



14-169

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, April 24, 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

Friday, April 25, 2014.

Current rates as of:

Wednesday, April 23, 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.

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
AGRICULTURE - Outright Rates								
NYMEX COFFEE (KT)								
KT	Spec		Increase	USD	5,500	5,000	6,600	6,000
KT	Hedge/Member		Increase	USD	5,000	5,000	6,000	6,000
ELECTRICITY - Outright Rates								
CAISO NP15 EZGNHUB5 MW OFF P D (2D)								
2D	Spec	Mth 1	Increase	USD	11	10	17	15
2D	Hedge/Member	Mth 1	Increase	USD	10	10	15	15
2D	Spec	Mths 2-6	Decrease	USD	11	10	8	7
2D	Hedge/Member	Mths 2-6	Decrease	USD	10	10	7	7
2D	Spec	Mths 7-11	Decrease	USD	11	10	8	7
2D	Hedge/Member	Mths 7-11	Decrease	USD	10	10	7	7
2D	Spec	Mths 12+	Decrease	USD	11	10	8	7
2D	Hedge/Member	Mths 12+	Decrease	USD	10	10	7	7
CAISO NP15 EZGNHUB5 MW OFF P D (3X)								
3X	Spec	Mths 2-6	Decrease	USD	11	10	6	5
3X	Hedge/Member	Mths 2-6	Decrease	USD	10	10	5	5
3X	Spec	Mths 7-11	Decrease	USD	11	10	6	5
3X	Hedge/Member	Mths 7-11	Decrease	USD	10	10	5	5
3X	Spec	Mths 12+	Decrease	USD	11	10	6	5
3X	Hedge/Member	Mths 12+	Decrease	USD	10	10	5	5
CAISO NP15 EZGNHUB5 OFF P CLN (2J)								
2J	Spec		Decrease	USD	154	140	39	35
2J	Hedge/Member		Decrease	USD	140	140	35	35
CAISO NP15 EZGNHUB5 OFF P CLN (2Z)								
2Z	Spec		Decrease	USD	55	50	39	35
2Z	Hedge/Member		Decrease	USD	50	50	35	35
CAISO SP15 EZGNHUB5 MW OFF P D (2E)								
2E	Spec	Mnths 2-6	Decrease	USD	17	15	8	7
2E	Hedge/Member	Mnths 2-6	Decrease	USD	15	15	7	7
2E	Spec	Mnths 7-11	Decrease	USD	17	15	8	7
2E	Hedge/Member	Mnths 7-11	Decrease	USD	15	15	7	7
2E	Spec	Mnths 12+	Decrease	USD	17	15	8	7
2E	Hedge/Member	Mnths 12+	Decrease	USD	15	15	7	7
CAISO SP15 EZGNHUB5 MW OFF P D (5X)								
5X	Spec	Mnths 2-6	Decrease	USD	11	10	6	5

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
5X	Hedge/Member	Mnths 2-6	Decrease	USD	10	10	5	5
5X	Spec	Mnths 7-11	Decrease	USD	11	10	6	5
5X	Hedge/Member	Mnths 7-11	Decrease	USD	10	10	5	5
5X	Spec	Mnths 12+	Decrease	USD	11	10	6	5
5X	Hedge/Member	Mnths 12+	Decrease	USD	10	10	5	5
CAISO SP15 EZGNHUB5 MW P DAY A (1Z)								
1Z	Spec	Mnths 4-11	Decrease	USD	209	190	138	125
1Z	Hedge/Member	Mnths 4-11	Decrease	USD	190	190	125	125
1Z	Spec	Mnths 12+	Decrease	USD	209	190	138	125
1Z	Hedge/Member	Mnths 12+	Decrease	USD	190	190	125	125
CAISO SP15 EZGNHUB5 MW P DAY A (9X)								
9X	Spec	Mnths 1-3	Decrease	USD	209	190	193	175
9X	Hedge/Member	Mnths 1-3	Decrease	USD	190	190	175	175
9X	Spec	Mnths 4-6	Decrease	USD	209	190	165	150
9X	Hedge/Member	Mnths 4-6	Decrease	USD	190	190	150	150
9X	Spec	Mnths 7-11	Decrease	USD	209	190	165	150
9X	Hedge/Member	Mnths 7-11	Decrease	USD	190	190	150	150
9X	Spec	Mnths 12+	Decrease	USD	209	190	165	150
9X	Hedge/Member	Mnths 12+	Decrease	USD	190	190	150	150
CAISO SP15 EZGNHUB5 OFF P CLN (2K)								
2K	Spec		Decrease	USD	176	160	39	35
2K	Hedge/Member		Decrease	USD	160	160	35	35
CAISO SP15 EZGNHUB5 OFF P CLN (4Z)								
4Z	Spec		Decrease	USD	55	50	39	35
4Z	Hedge/Member		Decrease	USD	50	50	35	35
MID-COLMBA DAY-AHEAD OFF-PEAK DAILY (MXO)								
MXO	Spec	Day 1	Decrease	USD	127	115	22	20
MXO	Hedge/Member	Day 1	Decrease	USD	115	115	20	20
MXO	Spec	Days 2-6	Decrease	USD	127	115	22	20
MXO	Hedge/Member	Days 2-6	Decrease	USD	115	115	20	20
MXO	Spec	Days 7-11	Decrease	USD	127	115	22	20
MXO	Hedge/Member	Days 7-11	Decrease	USD	115	115	20	20
MXO	Spec	Days 12+	Decrease	USD	127	115	22	20
MXO	Hedge/Member	Days 12+	Decrease	USD	115	115	20	20

