



14-410

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, October 17, 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, October 17, 2014.

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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Outright Rates

COAL - Outright Rates

ILLINOIS BASIN COAL FUTURES (ILB)

ILB	Spec	Month 1	New	USD			3,850	3,500
ILB	Hedge/Member	Month 1	New	USD			3,500	3,500
ILB	Spec	Mth 2-6	New	USD			3,300	3,000
ILB	Hedge/Member	Mth 2-6	New	USD			3,000	3,000
ILB	Spec	Mth 7+	New	USD			2,200	2,000
ILB	Hedge/Member	Mth 7+	New	USD			2,000	2,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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Outright Rates

Crude Oil - Outright Rates

WTI MIDLAND (ARGUS) TRADE MONTH FUT (WTI)

WTI	Spec	Mnth 1	New	USD			4,400	4,000
WTI	Hedge/Member	Mnth 1	New	USD			4,000	4,000
WTI	Spec	Mnth 2	New	USD			3,960	3,600
WTI	Hedge/Member	Mnth 2	New	USD			3,600	3,600
WTI	Spec	Mnths 3-6	New	USD			3,740	3,400
WTI	Hedge/Member	Mnths 3-6	New	USD			3,400	3,400
WTI	Spec	Mnths 7+	New	USD			3,520	3,200
WTI	Hedge/Member	Mnths 7+	New	USD			3,200	3,200

WTS (ARGUS) FINANCIAL FUTURES (WTS)

WTS	Spec	Mnth 1	New	USD			4,400	4,000
WTS	Hedge/Member	Mnth 1	New	USD			4,000	4,000
WTS	Spec	Mnth 2	New	USD			3,960	3,600
WTS	Hedge/Member	Mnth 2	New	USD			3,600	3,600
WTS	Spec	Mnths 3-6	New	USD			3,740	3,400
WTS	Hedge/Member	Mnths 3-6	New	USD			3,400	3,400
WTS	Spec	Mnths 7+	New	USD			3,520	3,200
WTS	Hedge/Member	Mnths 7+	New	USD			3,200	3,200

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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Outright Rates

CRUDE OIL SPREADS - Outright Rates

WTI MIDLAND (ARG) VS. WTI TRADE MTH (WTT)

WTT	Spec	Mnth 1	New	USD			4,675	4,250
WTT	Hedge/Member	Mnth 1	New	USD			4,250	4,250
WTT	Spec	Mnths 2-3	New	USD			2,530	2,300
WTT	Hedge/Member	Mnths 2-3	New	USD			2,300	2,300
WTT	Spec	Mnths 4-7	New	USD			2,200	2,000
WTT	Hedge/Member	Mnths 4-7	New	USD			2,000	2,000
WTT	Spec	Mnths 8+	New	USD			1,870	1,700
WTT	Hedge/Member	Mnths 8+	New	USD			1,700	1,700

WTS (ARGUS) VS. WTI FINANCIAL FUT (WTA)

