



15-176

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, June 23, 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, June 26, 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**

##### **ZINC FUTURES (ZNC)**

ZNC	Spec	Mths 1-4	New	USD			2,420	2,200
ZNC	Hedge/Member	Mths 1-4	New	USD			2,200	2,200
ZNC	Spec	Mths 5-6	New	USD			2,420	2,200
ZNC	Hedge/Member	Mths 5-6	New	USD			2,200	2,200
ZNC	Spec	Mths 7-12	New	USD			2,420	2,200
ZNC	Hedge/Member	Mths 7-12	New	USD			2,200	2,200
ZNC	Spec	Mths 13+	New	USD			2,420	2,200
ZNC	Hedge/Member	Mths 13+	New	USD			2,200	2,200

## 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

#### All Months (ZINC FUTURES)

ZNC	Spec		New	USD			363	330
ZNC	Hedge/Member		New	USD			330	330

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

#### METALS - Inter-commodity Spread Rates

#### ZINC FUTURES (CX-ZNC - CME) vs ALUMINUM MW US TRANSACTION PREMIUM PLATTS (25MT) SWAP FUTURES (CX-AUP - CME)

Spread Credit Rate	New	+1:-1			55%	55%
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#### ZINC FUTURES (CX-ZNC - CME) vs COPPER FUTURES (CX-HG - CME)

Spread Credit Rate	New	+1:-1			60%	60%
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#### ZINC FUTURES (CX-ZNC - CME) vs GOLD FUTURES (CX-GC - CME)

Spread Credit Rate	New	+1:-1			30%	30%
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#### ZINC FUTURES (CX-ZNC - CME) vs SILVER FUTURES (CX-SI - CME)

Spread Credit Rate	New	+1:-1			30%	30%
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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>Short Option Minimum (SOM) Rate</b>						

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

#### **ZINC FUTURES (ZNC) - SOM**

Clearing Member Rate		New			24.200	22.000
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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>ZINC FUTURES (ZNC) - volScan</b>						
Clearing Member Rate	Mths 1-4	New				0.070
Clearing Member Rate	Mths 5-6	New				0.040
Clearing Member Rate	Mths 7-12	New				0.030
Clearing Member Rate	Mths 13+	New				0.020