



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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, January 27, 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

Thursday, January 28, 2016.

Current rates as of:

Wednesday, January 27, 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	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
COAL - Outright Rates								
COAL API2 CIF ARA ARG-MCCLOSKEY FUT (MTF)								
MTF	Spec	Month 1	Increase	USD	2,035	1,850	2,310	2,100
MTF	Hedge/Member	Month 1	Increase	USD	1,850	1,850	2,100	2,100
MTF	Spec	Mth 2-6	Increase	USD	2,008	1,825	2,200	2,000
MTF	Hedge/Member	Mth 2-6	Increase	USD	1,825	1,825	2,000	2,000
MTF	Spec	Mth 7+	Increase	USD	1,650	1,500	1,815	1,650
MTF	Hedge/Member	Mth 7+	Increase	USD	1,500	1,500	1,650	1,650
ELECTRICITY - Outright Rates								
PJM DAYTON DA OFF-PEAK (R7)								
R7	Spec	Mnths 3-11	Increase	USD	11	10	17	15
R7	Hedge/Member	Mnths 3-11	Increase	USD	10	10	15	15
R7	Spec	Mnths 12+	Increase	USD	11	10	17	15
R7	Hedge/Member	Mnths 12+	Increase	USD	10	10	15	15
NATURAL GAS - Outright Rates								
CIG BASIS (CI)								
CI	Spec	Mnths 13-32	Decrease	USD	231	210	154	140
CI	Hedge/Member	Mnths 13-32	Decrease	USD	210	210	140	140
CI	Spec	Mnths 33+	New	USD			231	210
CI	Hedge/Member	Mnths 33+	New	USD			210	210
COLUMB GULF MAINLINE NG BASIS (5Z)								
5Z	Spec	Mnths 25+	Increase	USD	22	20	28	25
5Z	Hedge/Member	Mnths 25+	Increase	USD	20	20	25	25
COLUMBIA GULF ONSHORE BASIS FUT (GL)								
GL	Spec	Mnth 1	Decrease	USD	143	130	110	100
GL	Hedge/Member	Mnth 1	Decrease	USD	130	130	100	100
HOUSTON SHIP CHANNEL BASIS FUT (NH)								
NH	Spec	Mnth 2	Decrease	USD	105	95	72	65
NH	Hedge/Member	Mnth 2	Decrease	USD	95	95	65	65
NH	Spec	Mnths 3-6	Decrease	USD	99	90	66	60
NH	Hedge/Member	Mnths 3-6	Decrease	USD	90	90	60	60
NH	Spec	Mnths 13-21	Decrease	USD	182	165	138	125
NH	Hedge/Member	Mnths 13-21	Decrease	USD	165	165	125	125
NH	Spec	Mnths 22+	New	USD			182	165
NH	Hedge/Member	Mnths 22+	New	USD			165	165
NGPL MIDCONTINENT BASIS FUT (NL)								

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
NL	Spec	Mnths 3-6	Decrease	USD	138	125	127	115
NL	Hedge/Member	Mnths 3-6	Decrease	USD	125	125	115	115
NL	Spec	Mnths 13-25	Decrease	USD	275	250	165	150
NL	Hedge/Member	Mnths 13-25	Decrease	USD	250	250	150	150
NL	Spec	Mnths 26+	New	USD			275	250
NL	Hedge/Member	Mnths 26+	New	USD			250	250
NORTHWEST PIPELINE BASIS FUT (NR)								
NR	Spec	Mnth 1	Decrease	USD	303	275	264	240
NR	Hedge/Member	Mnth 1	Decrease	USD	275	275	240	240
NR	Spec	Mnths 2-6	Decrease	USD	187	170	132	120
NR	Hedge/Member	Mnths 2-6	Decrease	USD	170	170	120	120
NR	Spec	Mnths 7-9	Decrease	USD	149	135	132	120
NR	Hedge/Member	Mnths 7-9	Decrease	USD	135	135	120	120
PANHANDLE BASIS FUT (PH)								
PH	Spec	Winter 2016-2017	Decrease	USD	220	200	154	140
PH	Hedge/Member	Winter 2016-2017	Decrease	USD	200	200	140	140
PERMIAN BASIS FUT (PM)								
PM	Spec	Mths 13+	Increase	USD	204	185	275	250
PM	Hedge/Member	Mths 13+	Increase	USD	185	185	250	250
SAN JUAN BASIS FUT (NJ)								
NJ	Spec	Mths 7-12	Increase	USD	187	170	275	250
NJ	Hedge/Member	Mths 7-12	Increase	USD	170	170	250	250
NJ	Spec	Mths 13+	Increase	USD	187	170	275	250
NJ	Hedge/Member	Mths 13+	Increase	USD	170	170	250	250
TCO BASIS FUT (TC)								
TC	Spec	Mnth 1	Decrease	USD	154	140	110	100
TC	Hedge/Member	Mnth 1	Decrease	USD	140	140	100	100
TC	Spec	Mnth 2-2	Decrease	USD	149	135	99	90
TC	Hedge/Member	Mnth 2-2	Decrease	USD	135	135	90	90
TC	Spec	Mnths 3-7	Decrease	USD	121	110	94	85
TC	Hedge/Member	Mnths 3-7	Decrease	USD	110	110	85	85
TC	Spec	Mnths 8-19	Decrease	USD	193	175	149	135
TC	Hedge/Member	Mnths 8-19	Decrease	USD	175	175	135	135