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
----	-----------	-------------	--------	-----	-----------------	---------------------	-------------	-----------------

Outright Rates

MID-COLMBIA DAYAHEAD PEAK DAILY FIX (MDA)

MDA	Spec	Day 1	Decrease	USD	2,200	2,000	1,650	1,500
MDA	Hedge/Member	Day 1	Decrease	USD	2,000	2,000	1,500	1,500
MDA	Spec	Days 2-3	Decrease	USD	2,200	2,000	1,650	1,500
MDA	Hedge/Member	Days 2-3	Decrease	USD	2,000	2,000	1,500	1,500
MDA	Spec	Days 4-11	Decrease	USD	1,650	1,500	1,100	1,000
MDA	Hedge/Member	Days 4-11	Decrease	USD	1,500	1,500	1,000	1,000
MDA	Spec	Days 12+	Decrease	USD	1,650	1,500	1,100	1,000
MDA	Hedge/Member	Days 12+	Decrease	USD	1,500	1,500	1,000	1,000

MID-COLUMBIA DAY AHEAD OFF PEAK FIX (OMC)

OMC	Spec	Mnths 5-11	Decrease	USD	17	15	11	10
OMC	Hedge/Member	Mnths 5-11	Decrease	USD	15	15	10	10
OMC	Spec	Mnths 12+	Decrease	USD	17	15	11	10
OMC	Hedge/Member	Mnths 12+	Decrease	USD	15	15	10	10

MID-COLUMBIA DAY AHEAD PEAK FIX PRI (MDC)

MDC	Spec	Mnths 2-3	Decrease	USD	413	375	297	270
MDC	Hedge/Member	Mnths 2-3	Decrease	USD	375	375	270	270
MDC	Spec	Mnths 4-11	Decrease	USD	413	375	138	125
MDC	Hedge/Member	Mnths 4-11	Decrease	USD	375	375	125	125
MDC	Spec	Mnths 12+	Decrease	USD	413	375	138	125
MDC	Hedge/Member	Mnths 12+	Decrease	USD	375	375	125	125

PALO VERDE DAY AHEAD OFF PEAK DAILY (QVD)

QVD	Spec	Mnth 1	Decrease	USD	77	70	33	30
QVD	Hedge/Member	Mnth 1	Decrease	USD	70	70	30	30
QVD	Spec	Mnths 2-6	Decrease	USD	77	70	33	30
QVD	Hedge/Member	Mnths 2-6	Decrease	USD	70	70	30	30
QVD	Spec	Mnths 7-11	Decrease	USD	77	70	33	30
QVD	Hedge/Member	Mnths 7-11	Decrease	USD	70	70	30	30
QVD	Spec	Mnths 12+	Decrease	USD	77	70	33	30
QVD	Hedge/Member	Mnths 12+	Decrease	USD	70	70	30	30

PALO VERDE DAY AHEAD OFF PEAK FIX (OVD)

OVD	Spec	Mnths 5-11	Decrease	USD	17	15	11	10
OVD	Hedge/Member	Mnths 5-11	Decrease	USD	15	15	10	10
OVD	Spec	Mnths 12+	Decrease	USD	17	15	11	10
OVD	Hedge/Member	Mnths 12+	Decrease	USD	15	15	10	10

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PALO VERDE DAY AHEAD PEAK DAILY FIX (VDP)								
VDP	Spec	Day 1	Decrease	USD	2,475	2,250	1,650	1,500
VDP	Hedge/Member	Day 1	Decrease	USD	2,250	2,250	1,500	1,500
VDP	Spec	Days 2-3	Decrease	USD	2,475	2,250	1,650	1,500
VDP	Hedge/Member	Days 2-3	Decrease	USD	2,250	2,250	1,500	1,500
VDP	Spec	Days 4-11	Decrease	USD	1,650	1,500	1,100	1,000
VDP	Hedge/Member	Days 4-11	Decrease	USD	1,500	1,500	1,000	1,000
VDP	Spec	Days 12+	Decrease	USD	1,650	1,500	825	750
VDP	Hedge/Member	Days 12+	Decrease	USD	1,500	1,500	750	750
PALO VERDE DAY AHEAD PEAK FIX PRICE (PVD)								
PVD	Spec	Mnths 6-11	Decrease	USD	495	450	193	175
PVD	Hedge/Member	Mnths 6-11	Decrease	USD	450	450	175	175
PVD	Spec	Mnths 12+	Decrease	USD	495	450	193	175
PVD	Hedge/Member	Mnths 12+	Decrease	USD	450	450	175	175
PJM DAILY (JD)								
JD	Spec	Days 1-6	Decrease	USD	16,500	15,000	11,000	10,000
JD	Hedge/Member	Days 1-6	Decrease	USD	15,000	15,000	10,000	10,000
JD	Spec	Days 7-14	Decrease	USD	15,400	14,000	9,900	9,000
JD	Hedge/Member	Days 7-14	Decrease	USD	14,000	14,000	9,000	9,000
JD	Spec	Days 15+	Decrease	USD	14,300	13,000	8,800	8,000
JD	Hedge/Member	Days 15+	Decrease	USD	13,000	13,000	8,000	8,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
----	-----------	-------------	--------	-----	-----------------	---------------------	-------------	-----------------

