



14-427

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Monday, November 03, 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

Tuesday, November 04, 2014.

Current rates as of:

Monday, November 03, 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								
ELECTRICITY - Outright Rates								
PJM MONTHLY (JM)								
JM	Spec	Mnth 1	Increase	USD	22,000	20,000	27,500	25,000
JM	Hedge/Member	Mnth 1	Increase	USD	20,000	20,000	25,000	25,000
JM	Spec	Mnth 2	Increase	USD	3,850	3,500	5,500	5,000
JM	Hedge/Member	Mnth 2	Increase	USD	3,500	3,500	5,000	5,000
JM	Spec	Mnths 4-11	Increase	USD	1,650	1,500	1,870	1,700
JM	Hedge/Member	Mnths 4-11	Increase	USD	1,500	1,500	1,700	1,700
JM	Spec	Mnth 3	Increase	USD	2,200	2,000	2,750	2,500
JM	Hedge/Member	Mnth 3	Increase	USD	2,000	2,000	2,500	2,500
EQUITY INDEX - Outright Rates								
E-MINI NIKKEI 225 YEN DENOMINATED (ENY)								
ENY	Spec		Increase	JPY	72,600	66,000	82,500	75,000
ENY	Hedge/Member		Increase	JPY	66,000	66,000	75,000	75,000
NIKKEI 225 DOLLAR FUTURES (NK)								
NK	Spec		Increase	USD	3,630	3,300	4,125	3,750
NK	Hedge/Member		Increase	USD	3,300	3,300	3,750	3,750
NIKKEI 225 YEN FUT (N1)								
N1	Spec		Increase	JPY	363,000	330,000	412,500	375,000
N1	Hedge/Member		Increase	JPY	330,000	330,000	375,000	375,000
USD-DENOMINATED IBOVESPA INDEX (IBV)								
IBV	Spec		Decrease	USD	11,495	10,450	10,065	9,150
IBV	Hedge/Member		Decrease	USD	10,450	10,450	9,150	9,150
FX - Outright Rates								
BPJY FUTURE (BY)								
BY	Spec		Increase	JPY	330,000	300,000	396,000	360,000
BY	Hedge/Member		Increase	JPY	300,000	300,000	360,000	360,000
CD/JY FUTURES (CY)								
CY	Spec		Increase	JPY	357,500	325,000	401,500	365,000
CY	Hedge/Member		Increase	JPY	325,000	325,000	365,000	365,000
EURO FX/JY FUTURE (RY)								
RY	Spec		Increase	JPY	357,500	325,000	385,000	350,000
RY	Hedge/Member		Increase	JPY	325,000	325,000	350,000	350,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

NATURAL GAS - Outright Rates

ONEOK OKLAHOMA NG BASIS (8X)

8X	Spec	Mnth 21+	Increase	USD	275	250	330	300
8X	Hedge/Member	Mnth 21+	Increase	USD	250	250	300	300

PANHANDLE BASIS FUT (PH)

PH	Spec	Mnth 2	Increase	USD	121	110	132	120
PH	Hedge/Member	Mnth 2	Increase	USD	110	110	120	120
PH	Spec	Winter 2014/2015	Increase	USD	132	120	154	140
PH	Hedge/Member	Winter 2014/2015	Increase	USD	120	120	140	140

TEXAS EASTERN ZONE M-3 BASIS FUT (NX)

NX	Spec	Mth 1	Increase	USD	1,375	1,250	2,200	2,000
NX	Hedge/Member	Mth 1	Increase	USD	1,250	1,250	2,000	2,000
NX	Spec	Mth 2	Increase	USD	1,100	1,000	1,925	1,750
NX	Hedge/Member	Mth 2	Increase	USD	1,000	1,000	1,750	1,750
NX	Spec	Winter 2014/2015	Increase	USD	1,100	1,000	1,650	1,500
NX	Hedge/Member	Winter 2014/2015	Increase	USD	1,000	1,000	1,500	1,500

TRANSCO ZONE 6 BASIS FUT (NZ)

NZ	Spec	Mnth 1	Increase	USD	3,300	3,000	3,850	3,500
NZ	Hedge/Member	Mnth 1	Increase	USD	3,000	3,000	3,500	3,500
NZ	Spec	Mnth 2	Increase	USD	2,750	2,500	3,300	3,000
NZ	Hedge/Member	Mnth 2	Increase	USD	2,500	2,500	3,000	3,000
NZ	Spec	Winter 2014/2015	Increase	USD	2,200	2,000	2,750	2,500
NZ	Hedge/Member	Winter 2014/2015	Increase	USD	2,000	2,000	2,500	2,500

TRANSCO ZONE 6 NON NY BASIS FUT (TZ6)

TZ6	Spec	Mnth 1	Increase	USD	1,650	1,500	2,200	2,000
TZ6	Hedge/Member	Mnth 1	Increase	USD	1,500	1,500	2,000	2,000
TZ6	Spec	Mnth 2	Increase	USD	1,430	1,300	1,980	1,800
TZ6	Hedge/Member	Mnth 2	Increase	USD	1,300	1,300	1,800	1,800
TZ6	Spec	Winter 2014/2015	Increase	USD	1,320	1,200	1,870	1,700
TZ6	Hedge/Member	Winter 2014/2015	Increase	USD	1,200	1,200	1,700	1,700

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

CHI ULSD (PLATTS) VS. NY HRBR ULSD (5C)

5C	Spec	Mnth 1	Increase	USD	3,190	2,900	3,630	3,300
5C	Hedge/Member	Mnth 1	Increase	USD	2,900	2,900	3,300	3,300

MIN ULSD 10PPM CRGOS CIF MED VS GSL (UCM)

UCM	Spec	Mnth 1	Increase	USD	594	540	715	650
UCM	Hedge/Member	Mnth 1	Increase	USD	540	540	650	650

ULSD 10PPM CIF MED VS. ICE GAS (Z7)

Z7	Spec	Mnth 1	Increase	USD	5,940	5,400	7,150	6,500
Z7	Hedge/Member	Mnth 1	Increase	USD	5,400	5,400	6,500	6,500

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						

NATURAL GAS - Volatility Scan (volScan) Rate

TRANSCO ZONE 6 NON-N.Y (PLATTS IFERC) BASIS SWAP FUTURES (TZ6) - volScan

Clearing Member Rate	Mnth 1	Increase		0.070	25.000%
Clearing Member Rate	Mnth 2	Increase		0.070	25.000%
Clearing Member Rate	Winter 2014/2015	Increase		0.070	15.000%
Clearing Member Rate	Summer 2015	Increase		0.070	15.000%
Clearing Member Rate	Nov 2015+	Increase		0.070	15.000%