



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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, November 19, 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, November 20, 2015.**

Current rates as of:

**Thursday, November 19, 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
<b>Outright Rates</b>								

### **METALS - Outright Rates**

#### **LEAD FUTURES (LED)**

LED	Spec	Mth 1	New	USD	3,300	3,000
LED	Hedge/Member	Mth 1	New	USD	3,000	3,000
LED	Spec	Mths 2-3	New	USD	3,190	2,900
LED	Hedge/Member	Mths 2-3	New	USD	2,900	2,900
LED	Spec	Mths 4-6	New	USD	3,080	2,800
LED	Hedge/Member	Mths 4-6	New	USD	2,800	2,800
LED	Spec	Mths 7+	New	USD	2,970	2,700
LED	Hedge/Member	Mths 7+	New	USD	2,700	2,700

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>METALS - Intra Spreads</b>								
<b>Tier 1 (Mth 1) vs. Tier 2 (Mths 2-3) (LEAD FUTURES)</b>								
LED	Spec		New	USD			605	550
LED	Hedge/Member		New	USD			550	550
<b>Tier 1 (Mth 1 vs. Tier 3 (Mths 4-6) (LEAD FUTURES)</b>								
LED	Spec		New	USD			633	575
LED	Hedge/Member		New	USD			575	575
<b>Tier 1 (Mth 1 vs. Tier 4 (Mths 7+) (LEAD FUTURES)</b>								
LED	Spec		New	USD			660	600
LED	Hedge/Member		New	USD			600	600
<b>Tier 2 (Mths 2-3) vs. Tier 2 (Mths 2-3) (LEAD FUTURES)</b>								
LED	Spec		New	USD			578	525
LED	Hedge/Member		New	USD			525	525
<b>Tier 2 (Mths 2-3) vs. Tier 3 (Mths 4-6) (LEAD FUTURES)</b>								
LED	Spec		New	USD			605	550
LED	Hedge/Member		New	USD			550	550
<b>Tier 2 (Mths 2-3) vs. Tier 4 (Mths 7+) (LEAD FUTURES)</b>								
LED	Spec		New	USD			633	575
LED	Hedge/Member		New	USD			575	575
<b>Tier 3 (Mths 4-6) vs. Tier 3 (Mths 4-6) (LEAD FUTURES)</b>								
LED	Spec		New	USD			578	525
LED	Hedge/Member		New	USD			525	525
<b>Tier 3 (Mths 4-6) vs. Tier 4 (Mths 7+) (LEAD FUTURES)</b>								
LED	Spec		New	USD			715	650
LED	Hedge/Member		New	USD			650	650
<b>Tier 4 (Mths 7+) vs. Tier 4 (Mths 7+) (LEAD FUTURES)</b>								
LED	Spec		New	USD			578	525
LED	Hedge/Member		New	USD			525	525

## **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>LEAD FUTURES (CX-LED - CME) vs ALUMINUM FUTURES (CX-ALI - CME)</b>						
Spread Credit Rate	New	+1:-1			55%	55%
<b>LEAD FUTURES (CX-LED - CME) vs COPPER FUTURES (CX-HG - CME)</b>						
Spread Credit Rate	New	+7:-5			55%	55%
<b>LEAD FUTURES (CX-LED - CME) vs GOLD FUTURES (CX-GC - CME)</b>						
Spread Credit Rate	New	+5:-2			20%	20%
<b>LEAD FUTURES (CX-LED - CME) vs SILVER FUTURES (CX-SI - CME)</b>						
Spread Credit Rate	New	+7:-4			20%	20%
<b>LEAD FUTURES (CX-LED - CME) vs ZINC FUTURES (CX-ZNC - CME)</b>						
Spread Credit Rate	New	+1:-1			55%	55%

## **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>						
<b>METALS - Short Option Minimum (SOM) Rate</b>						
<b>LEAD FUTURES (LED) - SOM</b>						
Clearing Member Rate		New			33.000	30.000

## **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>LEAD FUTURES (LED) - volScan</b>						
Clearing Member Rate	Mth 1	New				0.070
Clearing Member Rate	Mths 2-3	New				0.040
Clearing Member Rate	Mths 4-6	New				0.030
Clearing Member Rate	Mths 7+	New				0.020