Outright Rates

PETROLEUM CRACKS AND SPREADS - Outright Rates

EUROPEAN NAPHTHA CRACK SPREAD FUT (EN)

EN	Spec	Mnth 5+	Increase	USD	990	900	1,210	1,100
EN	Hedge/Member	Mnth 5+	Increase	USD	900	900	1,100	1,100

MINI RBOB V. EBOB(ARGUS) NWE BRGS (MXB)

MXB	Spec	Mnth 1	Decrease	USD	880	800	770	700
MXB	Hedge/Member	Mnth 1	Decrease	USD	800	800	700	700
MXB	Spec	Mnth 2	New	USD			660	600
MXB	Hedge/Member	Mnth 2	New	USD			600	600
MXB	Spec	Mnth 3-10	New	USD			550	500
MXB	Hedge/Member	Mnth 3-10	New	USD			500	500
MXB	Spec	Mnth 11+	New	USD			1,210	1,100
MXB	Hedge/Member	Mnth 11+	New	USD			1,100	1,100

NAPHTHA (PLTS) CARGES CIF NWE CRACK (NOB)

NOB	Spec	Mnth 5+	Increase	USD	8,811	8,010	10,769	9,790
NOB	Hedge/Member	Mnth 5+	Increase	USD	8,010	8,010	9,790	9,790

RBOB GAS VS EURO BOB OXY NWE BARGES (XER)

XER	Spec	Mnth 1	Decrease	USD	1,056	960	924	840
XER	Hedge/Member	Mnth 1	Decrease	USD	960	960	840	840
XER	Spec	Mnth 2	New	USD			792	720
XER	Hedge/Member	Mnth 2	New	USD			720	720
XER	Spec	Mnth 3-10	New	USD			660	600
XER	Hedge/Member	Mnth 3-10	New	USD			600	600
XER	Spec	Mnth 11+	New	USD			1,452	1,320
XER	Hedge/Member	Mnth 11+	New	USD			1,320	1,320

RBOB GAS VS EUROBOB(ARGUS) NWE BRGS (EXR)

EXR	Spec	Mnth 1	Decrease	USD	8,800	8,000	7,700	7,000
EXR	Hedge/Member	Mnth 1	Decrease	USD	8,000	8,000	7,000	7,000
EXR	Spec	Mnth 2	New	USD			6,600	6,000
EXR	Hedge/Member	Mnth 2	New	USD			6,000	6,000
EXR	Spec	Mnth 3-10	New	USD			5,500	5,000
EXR	Hedge/Member	Mnth 3-10	New	USD			5,000	5,000
EXR	Spec	Mnth 11+	New	USD			12,100	11,000
EXR	Hedge/Member	Mnth 11+	New	USD			11,000	11,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
----	-----------	-------------	--------	-----	-----------------	---------------------	-------------	-----------------

Outright Rates

WEATHER - Outright Rates

CHICAGO HDD FUTURE (H2)

H2	Spec		Increase	USD	8%	6%	14%	10%
H2	Hedge/Member		Increase	USD	6%	6%	10%	10%

NEW YORK HDD FUTURE (H4)

H4	Spec		Increase	USD	14%	10%	20%	15%
H4	Hedge/Member		Increase	USD	10%	10%	15%	15%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
----	-----------	-------------	--------	-----	-----------------	---------------------	-------------	-----------------

Intra Spreads

METALS - Intra Spreads

Aluminum MW US Transaction Premium Platts (25MT) Swap Futures - All Months (ALUMINUM MW TRANS PREM PLATTS SWAPS)

AUP	Spec		Increase	USD	165	150	330	300
AUP	Hedge/Member		Increase	USD	150	150	300	300

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
-----------	-------------------------	--------	-----------------	---------------------	-------------	-----------------

Volatility Scan (volScan) Rate

PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate

RBOB GASOLINE VS. EURO-BOB OXY (ARGUS) NWE BARGES SWAP FUTURES (EXR, MXB, RGE, XER) - volScan

Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnth 2	New				0.080
Clearing Member Rate	Mnths 3-10	New				0.080
Clearing Member Rate	Mnths 11+	New				0.080