



15-017

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, January 16, 2015

***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, January 23, 2015.**

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

#### METALS - Outright Rates

#### GOLD KILO FUTURES (GCK)

GCK	Spec	Mths 1-4	New	USD			1,980	1,800
GCK	Hedge/Member	Mths 1-4	New	USD			1,800	1,800
GCK	Spec	Mths 5-6	New	USD			1,980	1,800
GCK	Hedge/Member	Mths 5-6	New	USD			1,800	1,800
GCK	Spec	Mths 7-12	New	USD			1,980	1,800
GCK	Hedge/Member	Mths 7-12	New	USD			1,800	1,800
GCK	Spec	Mths 13-16	New	USD			1,980	1,800
GCK	Hedge/Member	Mths 13-16	New	USD			1,800	1,800
GCK	Spec	Mths 17+	New	USD			1,980	1,800
GCK	Hedge/Member	Mths 17+	New	USD			1,800	1,800

## 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

#### METALS - Intra Spreads

#### COMEX Kilo Gold - Mths 1-4 vs Mths 1-4

##### (GOLD KILO FUTURES)

GCK	Spec		New	USD			50	45
GCK	Hedge/Member		New	USD			45	45

#### COMEX Kilo Gold - Mths 1-4 vs Mths 5-6

##### (GOLD KILO FUTURES)

GCK	Spec		New	USD			50	45
GCK	Hedge/Member		New	USD			45	45

#### COMEX Kilo Gold - Mths 1-4 vs Mths 7-12

##### (GOLD KILO FUTURES)

GCK	Spec		New	USD			61	55
GCK	Hedge/Member		New	USD			55	55

#### COMEX Kilo Gold - Mths 1-4 vs Mths 13-16

##### (GOLD KILO FUTURES)

GCK	Spec		New	USD			176	160
GCK	Hedge/Member		New	USD			160	160

#### COMEX Kilo Gold - Mths 1-4 vs Mths 17+

##### (GOLD KILO FUTURES)

GCK	Spec		New	USD			308	280
GCK	Hedge/Member		New	USD			280	280

#### COMEX Kilo Gold - Mths 5-6 vs Mths 5-6

##### (GOLD KILO FUTURES)

GCK	Spec		New	USD			50	45
GCK	Hedge/Member		New	USD			45	45

#### COMEX Kilo Gold - Mths 5-6 vs Mths 7-12

##### (GOLD KILO FUTURES)

GCK	Spec		New	USD			50	45
GCK	Hedge/Member		New	USD			45	45

#### COMEX Kilo Gold - Mths 5-6 vs Mths 13-16

##### (GOLD KILO FUTURES)

GCK	Spec		New	USD			176	160
GCK	Hedge/Member		New	USD			160	160

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>COMEX Kilo Gold - Mths 5-6 vs Mths 17+ (GOLD KILO FUTURES)</b>								
GCK	Spec		New	USD			308	280
GCK	Hedge/Member		New	USD			280	280
<b>COMEX Kilo Gold - Mths 7-12 vs Mths 7-12 (GOLD KILO FUTURES)</b>								
GCK	Spec		New	USD			50	45
GCK	Hedge/Member		New	USD			45	45
<b>COMEX Kilo Gold - Mths 7-12 vs Mths 13-16 (GOLD KILO FUTURES)</b>								
GCK	Spec		New	USD			176	160
GCK	Hedge/Member		New	USD			160	160
<b>COMEX Kilo Gold - Mths 7-12 vs Mths 17+ (GOLD KILO FUTURES)</b>								
GCK	Spec		New	USD			308	280
GCK	Hedge/Member		New	USD			280	280
<b>COMEX Kilo Gold - Mths 13-16 vs Mths 13-16 (GOLD KILO FUTURES)</b>								
GCK	Spec		New	USD			176	160
GCK	Hedge/Member		New	USD			160	160
<b>COMEX Kilo Gold - Mths 13-16 vs Mths 17+ (GOLD KILO FUTURES)</b>								
GCK	Spec		New	USD			308	280
GCK	Hedge/Member		New	USD			280	280
<b>COMEX Kilo Gold - Mths 17+ vs Mths 17+ (GOLD KILO FUTURES)</b>								
GCK	Spec		New	USD			308	280
GCK	Hedge/Member		New	USD			280	280

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						

### FX - Inter-commodity Spread Rates

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**KILO GOLD FUTURES (CX-GCK - CME) vs AUSTRALIAN DOLLAR (AD - CME)**

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Spread Credit Rate	New	+3:-1			25%	25%
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**KILO GOLD FUTURES (CX-GCK - CME) vs EURO FX (EC - CME)**

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Spread Credit Rate	New	+3:-1			35%	35%
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**KILO GOLD FUTURES (CX-GCK - CME) vs JAPANESE YEN (JY - CME)**

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Spread Credit Rate	New	+3:-1			35%	35%
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## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						
<b>METALS - Inter-commodity Spread Rates</b>						
<b>KILO GOLD FUTURES (CX-GCK - CME) vs ALUMINUM FUTURES (CX-ALI - CME)</b>						
Spread Credit Rate	New	+3:-1			25%	25%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs AUSTRALIAN DOLLAR (AD - CME)</b>						
Spread Credit Rate	New	+3:-1			25%	25%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs CLEARED OTC LONDON GOLD FORWARDS (COLLATERAL MARGIN) (CX-GB - CME)</b>						
Spread Credit Rate	New	+3:-100			90%	90%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs COPPER FUTURES (CX-HG - CME)</b>						
Spread Credit Rate	New	+3:-2			35%	35%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs EURO FX (EC - CME)</b>						
Spread Credit Rate	New	+3:-1			35%	35%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs GOLD FUTURES (CX-GC - CME)</b>						
Spread Credit Rate	New	+3:-1			90%	90%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs JAPANESE YEN (JY - CME)</b>						
Spread Credit Rate	New	+3:-1			35%	35%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs PALLADIUM FUTURES (NY-PA - CME)</b>						
Spread Credit Rate	New	+3:-2			45%	45%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs PLATINUM FUTURES (NY-PL - CME)</b>						
Spread Credit Rate	New	+3:-2			60%	60%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs S&amp;P GSCI GOLD PRODUCT (GDI - CME)</b>						
Spread Credit Rate	New	+3:-5			55%	55%
<b>KILO GOLD FUTURES (CX-GCK - CME) vs SILVER FUTURES (CX-SI - CME)</b>						
Spread Credit Rate	New	+3:-1			70%	70%

## 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**

#### **METALS - Short Option Minimum (SOM) Rate**

### **KILO GOLD FUTURES (GCK) - SOM**

Clearing Member Rate		New			22.000	20.000
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## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>METALS - Volatility Scan (volScan) Rate</b>						
<b>KILO GOLD FUTURES (GCK) - volScan</b>						
Clearing Member Rate	Mths 1-4	New				0.040
Clearing Member Rate	Mths 5-6	New				0.030
Clearing Member Rate	Mths 7-12	New				0.020
Clearing Member Rate	Mths 13-16	New				0.015
Clearing Member Rate	Mths 17+	New				0.010