



17-423

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, November 09, 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, November 10, 2017.

Current rates as of:

Thursday, November 09, 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								
COAL - Outright Rates								
AUSTRALIAN COKING (PLATTS) LOW VOL (ALW)								
ALW	Spec	Mnth 1	Decrease	USD	23,100	21,000	19,250	17,500
ALW	Hedge/Member	Mnth 1	Decrease	USD	21,000	21,000	17,500	17,500
ALW	Spec	Mnth 2	Decrease	USD	23,100	21,000	19,250	17,500
ALW	Hedge/Member	Mnth 2	Decrease	USD	21,000	21,000	17,500	17,500
ALW	Spec	Mnths 3-4	Decrease	USD	23,100	21,000	19,250	17,500
ALW	Hedge/Member	Mnths 3-4	Decrease	USD	21,000	21,000	17,500	17,500
ALW	Spec	Mnths 5-11	Decrease	USD	23,100	21,000	19,250	17,500
ALW	Hedge/Member	Mnths 5-11	Decrease	USD	21,000	21,000	17,500	17,500
ALW	Spec	Mnths 12-14	Decrease	USD	15,400	14,000	13,200	12,000
ALW	Hedge/Member	Mnths 12-14	Decrease	USD	14,000	14,000	12,000	12,000
ALW	Spec	Mnths 15+	Decrease	USD	12,100	11,000	10,450	9,500
ALW	Hedge/Member	Mnths 15+	Decrease	USD	11,000	11,000	9,500	9,500
ENVIRONMENTAL - Outright Rates								
IN DELIVERY MONTH EUA FUTURES (6T)								
6T	Spec	Mth 1	Increase	EUR	660	600	715	650
6T	Hedge/Member	Mth 1	Increase	EUR	600	600	650	650
6T	Spec	Mths 2+	Increase	EUR	660	600	715	650
6T	Hedge/Member	Mths 2+	Increase	EUR	600	600	650	650
FREIGHT - Outright Rates								
FREIGHT ROUTE TC14 (BALTIC) FUTURES (FRC)								
FRC	Spec	Mnth 1	Decrease	USD	5,500	5,000	4,400	4,000
FRC	Hedge/Member	Mnth 1	Decrease	USD	5,000	5,000	4,000	4,000
FRC	Spec	Mnths 2+	Decrease	USD	5,500	5,000	4,400	4,000
FRC	Hedge/Member	Mnths 2+	Decrease	USD	5,000	5,000	4,000	4,000
FREIGHT ROUTE TD3 (BALTIC) FUTURES (TL)								
TL	Spec	Mnth 1	Decrease	USD	3,850	3,500	3,300	3,000
TL	Hedge/Member	Mnth 1	Decrease	USD	3,500	3,500	3,000	3,000
TL	Spec	Mnth 2	Decrease	USD	3,300	3,000	2,750	2,500
TL	Hedge/Member	Mnth 2	Decrease	USD	3,000	3,000	2,500	2,500
TL	Spec	Mnths 3+	Decrease	USD	3,300	3,000	2,750	2,500
TL	Hedge/Member	Mnths 3+	Decrease	USD	3,000	3,000	2,500	2,500

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

NGL/PETROCHEMICALS - Outright Rates

ARGUS PROPAN(SAUDI ARAMCO) FUT (9N)

9N	Spec	Mnth 2	Increase	USD	23,100	21,000	26,950	24,500
9N	Hedge/Member	Mnth 2	Increase	USD	21,000	21,000	24,500	24,500
9N	Spec	Mnth 3+	New	USD			23,100	21,000
9N	Hedge/Member	Mnth 3+	New	USD			21,000	21,000

MIN ARGUS PROPANE SAUDI ARAMCO FUT (MAS)

MAS	Spec	Mnth 2	Increase	USD	2,310	2,100	2,695	2,450
MAS	Hedge/Member	Mnth 2	Increase	USD	2,100	2,100	2,450	2,450

