



14-374

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

FROM: CME Clearing

SUBJECT: Review of Collateral Haircuts Advisory

DATE: Friday September 26, 2014

In conjunction with the regular review of market volatility to ensure adequate collateral coverage, please find below the current acceptable collateral and haircuts for CME Clearing. Please note that the changes column identified below indicates any near term changes to collateral and haircuts. Please see the 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	
		0 to ≤1 years	>1 to ≤3 years	>3 to ≤5 years	>5 to ≤10 years	>10 years		
U.S. Treasuries	TBILL	0.5%	--	--	--	--	-	
	TFRN	1.0%	2.0%	--	--	--	-	
	TNOTE/TBOND	1.0%	2.0%	3.0%	4.5%	6.0%	-	
	TIPS	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%						-	
Exchange Traded Funds	30%						-	
Letters of Credit	No Haircut						-	

*Please see website for applicability of each asset class towards CDS, IRS, and Futures requirements.