



#17-511

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, December 21, 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

Tuesday, December 26, 2017.

Current rates as of:

Thursday, December 21, 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 option 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								
ELECTRICITY - Outright Rates								
ISO NEW ENG MASS HUB DA OP DAILY (IDO)								
IDO	Spec	Days 1-10	Decrease	USD	220	200	110	100
IDO	Hedge/Member	Days 1-10	Decrease	USD	200	200	100	100
MISO INDIANA HUB 5MW OFPK CALDAY DA (FAD)								
FAD	Spec	Days 1-11	Decrease	USD	182	165	66	60
FAD	Hedge/Member	Days 1-11	Decrease	USD	165	165	60	60
FAD	Spec	Days 12-15	Decrease	USD	66	60	33	30
FAD	Hedge/Member	Days 12-15	Decrease	USD	60	60	30	30
FAD	Spec	Days 16+	Decrease	USD	61	55	33	30
FAD	Hedge/Member	Days 16+	Decrease	USD	55	55	30	30
MISO INDIANA HUB 5MW OFPK CALDAY RT (FTD)								
FTD	Spec	Days 1-11	Decrease	USD	176	160	66	60
FTD	Hedge/Member	Days 1-11	Decrease	USD	160	160	60	60
MISO INDIANA HUB 5MW PK CAL DAYHD (PDD)								
PDD	Spec	Days 1-11	Decrease	USD	2,640	2,400	1,100	1,000
PDD	Hedge/Member	Days 1-11	Decrease	USD	2,400	2,400	1,000	1,000
PDD	Spec	Days 12-15	Decrease	USD	1,650	1,500	770	700
PDD	Hedge/Member	Days 12-15	Decrease	USD	1,500	1,500	700	700
PDD	Spec	Days 16+	Decrease	USD	1,650	1,500	770	700
PDD	Hedge/Member	Days 16+	Decrease	USD	1,500	1,500	700	700
MISO INDIANA HUB 5MW PK CAL-DAY RT (PTD)								
PTD	Spec	Days 1-11	Decrease	USD	4,620	4,200	1,540	1,400
PTD	Hedge/Member	Days 1-11	Decrease	USD	4,200	4,200	1,400	1,400
PTD	Spec	Days 12-15	Decrease	USD	1,980	1,800	1,100	1,000
PTD	Hedge/Member	Days 12-15	Decrease	USD	1,800	1,800	1,000	1,000
PTD	Spec	Days 16+	Decrease	USD	1,980	1,800	1,100	1,000
PTD	Hedge/Member	Days 16+	Decrease	USD	1,800	1,800	1,000	1,000
NYISO ZONE A DA OP DAILY (ZAO)								
ZAO	Spec	Days 1-10	Decrease	USD	198	180	110	100
ZAO	Hedge/Member	Days 1-10	Decrease	USD	180	180	100	100
NYISO ZONE A LBMP FUT (AN)								
AN	Spec	Days 1-6	Decrease	USD	2,420	2,200	1,320	1,200
AN	Hedge/Member	Days 1-6	Decrease	USD	2,200	2,200	1,200	1,200
AN	Spec	Days 7-15	Decrease	USD	2,420	2,200	1,320	1,200
AN	Hedge/Member	Days 7-15	Decrease	USD	2,200	2,200	1,200	1,200
AN	Spec	Days 16+	Decrease	USD	1,980	1,800	880	800

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
AN	Hedge/Member	Days 16+	Decrease	USD	1,800	1,800	800	800
NYISO ZONE G DA OP DAILY (ZGO)								
ZGO	Spec	Days 1-10	Decrease	USD	204	185	143	130
ZGO	Hedge/Member	Days 1-10	Decrease	USD	185	185	130	130
NYISO ZONE J DA OP DAILY (ZJO)								
ZJO	Spec	Days 1-10	Decrease	USD	204	185	143	130
ZJO	Hedge/Member	Days 1-10	Decrease	USD	185	185	130	130
ONTARIO OFF-PK CALENDAR DAY FUTURES (OFD)								
OFD	Spec	Days 1-11	Decrease	CAD	193	175	88	80
OFD	Hedge/Member	Days 1-11	Decrease	CAD	175	175	80	80
OFD	Spec	Days 12-15	Decrease	CAD	121	110	88	80
OFD	Hedge/Member	Days 12-15	Decrease	CAD	110	110	80	80
OFD	Spec	Days 16+	Decrease	CAD	132	120	77	70
OFD	Hedge/Member	Days 16+	Decrease	CAD	120	120	70	70
PJM AEP DAYTON HUB DA OP DAILY (PEO)								
PEO	Spec	Days 1 - 11	Decrease	USD	176	160	110	100
PEO	Hedge/Member	Days 1 - 11	Decrease	USD	160	160	100	100
PEO	Spec	Days 12 - 15	Decrease	USD	44	40	33	30
PEO	Hedge/Member	Days 12 - 15	Decrease	USD	40	40	30	30
PEO	Spec	Days 16+	Decrease	USD	44	40	33	30
PEO	Hedge/Member	Days 16+	Decrease	USD	40	40	30	30
PJM AEP DAYTON HUB DA PEAK DAILY (PAP)								
PAP	Spec	Days 1-11	Decrease	USD	3,300	3,000	1,320	1,200
PAP	Hedge/Member	Days 1-11	Decrease	USD	3,000	3,000	1,200	1,200
PAP	Spec	Days 12-15	Decrease	USD	1,760	1,600	990	900
PAP	Hedge/Member	Days 12-15	Decrease	USD	1,600	1,600	900	900
PAP	Spec	Days 16+	Decrease	USD	2,090	1,900	990	900
PAP	Hedge/Member	Days 16+	Decrease	USD	1,900	1,900	900	900
PJM AEP DAYTON HUB RT OP DAILY (AOR)								
AOR	Spec	Days 1-10	Decrease	USD	138	125	110	100
AOR	Hedge/Member	Days 1-10	Decrease	USD	125	125	100	100
AOR	Spec	Days 11-15	Decrease	USD	44	40	33	30
AOR	Hedge/Member	Days 11-15	Decrease	USD	40	40	30	30
AOR	Spec	Days 16+	Decrease	USD	50	45	33	30
AOR	Hedge/Member	Days 16+	Decrease	USD	45	45	30	30