WTA	Spec	Mnth 1	New	USD			4,675	4,250
WTA	Hedge/Member	Mnth 1	New	USD			4,250	4,250
WTA	Spec	Mnths 2-3	New	USD			2,530	2,300
WTA	Hedge/Member	Mnths 2-3	New	USD			2,300	2,300
WTA	Spec	Mnths 4-7	New	USD			2,200	2,000
WTA	Hedge/Member	Mnths 4-7	New	USD			2,000	2,000
WTA	Spec	Mnths 8+	New	USD			1,870	1,700
WTA	Hedge/Member	Mnths 8+	New	USD			1,700	1,700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
COAL - Intra Spreads								
(ILLINOIS BASIN COAL FUTURES)								
ILB	Spec		New	USD			1,375	1,250
ILB	Hedge/Member		New	USD			1,250	1,250
CRUDE OIL - Intra Spreads								
(WTI MIDLAND (ARGUS) TRADE MONTH FUT)								
WTI	Spec		New	USD			880	800
WTI	Hedge/Member		New	USD			800	800
(WTS (ARGUS) FINANCIAL FUTURES)								
WTS	Spec		New	USD			880	800
WTS	Hedge/Member		New	USD			800	800
CRUDE OIL SPREADS - Intra Spreads								
(WTI MIDLAND (ARG) VS. WTI TRADE MTH)								
WTT	Spec		New	USD			1,100	1,000
WTT	Hedge/Member		New	USD			1,000	1,000
(WTS (ARGUS) VS. WTI FINANCIAL FUT)								
WTA	Spec		New	USD			1,100	1,000
WTA	Hedge/Member		New	USD			1,000	1,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
COAL - Inter-commodity Spread Rates						
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs CENTRAL APPALACHIAN COAL FUTURES (NY-QL - CME)						
Spread Credit Rate	New	+1:-1			30%	30%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MTF - CME)						
Spread Credit Rate	New	+1:-1			30%	30%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs CSX COAL (PLATTS OTC BROKER INDEX) SWAP FUTURES (NY-QX - CME)						
Spread Credit Rate	New	+1:-1			30%	30%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs HENRY HUB NATURAL GAS FUTURES (NY-NG - CME)						
Spread Credit Rate	New	+2:-1			30%	30%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO CINERGY HUB 5 MW OFF-PEAK CALENDAR MONTH REAL-TIME SWAP FUTURES (NY-H4 - CME)						
Spread Credit Rate	New	+1:-600			20%	20%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO CINERGY HUB 5MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-K2 - CME)						
Spread Credit Rate	New	+1:-600			20%	20%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO CINERGY HUB OFF-PEAK LMP SWAP FUTURES (NY-EJ - CME)						
Spread Credit Rate	New	+1:-3			15%	15%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO ILLINOIS HUB OFF-PEAK CALENDAR-MONTH LMP SWAP FUTURES (NY-OJ - CME)						
Spread Credit Rate	New	+1:-600			30%	30%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-FDM - CME)						
Spread Credit Rate	New	+1:-600			20%	20%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-FTM - CME)						
Spread Credit Rate	New	+1:-600			15%	15%
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs POWDER RIVER BASIN COAL (PLATTS OTC BROKER INDEX) SWAP FUTURES (NY-QP - CME)						
Spread Credit Rate	New	+1:-1			25%	25%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
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Inter-commodity Spread Rates

CRUDE OIL - Inter-commodity Spread Rates

WTI MIDLAND (ARGUS) TRADE MONTH FUTURES (NY-WTI - CME) vs WTI MIDLAND (ARGUS) FINANCIAL FUTURES (NY-XB - CME)

Spread Credit Rate	New	+1:-1			98%	98%
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WTI MIDLAND (ARGUS) VS. WTI TRADE MONTH FUTURES (NY-WTT - CME) vs WTI MIDLAND (ARGUS) TRADE MONTH FUTURES (NY-WTI - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)

Spread Credit Rate	New	+1:-1:+1			98%	98%
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WTS (ARGUS) FINANCIAL FUTURES (NY-WTS - CME) vs WTS (ARGUS) TRADE MONTH SWAP FUTURES (NY-AY - CME)

Spread Credit Rate	New	+1:-1			98%	98%
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WTS (ARGUS) VS. WTI FINANCIAL FUTURES (NY-WTA - CME) vs WTS (ARGUS) FINANCIAL FUTURES (NY-WTS - CME) vs WTI CALENDAR SWAP FUTURES (NY-CS - CME)

Spread Credit Rate	New	+1:-1:+1			98%	98%
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CRUDE OIL SPREADS - Inter-commodity Spread Rates

WTI MIDLAND (ARGUS) VS. WTI TRADE MONTH FUTURES (NY-WTT - CME) vs WTI MIDLAND (ARGUS) TRADE MONTH FUTURES (NY-WTI - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)

