | - |
| | Mortgage Backed Securities (FNMA, FHLMC, GNMA) | 11.0% | | 11.0% | 11.0% | | - |
| Foreign Sovereign Debt | | 0 to ≤5 years | | >5 to ≤10 years | >10 to ≤30 years | >30 years | |
| | BILL | 5.0% | | | | | - |
| | NOTE/BOND | 6.0% | | 7.5% | 9.0% | 10.5% | - |
| Cash | US Dollar | | | | No haircut | | - |
| | Australian dollar, British pound, Canadian dollar, Danish krone, Euro, Hong Kong dollar, Japanese yen, New Zealand dollar, Norwegian krone, Singapore dollar, Swedish krona, Swiss franc | | | | 5% | | - |
| | Czech koruna, Hungarian forint, Mexican peso, Offshore Chinese Renminbi, Polish zloty | | | | 10% | | - |
| | South African rand | | | | 15% | | - |
| | Turkish lira | | | | 20% | | - |
| Gold | 15% | | | | | | - |
| IEF 2 | 3% | | | | | | - |
| IEF 4 | IEF4 – Corporate Bonds 20% Haircut. Contact Clearing House for more details. | | | | | | - |
| IEF 5 | No Haircut | | | | | | - |
| Stock | 30% | | | | | | - |
| Letters of Credit | No Haircut | | | | | | - |