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
CRUDE OIL - Inter-commodity Spread Rates						
BRENT (ICE) CALENDAR SWAP FUTURES (NY-CY - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
CRUDE OIL FINANCIAL FUTURES (NY-WS - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
CRUDE OIL FINANCIAL FUTURES (NY-WS - CME) vs BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-26 - CME) vs BRENT (ICE) CALENDAR SWAP FUTURES (NY-CY - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-26 - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-26 - CME) vs BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
DUBAI CRUDE OIL (PLATTS) FUTURES (NY-DCD - CME) vs OMAN CRUDE OIL (NY-OQ - CME)						
Spread Credit Rate	New	+1:-1			80%	80%
DUBAI CRUDE OIL (PLATTS) FUTURES (NY-DCD - CME) vs SINGAPORE FUEL OIL 180 CST (PLATTS) CALENDAR SWAP FUTURES (NY-UA - CME)						
Spread Credit Rate	New	+19:-3			80%	80%
WTI CALENDAR SWAP FUTURES (NY-CS - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%
WTI CALENDAR SWAP FUTURES (NY-CS - CME) vs BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME)						
Spread Credit Rate	Decrease	+1:-1	84%	84%	82%	82%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
ELECTRICITY - Inter-commodity Spread Rates						
HENRY HUB NATURAL GAS FUTURES (NY-NG - CME) vs NYISO ZONE A 5 MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD LBMP SWAP FUTURES (NY-K4 - CME)						
Spread Credit Rate	Decrease	+1:-194	60%	60%	50%	50%
MISO Indiana Hub (formerly Cinergy Hub) Real-Time Off-Peak Calendar-Month 5 MW Futures (NY-H4-CME) vs PJM Northern Illinois Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures (NY-L3-CME)						
Spread Credit Rate	Decrease	+1:-1	85%	85%	70%	70%
PJM NI HUB 5 MW REAL TIME OFF-PEAK (NYM-B6 - CME) vs CINERGY HUB 5 MW OFF-PEAK CALENDAR-MONTH REAL-TIME SWAP (NYM-H4 - CME)						
Spread Credit Rate	Decrease	+1:-1	60%	60%	50%	50%
PJM NORTHERN ILLINOIS HUB 5 MW OFF-PEAK CAL REAL-TIME LMP SWAP FUT (NY-B6- CME) vs PJM AEP DAYTON HUB OFF-PEAK CAL DA LMP SWAP FUT (NY-R7- CME)						
Spread Credit Rate	Decrease	+1:-1	75%	75%	65%	65%
PJM Northern Illinois Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures (NY-L3-CME) vs MISO Indiana Hub (formerly Cinergy Hub) Day-Ahead Off-Peak Calendar-Month 5 MW Futures (NY-K2-CME)						
Spread Credit Rate	Decrease	+1:-1	85%	85%	70%	70%
PJM NORTHERN ILLINOIS HUB PEAK CAL LMP SWAP FUT (NY-V3- CME) vs PJM NORTHERN ILLINOIS HUB 5 MW OFF-PEAK CAL REAL-TIME LMP SWAP FUT (NY-B6- CME)						
Spread Credit Rate	Decrease	+1:-1	85%	85%	70%	70%
PJM NORTHERN ILLINOIS HUB PEAK CAL LMP SWAP FUT (NY-V3- CME) vs PJM NORTHERN ILLINOIS HUB OFF-PEAK CAL DA LMP SWAP FUT (NY-L3- CME)						
Spread Credit Rate	Decrease	+1:-1	75%	75%	70%	70%
PJM NORTHERN ILLINOIS OFF-PEAK CALENDAR-MONTH DAY AHEAD SWAP (NYM-L3 - CME) vs PJM AEP DAYTON HUB OFF-PEAK CALENDAR-MONTH DAY-AHEAD LMP SWAP (NYM-R7 - CME)						
Spread Credit Rate	Decrease	+1:-1	75%	75%	70%	70%
PJM WESTERN HUB OFF-PEAK CAL REAL-TIME LMP SWAP FUT (NY-N9- CME) vs PJM NORTHERN ILLINOIS HUB 5 MW OFF-PEAK CAL REAL-TIME LMP SWAP FUT (NY-B6- CME)						
Spread Credit Rate	Decrease	+1:-1	73%	73%	60%	60%
PJM WESTERN HUB OFF-PEAK CAL REAL-TIME LMP SWAP FUT (NY-N9- CME) vs PJM NORTHERN ILLINOIS HUB OFF-PEAK CAL DA LMP SWAP FUT (NY-L3- CME)						
Spread Credit Rate	Decrease	+1:-1	83%	83%	70%	70%
PJM WESTERN HUB OFF-PEAK CALENDAR-MONTH DA LMP SWAP FUT (NY-E4-CME) vs PJM NORTHERN ILLINOIS HUB 5 MW OFF-PEAK CALENDAR-MONTH RT LMP SWAP FUT (NY-B6-CME)						
