



14-263

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, June 26, 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, June 27, 2014.**

Current rates as of:

**Wednesday, June 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>								
<b>AGRICULTURE - Outright Rates</b>								
<b>CLASS IV MILK FUTURE (DK)</b>								
DK	Spec	Months 2-5	Increase	USD	1,265	1,150	1,430	1,300
DK	Hedge/Member	Months 2-5	Increase	USD	1,150	1,150	1,300	1,300
<b>PETROLEUM CRACKS AND SPREADS - Outright Rates</b>								
<b>GASOIL 0.1CIF MED VS. ICE GAS (Z5)</b>								
Z5	Spec	Mnth 2	Increase	USD	1,650	1,500	1,980	1,800
Z5	Hedge/Member	Mnth 2	Increase	USD	1,500	1,500	1,800	1,800
<b>SPORE MOGAS92 UNLD BRENT SPRD FUT (1NB)</b>								
1NB	Spec	Mnths 2+	Increase	USD	1,650	1,500	1,870	1,700
1NB	Hedge/Member	Mnths 2+	Increase	USD	1,500	1,500	1,700	1,700