



14-454

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, November 21, 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, November 21, 2014.

Current rates as of:

Friday, November 21, 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
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Outright Rates

FX - Outright Rates

US DOLLARS/CHILEAN PESO FUTURES (CHL)

CHL	Spec	Jan14 - Dec14	New	USD			2,200	2,000
	Hedge/Member		New	USD			2,000	2,000
	Spec	Jan15 - Dec15	New	USD			2,200	2,000
CHL	Hedge/Member	Jan15 - Dec15	New	USD			2,000	2,000
CHL	Spec	Jan16 - Dec16	New	USD			2,200	2,000
CHL	Hedge/Member	Jan16 - Dec16	New	USD			2,000	2,000
CHL	Spec	Jan17+	New	USD			2,200	2,000
CHL	Hedge/Member	Jan17+	New	USD			2,000	2,000

Crude - Outright Rates

CANADIAN HEAVY CRUDE OIL BALMO (CHB)

CHB	Spec		New	USD			5,500	5,000
CHB	Hedge/Member		New	USD			5,000	5,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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Intra Spreads

FX - Intra Spreads

(US DOLLARS/CHILEAN PESO FUTURES)

CHL	Spec		New	USD			770	700
CHL	Hedge/Member		New	USD			700	700

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

FX - Inter-commodity Spread Rates

US DOLLAR/CHILEAN PESO FUTURES (CHL - CME) vs BRAZILIAN REAL (BR - CME)

Spread Credit Rate	New	+1:-3			30%	30%
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US DOLLAR/CHILEAN PESO FUTURES (CHL - CME) vs COPPER FUTURES (CX-HG - CME)

Spread Credit Rate	New	+1:-1			20%	20%
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US DOLLAR/CHILEAN PESO FUTURES (CHL - CME) vs MEXICAN PESO (MP - CME)

Spread Credit Rate	New	+1:-3			30%	30%
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METALS - Inter-commodity Spread Rates

US DOLLAR/CHILEAN PESO FUTURES (CHL - CME) vs COPPER FUTURES (CX-HG - CME)

Spread Credit Rate	New	+1:-1			20%	20%
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Crude - Intra Spreads

CANADIAN HEAVY CRUDE OIL BALMO (CHB)

CHB	Spec	New		USD			550	500
CHB	Hedge/Member	New		USD			500	500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
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Short Option Minimum (SOM) Rate

FX - Short Option Minimum (SOM) Rate

US DOLLAR/CHILEAN PESO FUTURES (CHL) - SOM

Clearing Member Rate	New				1.375%	1.250%
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Crude - Short Option Minimum (SOM) Rate

CANADIAN HEAVY CRUDE OIL BAL (CHB) - SOM

Clearing Member Rate	New				66.00	60.00
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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
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Volatility Scan (volScan) Rate

FX - Volatility Scan (volScan) Rate

US DOLLAR/CHILEAN PESO FUTURES (CHL) - volScan

Clearing Member Rate	Jan 14 - Dec 14	New				0.070
Clearing Member Rate	Jan15 - Dec15	New				0.070
Clearing Member Rate	Jan16 - Dec16	New				0.070
Clearing Member Rate	Jan17+	New				0.070

Crude – Volatility Scan Rate

CANADIAN HEAVY CRUDE OIL BAL (CHB) – Vol Scan

Clearing Member Rate		New				0.05
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