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

TEXAS EASTERN ZONE M-3 BASIS FUT (NX)

NX	Spec	Mth 1	Decrease	USD	1,320	1,200	990	900
NX	Hedge/Member	Mth 1	Decrease	USD	1,200	1,200	900	900
NX	Spec	Mth 2	Decrease	USD	1,210	1,100	825	750
NX	Hedge/Member	Mth 2	Decrease	USD	1,100	1,100	750	750
NX	Spec	Summer 2016	Decrease	USD	594	540	495	450
NX	Hedge/Member	Summer 2016	Decrease	USD	540	540	450	450

TEXAS GAS ZONE1 NG BASIS (9F)

9F	Spec	Mnth 1	Decrease	USD	176	160	132	120
9F	Hedge/Member	Mnth 1	Decrease	USD	160	160	120	120
9F	Spec	Mnth 2-2	Decrease	USD	165	150	121	110
9F	Hedge/Member	Mnth 2-2	Decrease	USD	150	150	110	110
9F	Spec	Mnths 3-7	Decrease	USD	160	145	99	90
9F	Hedge/Member	Mnths 3-7	Decrease	USD	145	145	90	90
9F	Spec	Mnths 8-19	Decrease	USD	154	140	110	100
9F	Hedge/Member	Mnths 8-19	Decrease	USD	140	140	100	100
9F	Spec	Mnths 20+	Decrease	USD	220	200	165	150
9F	Hedge/Member	Mnths 20+	Decrease	USD	200	200	150	150

TRANSCO ZONE 3 BASIS (CZ)

CZ	Spec	Mths 7 - 12	Increase	USD	39	35	50	45
CZ	Hedge/Member	Mths 7 - 12	Increase	USD	35	35	45	45

TRANSCO ZONE 6 NON NY BASIS FUT (TZ6)

TZ6	Spec	Mnth 2	Decrease	USD	1,650	1,500	1,100	1,000
TZ6	Hedge/Member	Mnth 2	Decrease	USD	1,500	1,500	1,000	1,000

TRANSCO ZONE4 BASIS FUT (TR)

TR	Spec	Mnths 2-3	Increase	USD	44	40	66	60
TR	Hedge/Member	Mnths 2-3	Increase	USD	40	40	60	60
TR	Spec	Mnths 3-7	Decrease	USD	44	40	28	25
TR	Hedge/Member	Mnths 3-7	Decrease	USD	40	40	25	25
TR	Spec	Mnths 8-14	Decrease	USD	33	30	22	20
TR	Hedge/Member	Mnths 8-14	Decrease	USD	30	30	20	20

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

ELECTRICITY - Intra Spreads

AEP-Dayton Hub Peak Monthly Electricity Futures - Off-Peak - All Months (AEP-DAYTON HUB OFF-PEAK MONTHLY)

VP	Spec		Increase	USD	2,365	2,150	2,530	2,300
VP	Hedge/Member		Increase	USD	2,150	2,150	2,300	2,300

Cinergy Hub Off-Peak LMP Swap - All Months (MISO INDIANA HUB OFF-PEAK MO FUT)

EJ	Spec		Increase	USD	2,200	2,000	2,420	2,200
EJ	Hedge/Member		Increase	USD	2,000	2,000	2,200	2,200

Northern Illinois Hub Monthly Electricity Futures - All Months (NORTHERN ILLINOIS HUB MONTHLY)

UM	Spec		Increase	USD	2,420	2,200	2,503	2,275
UM	Hedge/Member		Increase	USD	2,200	2,200	2,275	2,275

PJM AEP Dayton Hub Peak Calendar-Month Day-Ahead - All Months (PJM DAYTON DA PEAK)

D7	Spec		Increase	USD	209	190	220	200
D7	Hedge/Member		Increase	USD	190	190	200	200

NATURAL GAS - Intra Spreads

Transcontinental Gas Pipeline Co. (Transco) Zone 4 Basis Swap Futures (Platts IFERC) - All Months (TRANSCO ZONE4 BASIS FUT)

TR	Spec		Increase	USD	55	50	66	60
TR	Hedge/Member		Increase	USD	50	50	60	60

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
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Volatility Scan (volScan) Rate

NATURAL GAS - Volatility Scan (volScan) Rate

CIG ROCKIES BASIS SWAP (PLATTS IFERC) FUTURES (CI) - volScan

Clearing Member Rate	Mnths 33+	New				0.025
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HOUSTON SHIP CHANNEL BASIS SWAP (PLATTS IFERC) FUTURES (5F, NH) - volScan

Clearing Member Rate	Mnths 22+	New				25.000%
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NGPL MID-CON BASIS SWAP (PLATTS IFERC) FUTURES (5G, NL) - volScan

Clearing Member Rate	Mnths 26+	New				25.000%
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