



CH Advisory 16-008

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, January 07, 2016

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 08, 2016.

Current rates as of:

Thursday, January 07, 2016.

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	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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INTEREST RATES - Outright Rates

ULTRA 10-YEAR U S TREASURY NOTE FUT (TN)

TN	Spec	New	USD			2,145	1,950
TN	Hedge/Member	New	USD			1,950	1,950

INTEREST RATES - Intra Spreads

Ultra 10-Year U.S. Treasury Note Futures Butterfly (ULTRA 10-YEAR U S TREASURY NOTE FUT)

TN	Spec	New	USD			330	300
TN	Hedge/Member	New	USD			300	300

Ultra 10-Year U.S. Treasury Note Futures Months 1-2 vs. Months 1-2 (ULTRA 10-YEAR U S TREASURY NOTE FUT)

TN	Spec	New	USD			385	350
TN	Hedge/Member	New	USD			350	350

Ultra 10-Year U.S. Treasury Note Futures Months 1-2 vs. Months 3+ (ULTRA 10-YEAR U S TREASURY NOTE FUT)

TN	Spec	New	USD			440	400
TN	Hedge/Member	New	USD			400	400

Ultra 10-Year U.S. Treasury Note Futures Months 3+ vs. Months 3+ (ULTRA 10-YEAR U S TREASURY NOTE FUT)

TN	Spec	New	USD			385	350
TN	Hedge/Member	New	USD			350	350

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
INTEREST RATES - Inter-commodity Spread Rates						
Ultra 10-Year U.S. Treasury Note Futures vs 10 Year US Treasury						
Spread Credit Rate	New	+1:-1			80%	80%
Ultra 10-Year U.S. Treasury Note Futures vs 5 Year Treasury						
Spread Credit Rate	New	+3:-5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs ED Contracts 37-40						
Spread Credit Rate	New	+2:-5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs ED Contracts 9-12						
Spread Credit Rate	New	+2:-5			60%	60%
Ultra 10-Year U.S. Treasury Note Futures vs ED Contracts 13-16						
Spread Credit Rate	New	+2:+5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs ED Contracts 17-20						
Spread Credit Rate	New	+2:+5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs ED Contracts 21-24						
Spread Credit Rate	New	+2:-5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs Contracts 25-28						
Spread Credit Rate	New	+2:-5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs US Treasury Bond Futures (17)						
Spread Credit Rate	New	+3:-2			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs. 2 Year Treasury Note						
Spread Credit Rate	New	+1:-2			50%	50%
Ultra 10-Year U.S. Treasury Note Futures vs. ED Contracts 41-44						
Spread Credit Rate	New	+2:-5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs. ED Contracts 4-8						
Spread Credit Rate	New	+2:-5			35%	35%
Ultra 10-Year U.S. Treasury Note Futures vs. ED Contracts 29-32						
Spread Credit Rate	New	+2:-5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs. ED Contracts 33-36						
Spread Credit Rate	New	+2:-5			70%	70%
Ultra 10-Year U.S. Treasury Note Futures vs. UBE						
Spread Credit Rate	New	+3:-2			70%	70%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

INTEREST RATES - Short Option Minimum (SOM) Rate

ULTRA 10-YEAR U.S. TREASURY NOTE FUTURES (TN, TN, TNW) - SOM

Clearing Member Rate	New	16.500	15.000
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INTEREST RATES - Volatility Scan (volScan) Rate

ULTRA 10-YEAR U.S. TREASURY NOTE FUTURES (TN, TN, TNW) - volScan

Clearing Member Rate	New		0.020
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