



15-089

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, March 25, 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, March 27, 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

COAL - Outright Rates

COAL API8 ARGUS/MCCLOS SO CHINA QRT (A8S)

A8S	Spec		New	USD			6,600	6,000
A8S	Hedge/Member		New	USD			6,000	6,000

COAL API8 CHINA ARGUS/MCCLOS CAL ST (ACS)

ACS	Spec		New	USD			26,400	24,000
ACS	Hedge/Member		New	USD			24,000	24,000

INDONESIAN COAL API8 CHINA ARGUS/MC (ICS)

ICS	Spec	Mth 1	New	USD			52,800	48,000
ICS	Hedge/Member	Mth 1	New	USD			48,000	48,000
ICS	Spec	Mths 2-6	New	USD			26,400	24,000
ICS	Hedge/Member	Mths 2-6	New	USD			24,000	24,000
ICS	Spec	Mths 7+	New	USD			21,780	19,800
ICS	Hedge/Member	Mths 7+	New	USD			19,800	19,800

INDONESIAN COALMCCLOS SUB-BIT QRT S (I4S)

I4S	Spec	Mth 1	New	USD			13,200	12,000
I4S	Hedge/Member	Mth 1	New	USD			12,000	12,000
I4S	Spec	Mths 2-6	New	USD			6,600	6,000
I4S	Hedge/Member	Mths 2-6	New	USD			6,000	6,000
I4S	Spec	Mths 7+	New	USD			5,445	4,950
I4S	Hedge/Member	Mths 7+	New	USD			4,950	4,950

CRUDE OIL - Outright Rates

LOOP CRUDE OIL STORAGE FUTURES (LPS)

LPS	Spec	Mth 1	New	USD			990	900
LPS	Hedge/Member	Mth 1	New	USD			900	900
LPS	Spec	Mths 2-3	New	USD			770	700
LPS	Hedge/Member	Mths 2-3	New	USD			700	700
LPS	Spec	Mths 4+	New	USD			440	400
LPS	Hedge/Member	Mths 4+	New	USD			400	400

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

CRUDE OIL - Intra Spreads

All Months (LOOP CRUDE OIL STORAGE FUTURES)

LPS	Spec		New	USD			198	180
LPS	Hedge/Member		New	USD			180	180

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						
COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) CALENDAR FUTURES STRIP (AC8, ACS) - SOM						
Clearing Member Rate		New			264.000	240.000
COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) QUARTERLY FUTURES STRIP (A84, A8S) - SOM						
Clearing Member Rate		New			66.000	60.000
INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) CALENDAR FUTURES STRIP (ICC, ICS) - SOM						
Clearing Member Rate		New			528.000	480.000
INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) QUARTERLY FUTURES STRIP (I4S, IC4) - SOM						
Clearing Member Rate		New			132.000	120.000
CRUDE OIL - Short Option Minimum (SOM) Rate						
LOOP CRUDE OIL STORAGE FUTURES (LPS) - SOM						
Clearing Member Rate		New			11.000	10.000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
COAL - Volatility Scan (volScan) Rate						
COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) CALENDAR FUTURES STRIP (AC8, ACS) - volScan						
Clearing Member Rate		New				0.080
COAL (API 8) CFR SOUTH CHINA (ARGUS/MCCLOSKEY) QUARTERLY FUTURES STRIP (A84, A8S) - volScan						
Clearing Member Rate		New				0.080
INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) CALENDAR FUTURES STRIP (ICC, ICS) - volScan						
Clearing Member Rate	Mth 1	New				0.080
Clearing Member Rate	Mths 2-6	New				0.080
Clearing Member Rate	Mths 7+	New				0.080
INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) QUARTERLY FUTURES STRIP (I4S, IC4) - volScan						
Clearing Member Rate	Mth 1	New				0.080
Clearing Member Rate	Mths 2-6	New				0.080
Clearing Member Rate	Mths 7+	New				0.080
CRUDE OIL - Volatility Scan (volScan) Rate						
LOOP CRUDE OIL STORAGE FUTURES (LPS) - volScan						
Clearing Member Rate	Mth 1	New				0.050
Clearing Member Rate	Mths 2-3	New				0.040
Clearing Member Rate	Mths 4+	New				0.040