Spread Credit Rate	New	+1:-1:+1			98%	98%
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WTS (ARGUS) VS. WTI FINANCIAL FUTURES (NY-WTA - CME) vs WTS (ARGUS) FINANCIAL FUTURES (NY-WTS - CME) vs WTI CALENDAR SWAP FUTURES (NY-CS - CME)

Spread Credit Rate	New	+1:-1:+1			98%	98%
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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
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Inter-commodity Spread Rates

ELECTRICITY - Inter-commodity Spread Rates

ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO CINERGY HUB 5 MW OFF-PEAK CALENDAR MONTH REAL-TIME SWAP FUTURES (NY-H4 - CME)

Spread Credit Rate	New	+1:-600			20%	20%
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ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO CINERGY HUB 5MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-K2 - CME)

Spread Credit Rate	New	+1:-600			20%	20%
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ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO CINERGY HUB OFF-PEAK LMP SWAP FUTURES (NY-EJ - CME)

Spread Credit Rate	New	+1:-3			15%	15%
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ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO ILLINOIS HUB OFF-PEAK CALENDAR-MONTH LMP SWAP FUTURES (NY-OJ - CME)

Spread Credit Rate	New	+1:-600			30%	30%
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ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-FDM - CME)

Spread Credit Rate	New	+1:-600			20%	20%
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ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (NY-ILB - CME) vs MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-FTM - CME)

Spread Credit Rate	New	+1:-600			15%	15%
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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
COAL - Short Option Minimum (SOM) Rate						
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (ILB) - SOM						
Clearing Member Rate		New			39.000	35.000
CRUDE OIL - Short Option Minimum (SOM) Rate						
WTI MIDLAND (ARGUS) TRADE MONTH FUTURES (WTI) - SOM						
Clearing Member Rate		New			33.000	30.000
WTS (ARGUS) FINANCIAL FUTURES (WTS) - SOM						
Clearing Member Rate		New			33.000	30.000
CRUDE OIL SPREADS - Short Option Minimum (SOM) Rate						
WTI MIDLAND (ARGUS) VS. WTI TRADE MONTH FUTURES (WTT) - SOM						
Clearing Member Rate		New			33.000	30.000
WTS (ARGUS) VS. WTI FINANCIAL FUTURES (WTA) - SOM						
Clearing Member Rate		New			33.000	30.000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
COAL - Volatility Scan (volScan) Rate						
ILLINOIS BASIN COAL FUTURES CONTRACT SPECS (ILB) - volScan						
Clearing Member Rate	Month 1	New				0.050
Clearing Member Rate	Mth 2-6	New				0.040
Clearing Member Rate	Mth 7+	New				0.030
CRUDE OIL - Volatility Scan (volScan) Rate						
WTI MIDLAND (ARGUS) TRADE MONTH FUTURES (WTI) - volScan						
Clearing Member Rate	Mnth 1	New				0.100
Clearing Member Rate	Mnth 2	New				0.070
Clearing Member Rate	Mnths 3-6	New				0.050
Clearing Member Rate	Mnths 7+	New				0.050
WTS (ARGUS) FINANCIAL FUTURES (WTS) - volScan						
Clearing Member Rate	Mnth 1	New				0.100
Clearing Member Rate	Mnth 2	New				0.070
Clearing Member Rate	Mnths 3-6	New				0.050
Clearing Member Rate	Mnths 7+	New				0.050
CRUDE OIL SPREADS - Volatility Scan (volScan) Rate						
WTI MIDLAND (ARGUS) VS. WTI TRADE MONTH FUTURES (WTT) - volScan						
Clearing Member Rate	Mnth 1	New				0.100
Clearing Member Rate	Mnths 2-3	New				0.070
Clearing Member Rate	Mnths 4-7	New				0.050
Clearing Member Rate	Mnths 8+	New				0.050
WTS (ARGUS) VS. WTI FINANCIAL FUTURES (WTA) - volScan						
Clearing Member Rate	Mnth 1	New				0.100
Clearing Member Rate	Mnths 2-3	New				0.070
Clearing Member Rate	Mnths 4-7	New				0.050
Clearing Member Rate	Mnths 8+	New				0.050