



14-435

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Monday, November 10, 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 11, 2014.**

Current rates as of:

**Monday, November 10, 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>CASH BUTTER FUTURES (CB)</b>								
CB	Spec	Months 5-Rest	New	USD			2,200	2,000
CB	Hedge/Member	Months 5-Rest	New	USD			2,000	2,000
<b>SOYBEAN MEAL FUTURES (06)</b>								
06	Spec	All Months	Increase	USD	2,200	2,000	2,750	2,500
06	Hedge/Member	All Months	Increase	USD	2,000	2,000	2,500	2,500

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						
<b>AGRICULTURE - Inter-commodity Spread Rates</b>						
<b>DA (Class 3 Milk) vs DB (Cash Butter) vs DY (Dry Whey) vs CSC (Cash Settled Cheese)</b>						
Spread Credit Rate	New	+100:-4:-27:-96			90%	90%

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>AGRICULTURE - Volatility Scan (volScan) Rate</b>						
<b>CASH SETTLED BUTTER (9R, CB, CB, DB, DB) - volScan</b>						
Clearing Member Rate	Months 5-Rest	New				0.050