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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, October 22, 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, October 23, 2015.

Current rates as of:

Thursday, October 22, 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
Outright Rates								
ELECTRICITY - Outright Rates								
AEP-DAYTON HUB OFF-PEAK MONTHLY (VP)								
VP	Spec	Mnths 12+	Increase	USD	1,375	1,250	1,485	1,350
VP	Hedge/Member	Mnths 12+	Increase	USD	1,250	1,250	1,350	1,350
MISO INDIANA HUB 5MW D AH PK (H5)								
H5	Spec	Mnth 12+	Increase	USD	110	100	127	115
H5	Hedge/Member	Mnth 12+	Increase	USD	100	100	115	115
MISO INDIANA HUB OFF-PEAK MO FUT (EJ)								
EJ	Spec	Mnth 12+	Increase	USD	1,100	1,000	1,210	1,100
EJ	Hedge/Member	Mnth 12+	Increase	USD	1,000	1,000	1,100	1,100
NORTHERN ILLINOIS OFF-PEAK MONTHLY (UO)								
UO	Spec	Mnths 3-5	Increase	USD	1,100	1,000	1,320	1,200
UO	Hedge/Member	Mnths 3-5	Increase	USD	1,000	1,000	1,200	1,200
UO	Spec	Mnths 6-11	Increase	USD	990	900	1,100	1,000
UO	Hedge/Member	Mnths 6-11	Increase	USD	900	900	1,000	1,000
UO	Spec	Mnths 12+	New	USD			990	900
UO	Hedge/Member	Mnths 12+	New	USD			900	900
FREIGHT - Outright Rates								
FREIGHT ROUTE LIQUID PETROLEUM GAS (FLP)								
FLP	Spec	Mths 2+	Increase	USD	7,150	6,500	7,865	7,150
FLP	Hedge/Member	Mths 2+	Increase	USD	6,500	6,500	7,150	7,150
NATURAL GAS - Outright Rates								
TETCO STX BASIS (TX)								
TX	Spec	Mths 13+	Increase	USD	99	90	121	110
TX	Hedge/Member	Mths 13+	Increase	USD	90	90	110	110

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								

PETROLEUM CRACKS AND SPREADS - Outright Rates

GASOIL 0.1 RDAM BRGS V. ICE (WQ)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
WQ	Spec	Mnth 1	Increase	USD	3,080	2,800	3,388	3,080
WQ	Hedge/Member	Mnth 1	Increase	USD	2,800	2,800	3,080	3,080
WQ	Spec	Mnths 2-5	Increase	USD	3,025	2,750	3,328	3,025
WQ	Hedge/Member	Mnths 2-5	Increase	USD	2,750	2,750	3,025	3,025

MINI GSOIL .1 PLTTS VS ICE GSOIL FU (MGB)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
MGB	Spec	Mnth 1	Increase	USD	308	280	339	308
MGB	Hedge/Member	Mnth 1	Increase	USD	280	280	308	308
MGB	Spec	Mnths 2-5	Increase	USD	303	275	333	303
MGB	Hedge/Member	Mnths 2-5	Increase	USD	275	275	303	303

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			AGRICULTURE - Intra Spreads					
Nonfat Dry Milk (NF) - Tier 1 vs Tier 1 (NONFAT DRY MILK FUTURES)								
NF	Spec		Increase	USD	1,870	1,700	2,090	1,900
NF	Hedge/Member		Increase	USD	1,700	1,700	1,900	1,900
			NATURAL GAS - Intra Spreads					
Dominion (Platts IFERC) Fixed Price Swap Futures - All Months (DOMINION (IFERC) FIXED PRICE FUT)								
DSF	Spec		Increase	USD	330	300	440	400
DSF	Hedge/Member		Increase	USD	300	300	400	400
			PETROLEUM CRACKS AND SPREADS - Intra Spreads					
Gasoil 0.1 Barges FOB Rdam v. ICE Gasoil Swap - All Months (GASOIL 0.1 RDAM BRGS V. ICE)								
WQ	Spec		Increase	USD	2,200	2,000	2,530	2,300
WQ	Hedge/Member		Increase	USD	2,000	2,000	2,300	2,300
Gasoil 0.1 Barges FOB Rdam v. ICE Gasoil Swap - All Months (MINI GSOIL .1 PLTTS VS ICE GSOIL FU)								
MGB	Spec		Increase	USD	220	200	253	230
MGB	Hedge/Member		Increase	USD	200	200	230	230
GULF COAST JET VS. NYMEX #2 HEA (ME) - All Months (GLFCST JET PLATTS UP/DN FUT)								
ME	Spec		Decrease	USD	1,265	1,150	770	700
ME	Hedge/Member		Decrease	USD	1,150	1,150	700	700
Singapore Fuel Oil Spread Swap - Tier 1 vs Tier 1 (SINGAPORE FUEL OIL SPREAD FUT)								
SD	Spec		Increase	USD	1,815	1,650	1,870	1,700
SD	Hedge/Member		Increase	USD	1,650	1,650	1,700	1,700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
AGRICULTURE - Inter-commodity Spread Rates						
Class IV Milk (DK) vs. Milk (DA)						
Spread Credit Rate	Decrease	+1:-1	40%	40%	30%	30%
Corn (CBOT) (C) vs. Feeder Cattle (FC) vs. Live Cattle (LC)						
Spread Credit Rate	Decrease	+1:+1:-2	60%	60%	35%	35%
Soybeans vs. KCBT Wheat						
Spread Credit Rate	Decrease	+1:-1	10%	10%	0%	0%
ELECTRICITY - Inter-commodity Spread Rates						
NYISO ZONE G 5 MW OFF-PEAK CAL DA LBMP SWAP FUT (NY-D2- CME) vs NYISO ZONE G OFF-PEAK LBMP SWAP FUT (NY-KH- CME)						
Spread Credit Rate	Decrease	+202:-1	85%	85%	80%	80%