



14-172

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, April 25, 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:

**Friday, April 25, 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
<b>Outright Rates</b>								

### **PETROLEUM CRACKS AND SPREADS - Outright Rates**

#### **JAPAN C&F NAPHTHA DUBAI (PLATTS) CR (JNC)**

JNC	Spec	Mnth 1	New	USD		2,640	2,400
JNC	Hedge/Member	Mnth 1	New	USD		2,400	2,400
JNC	Spec	Mnths 2+	New	USD		2,640	2,400
JNC	Hedge/Member	Mnths 2+	New	USD		2,400	2,400

## **SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS**

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>						
<b>PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate</b>						
<b>JAPAN C&amp;F NAPHTHA DUBAI (PLATTS) CR (JNC) - SOM</b>						
Clearing Member Rate		New			11.000	10.000

## **SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS**

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate</b>						
<b>JAPAN C&amp;F NAPHTHA DUBAI (PLATTS) CR (JNC) - volScan</b>						
Clearing Member Rate	Mnth 1	New			0.050	
Clearing Member Rate	Mnths 2+	New			0.050	