#17-202

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, June 02, 2017

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 02, 2017.

Current rates as of:

Thursday, June 01, 2017.

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								
CRUDE OIL SPREADS - Outright Rates								
BRENT CRUDE V DUBAI CRUDE BALMO FUT (BDB)								
BDB	Spec		New	USD			1,100	1,000
BDB	Hedge/Member		New	USD			1,000	1,000
PETROLEUM CRACKS AND SPREADS - Outright Rates								
GAS EBOB OXY BARGES VS EURO NAPHTHA (EGN)								
EGN	Spec	Mnth 1	New	USD			16,500	15,000
EGN	Hedge/Member	Mnth 1	New	USD			15,000	15,000
EGN	Spec	Mnth 2	New	USD			12,650	11,500
EGN	Hedge/Member	Mnth 2	New	USD			11,500	11,500
EGN	Spec	Mnths 3+	New	USD			12,650	11,500
EGN	Hedge/Member	Mnths 3+	New	USD			11,500	11,500
GAS EUROBOB OXY V NAPHTHA CIF BALMO (EGB)								
EGB	Spec		New	USD			20,350	18,500
EGB	Hedge/Member		New	USD			18,500	18,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								

CRUDE OIL SPREADS - Intra Spreads

BDB - Intra All Months (BRENT CRUDE V DUBAI CRUDE BALMO FUT)

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

PETROLEUM CRACKS AND SPREADS - Intra Spreads

EGB - Intras All Months (GAS EUROBOB OXY V NAPHTHA CIF BALMO)

EGB	Spec		New	USD			4,125	3,750
EGB	Hedge/Member		New	USD			3,750	3,750

EGN- Intra All Months (GAS EBOB OXY BARGES VS EURO NAPHTHA)

EGN	Spec		New	USD			8,800	8,000
EGN	Hedge/Member		New	USD			8,000	8,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance

Inter-commodity Spread Rates

CRUDE OIL SPREADS - Inter-commodity Spread Rates

BRENT-DUBAI (PLATTS) SWAP FUTURES (NY-DB - CME) vs BRENT CRUDE OIL VS. DUBAI CRUDE OIL (PLATTS) BALMO FUTURES (NY-BDB - CME)

Spread Credit Rate	New	+1:-1			75%	75%

PETROLEUM CRACKS AND SPREADS - Inter-commodity Spread Rates

GASOLINE EURO-BOB OXY NWE BARGES (ARGUS) VS EUROPEAN NAPHTHA CIF NWE (PLATTS) BALMO FUTURES (NY-EGB - CME) vs GASOLINE EURO-BOB OXY NWE BARGES (ARGUS) VS EUROPEAN NAPHTHA CIF NWE (PLATTS) FUTURES (NY-EGN - CME)

Spread Credit Rate	New	+1:-1			75%	75%

GASOLINE EURO-BOB OXY NWE BARGES (ARGUS) VS EUROPEAN NAPHTHA CIF NWE (PLATTS) FUTURES (NY-EGN - CME) vs GASOLINE EURO-BOB OXY (ARGUS) NWE BARGES SWAP FUTURES (NY-7H - CME) vs EUROPEAN NAPHTHA (PLATTS) CALENDAR SWAP FUTURES (NY-UN - CME)

Spread Credit Rate	New	+1:-1:+1			95%	95%

REFINED PRODUCTS - Inter-commodity Spread Rates

GASOLINE EURO-BOB OXY NWE BARGES (ARGUS) VS EUROPEAN NAPHTHA CIF NWE (PLATTS) FUTURES (NY-EGN - CME) vs GASOLINE EURO-BOB OXY (ARGUS) NWE BARGES SWAP FUTURES (NY-7H - CME) vs EUROPEAN NAPHTHA (PLATTS) CALENDAR SWAP FUTURES (NY-UN - CME)

Spread Credit Rate	New	+1:-1:+1			95%	95%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
CRUDE OIL SPREADS - Short Option Minimum (SOM) Rate						
BRENT CRUDE OIL VS. DUBAI CRUDE OIL (PLATTS) BALMO FUTURES (BDB) - SOM						
Clearing Member Rate		New			49.500	45.000
PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate						
GASOLINE EURO-BOB OXY NWE BARGES (ARGUS) VS EUROPEAN NAPHTHA CIF NWE (PLATTS) BALMO FUTURES (EGB) - SOM						
Clearing Member Rate		New			66.000	60.000
GASOLINE EURO-BOB OXY NWE BARGES (ARGUS) VS EUROPEAN NAPHTHA CIF NWE (PLATTS) FUTURES (EGN) - SOM						
Clearing Member Rate		New			550.000	500.000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
CRUDE OIL SPREADS - Volatility Scan (volScan) Rate						
BRENT CRUDE OIL VS. DUBAI CRUDE OIL (PLATTS) BALMO FUTURES (BDB) - volScan						
Clearing Member Rate		New				0.050
PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate						
GASOLINE EURO-BOB OXY NWE BARGES (ARGUS) VS EUROPEAN NAPHTHA CIF NWE (PLATTS) BALMO FUTURES (EGB) - volScan						
Clearing Member Rate		New				0.080
GASOLINE EURO-BOB OXY NWE BARGES (ARGUS) VS EUROPEAN NAPHTHA CIF NWE (PLATTS) FUTURES (EGN) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnth 2	New				0.080
Clearing Member Rate	Mnths 3+	New				0.080