

14-167

TO: Clearing Member Firms

Chief Financial Officers Back Office Managers Margin Managers

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, April 23, 2014

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

Monday, May 05, 2014.

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.

СС	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance		
Outright Rates										
METALS - Outright Rates										
ALUN	MINUM FUTURES (ALI)								
ALI	Spec	Mths 1-4	New	USD			2,750	2,500		
ALI	Hedge/Member	Mths 1-4	New	USD			2,500	2,500		
	Spec	Mths 5+	New	USD			2,750	2,500		
ALI	Spec	WILLIS ST	1404	005			,	,		

	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
itra	Spreads							
			МЕ	TALS -	Intra Sprea	ds		
II M	onths (ALUMINUM	FUTURES)						
ιLI	Spec		New	USD			550	500
ιLI	Hedge/Member		New	USD			500	500
R	ate Type	Change	Rati	0	Current Initial	Current Maintenance	New Initial	New Maintenance
Inte	r-commodity Sprea	d Rates						
			COAL - Int	er-comr	nodity Spre	ad Rates		
	MINUM FUTURES ((CX-ALI - CME)	vs COAL (Al	PI 2) CIF	ARA (ARG	US/MCCLOSKEY) SWAP FUTUR	ESS
Spre	ead Credit Rate	New	+1:-1				30%	30%
			METALS - Ir	nter-com	modity Spr	ead Rates		
	MINUM FUTURES URES (CX-AUP - C		vs ALUMINU	IM MW U	JS TRANSA	ACTION PREMIUM	PLATTS (25MT) SWAP
FUT			vs ALUMINU +1:-1	IM MW U	JS TRANSA	CTION PREMIUM	PLATTS (25MT	
FUT Spre	URES (CX-AUP - C	ME) New	+1:-1				70%	70%
Spre ALU (NY-	ures (CX-AUP - C ead Credit Rate	ME) New	+1:-1				70%	70% E SS
Spre ALU (NY-	URES (CX-AUP - C ead Credit Rate MINUM FUTURES MTF - CME)	New (CX-ALI - CME) New	+1:-1 vs COAL (AF +1:-1	PI 2) CIF	ARA (ARG	US/MCCLOSKEY	70% SWAP FUTUR	70% E SS
Spre ALU (NY- Spre	ead Credit Rate MINUM FUTURES MTF - CME) ead Credit Rate	New (CX-ALI - CME) New	+1:-1 vs COAL (AF +1:-1	PI 2) CIF	ARA (ARG	US/MCCLOSKEY	70% SWAP FUTUR	70% ESS 30%
Spre ALU (NY- Spre ALU Spre	ead Credit Rate MINUM FUTURES ATF - CME) AND CREDIT RATE	New (CX-ALI - CME) New (CX-ALI - CME) New	+1:-1 vs COAL (AF +1:-1 vs COPPER +1:-1	PI 2) CIF	ARA (ARG	US/MCCLOSKEY	70%) SWAP FUTUR! 30%	70% ESS 30%
Spre ALU (NY- Spre ALU	PURES (CX-AUP - C ead Credit Rate MINUM FUTURES MTF - CME) ead Credit Rate MINUM FUTURES ead Credit Rate	New (CX-ALI - CME) New (CX-ALI - CME) New	+1:-1 vs COAL (AF +1:-1 vs COPPER +1:-1	PI 2) CIF	ARA (ARG	US/MCCLOSKEY	70%) SWAP FUTUR! 30%	70% ESS 30%
Spreed ALU Spreed ALU Spreed ALU Spreed ALU	PURES (CX-AUP - C ead Credit Rate MINUM FUTURES EAD Credit Rate MINUM FUTURES EAD Credit Rate	New (CX-ALI - CME) New (CX-ALI - CME) New (CX-ALI - CME) New (CX-ALI - CME)	+1:-1 vs COAL (AF +1:-1 vs COPPER +1:-1 vs GOLD FU +1:-1	PI 2) CIF	ARA (ARG	US/MCCLOSKEY - CME) ME)	70%) SWAP FUTUR 30%	70%
Spreadlu Spreadlu Spreadlu Spreadlu Spreadlu	ead Credit Rate MINUM FUTURES CALLED AND COMMENT OF COME CALLED AND COME CALLED AND COME CALLED AND COME CALLED AND COMENT OF COME CALLED AND COMENT OF COME CALLED AND COMENT OF COMENT OF COMENT CALLED AND COMENT OF COMENT OF COMENT CALLED AND COMENT OF COMENT OF COMENT CALLED AND COM	New (CX-ALI - CME) New (CX-ALI - CME) New (CX-ALI - CME) New (CX-ALI - CME)	+1:-1 vs COAL (AF +1:-1 vs COPPER +1:-1 vs GOLD FU +1:-1	PI 2) CIF	ARA (ARG	US/MCCLOSKEY - CME) ME)	70%) SWAP FUTUR 30%	70% ESS 30%
Spree ALU Spree ALU Spree ALU Spree ALU Spree ALU Spree ALU	ead Credit Rate MINUM FUTURES CANTF - CME CANTERINA CREDIT RATE CA	New (CX-ALI - CME)	+1:-1 vs COAL (AF +1:-1 vs COPPER +1:-1 vs GOLD FU +1:-1 vs PALLADI +1:-1	FUTURI TURES	ARA (ARG	US/MCCLOSKEY - CME) ME) PA - CME)	70%) SWAP FUTUR 30% 60%	70% ESS 30% 60% 30%
Spree ALU Spree ALU Spree ALU Spree ALU	ead Credit Rate MINUM FUTURES CANTE - CME) CANTE - CME	New (CX-ALI - CME)	+1:-1 vs COAL (AF +1:-1 vs COPPER +1:-1 vs GOLD FU +1:-1 vs PALLADI +1:-1	FUTURI TURES	ARA (ARG	US/MCCLOSKEY - CME) ME) PA - CME)	70%) SWAP FUTUR 30% 60%	70% ESS 30% 60% 30%
Spree ALU Spree ALU Spree ALU Spree ALU Spree ALU Spree ALU	ead Credit Rate MINUM FUTURES AND CREDIT RATE	New (CX-ALI - CME) New (CX-ALI - CME)	+1:-1 vs COAL (AF +1:-1 vs COPPER +1:-1 vs GOLD FU +1:-1 vs PALLADI +1:-1 vs PLATINU +1:-1	FUTURI TURES UM FUTU	ARA (ARG ES (CX-HG (CX-GC - C) URES (NY-I	US/MCCLOSKEY - CME) ME) PA - CME) L - CME)	70%) SWAP FUTUR 30% 60% 30%	70% ESS 30% 60% 30%

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance						
Short Option Minimum (SOM) Rate												
	META	LS - Short O _l	otion Minimum (S	SOM) Rate								
ALUMINUM FUTURES	S (ALI) - SOM											
Clearing Member Rate		New			55.000	50.000						

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance			
/olatility Scan (volScan) Rate									
METALS - Volatility Scan (volScan) Rate									
ALUMINUM FUTURES (ALI) - volScan									
Clearing Member Rate	Mths 1-4	New				0.08			
Clearing Member Rate	Mths 5+	New				0.05			