Spread Credit Rate	Decrease	+1:-1	77%	77%	65%	65%
PJM WESTERN HUB OFF-PEAK CALENDAR-MONTH DA LMP SWAP FUT (NY-E4-CME) vs PJM NORTHERN ILLINOIS HUB OFF-PEAK CALENDAR-MONTH DA LMP SWAP FUT (NY-L3-CME)						
Spread Credit Rate	Decrease	+1:-1	83%	83%	70%	70%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
FX - Inter-commodity Spread Rates						
AUSTRALIAN DOLLAR (AD - CME) vs AUSTRALIAN DOLLAR/JAPANESE YEN CROSSRATE (AJ - CME)						
Spread Credit Rate	New	+1:-1			30%	30%
AUSTRALIAN DOLLAR (AD - CME) vs BRAZILIAN REAL (BR - CME)						
Spread Credit Rate	New	+2:-5			30%	30%
AUSTRALIAN DOLLAR (AD - CME) vs RUSSIAN RUBLE (RU - CME)						
Spread Credit Rate	New	+1:-2			30%	30%
AUSTRALIAN DOLLAR/CANADIAN DOLLAR CROSSRATE (AC - CME) vs EURO FX /CANADIAN DOLLAR CROSSRATE (CC - CME)						
Spread Credit Rate	Increase	+1:-1	0%	0%	30%	30%
AUSTRALIAN DOLLAR/JAPANESE YEN CROSSRATE (AJ - CME) vs AUSTRALIAN DOLLAR/NEW ZEALAND DOLLAR CROSSRATE (RY - CME)						
Spread Credit Rate	New	+1:-1			40%	40%
BRAZILIAN REAL (BR - CME) vs RUSSIAN RUBLE (RU - CME)						
Spread Credit Rate	New	+3:-2			30%	30%
CANADIAN DOLLAR (CD - CME) vs CANADIAN DOLLAR/JAPANESE YEN CROSSRATE (CY - CME)						
Spread Credit Rate	New	+2:-1			30%	30%
CANADIAN DOLLAR (CD - CME) vs SOUTH AFRICAN RAND (RA - CME)						
Spread Credit Rate	New	+1:-2			30%	30%
CROSS RATE BRITISH POUND/SWISS FRANC (BF - CME) vs CROSS RATE BRITISH POUND/JAPANESE YEN (BY - CME)						
Spread Credit Rate	Increase	+1:-1	25%	25%	45%	45%
CROSS RATE BRITISH POUND/SWISS FRANC (BF - CME) vs CROSS RATE CHINESE RENMINBI/EURO (RME - CME)						
Spread Credit Rate	Decrease	+4:-3	30%	30%	0%	0%
CROSS RATE EURO FX/AUSTRALIAN DOLLAR (CA - CME) vs CROSS RATE EURO FX/BRITISH POUND (RP - CME)						
Spread Credit Rate	Increase	+1:-1	0%	0%	30%	30%
CROSS RATE EURO FX/AUSTRALIAN DOLLAR (CA - CME) vs CROSS RATE EURO FX/SWISS FRANC (RF - CME)						
Spread Credit Rate	Increase	+1:-1	0%	0%	30%	30%
EURO FX (EC - CME) vs TURKISH LIRA (TRY - CME)						
Spread Credit Rate	Decrease	+3:+2	65%	65%	30%	30%
EURO FX/AUSTRALIAN DOLLAR CROSSRATE (CA - CME) vs EURO FX /NORWEGIAN KRONE CROSSRATE (CN - CME)						
Spread Credit Rate	New	+1:-1			30%	30%
EURO FX/BRITISH POUND CROSSRATE (CME - RP) vs NORWEGIAN KRONE (CME - UN)						
Spread Credit Rate	New	+2:-1			30%	30%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
EURO FX/BRITISH POUND CROSSRATE (CME - RP) vs SWEDISH KRONA (CME - SE)						
Spread Credit Rate	New	+2:-1			30%	30%
EURO FX/SWISS FRANC CROSSRATE (RF - CME) vs BRITISH POUND/JAPANESE YEN CROSSRATE (BY - CME)						
Spread Credit Rate	New	+1:-1			30%	30%
HUNGARIAN FORINT (FR - CME) vs TURKISH LIRA FX (USD) (TRY - CME)						
Spread Credit Rate	Decrease	+1:+2	60%	60%	35%	35%
MEXICAN PESO (CME - MP) vs RUSSIAN RUBLE (CME - RU)						
Spread Credit Rate	New	+2:-1			30%	30%
MEXICAN PESO (CME - MP) vs SOUTH AFRICAN RAND (CME - RA)						
Spread Credit Rate	New	+1:-1			30%	30%
NEW ZEALAND DOLLAR (NE - CME) vs RUSSIAN RUBLE (RU - CME)						
Spread Credit Rate	New	+2:-3			25%	25%
NATURAL GAS - Inter-commodity Spread Rates						
HENRY HUB NATURAL GAS FUTURES (NY-NG - CME) vs NYISO ZONE A 5 MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD LBMP SWAP FUTURES (NY-K4 - CME)						
Spread Credit Rate	Decrease	+1:-194	60%	60%	50%	50%
REFINED PRODUCTS - Inter-commodity Spread Rates						
DUBAI CRUDE OIL (PLATTS) FUTURES (NY-DCD - CME) vs SINGAPORE FUEL OIL 180 CST (PLATTS) CALENDAR SWAP FUTURES (NY-UA - CME)						
Spread Credit Rate	New	+19:-3			80%	80%