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PJM AEP-DAYTON HUB RT PK CALDAY 5MW (VD)								
VD	Spec	Days 1-6	Decrease	USD	3,025	2,750	1,100	1,000
VD	Hedge/Member	Days 1-6	Decrease	USD	2,750	2,750	1,000	1,000
VD	Spec	Days 7-15	Decrease	USD	1,650	1,500	770	700
VD	Hedge/Member	Days 7-15	Decrease	USD	1,500	1,500	700	700
VD	Spec	Days 16+	Decrease	USD	1,705	1,550	770	700
VD	Hedge/Member	Days 16+	Decrease	USD	1,550	1,550	700	700
PJM DAILY (JD)								
JD	Spec	Days 1-6	Decrease	USD	2,200	2,000	825	750
JD	Hedge/Member	Days 1-6	Decrease	USD	2,000	2,000	750	750
JD	Spec	Days 7-14	Decrease	USD	1,100	1,000	550	500
JD	Hedge/Member	Days 7-14	Decrease	USD	1,000	1,000	500	500
JD	Spec	Days 15+	Decrease	USD	1,100	1,000	550	500
JD	Hedge/Member	Days 15+	Decrease	USD	1,000	1,000	500	500
PJM N ILLINOIS HUB RT PK CAL DAY5MW (UD)								
UD	Spec	Days 1-6	Decrease	USD	2,200	2,000	1,650	1,500
UD	Hedge/Member	Days 1-6	Decrease	USD	2,000	2,000	1,500	1,500
UD	Spec	Days 7-14	Decrease	USD	2,200	2,000	1,650	1,500
UD	Hedge/Member	Days 7-14	Decrease	USD	2,000	2,000	1,500	1,500
UD	Spec	Days 15+	Decrease	USD	1,650	1,500	770	700
UD	Hedge/Member	Days 15+	Decrease	USD	1,500	1,500	700	700
PJM NORTERN ILL HUB DA OP DAILY (PNO)								
PNO	Spec	Days 1-10	Decrease	USD	165	150	88	80
PNO	Hedge/Member	Days 1-10	Decrease	USD	150	150	80	80
PNO	Spec	Days 11-15	Decrease	USD	55	50	33	30
PNO	Hedge/Member	Days 11-15	Decrease	USD	50	50	30	30
PNO	Spec	Days 16+	Decrease	USD	44	40	33	30
PNO	Hedge/Member	Days 16+	Decrease	USD	40	40	30	30
PJM NORTERN ILL HUB DA PEAK DAILY (PNP)								
PNP	Spec	Days 1-8	Decrease	USD	3,300	3,000	1,210	1,100
PNP	Hedge/Member	Days 1-8	Decrease	USD	3,000	3,000	1,100	1,100
PNP	Spec	Days 9-15	Decrease	USD	2,475	2,250	990	900
PNP	Hedge/Member	Days 9-15	Decrease	USD	2,250	2,250	900	900
PNP	Spec	Days 16+	Decrease	USD	2,200	2,000	990	900
PNP	Hedge/Member	Days 16+	Decrease	USD	2,000	2,000	900	900

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PJM NORTERN ILL HUB RT OP DAILY (NOC)								
NOC	Spec	Days 1-10	Decrease	USD	176	160	110	100
NOC	Hedge/Member	Days 1-10	Decrease	USD	160	160	100	100
NOC	Spec	Days 16+	Decrease	USD	44	40	33	30
NOC	Hedge/Member	Days 16+	Decrease	USD	40	40	30	30
PJM WESTERN HUB DA OP DAILY FUT (PWO)								
PWO	Spec	Days 1-10	Decrease	USD	138	125	99	90
PWO	Hedge/Member	Days 1-10	Decrease	USD	125	125	90	90
PWO	Spec	Days 11-15	Decrease	USD	44	40	33	30
PWO	Hedge/Member	Days 11-15	Decrease	USD	40	40	30	30
PWO	Spec	Days 16+	Decrease	USD	44	40	33	30
PWO	Hedge/Member	Days 16+	Decrease	USD	40	40	30	30
PJM WESTERN HUB DA PEAK DAILY (PWP)								
PWP	Spec	Days 1-10	Decrease	USD	2,200	2,000	1,320	1,200
PWP	Hedge/Member	Days 1-10	Decrease	USD	2,000	2,000	1,200	1,200
PWP	Spec	Days 11-14	Decrease	USD	1,650	1,500	550	500
PWP	Hedge/Member	Days 11-14	Decrease	USD	1,500	1,500	500	500
PWP	Spec	Days 16+	Decrease	USD	1,650	1,500	550	500
PWP	Hedge/Member	Days 16+	Decrease	USD	1,500	1,500	500	500
PJM WESTERN HUB RT OP DAILY (WOR)								
WOR	Spec	Days 1-10	Decrease	USD	132	120	88	80
WOR	Hedge/Member	Days 1-10	Decrease	USD	120	120	80	80

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
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Short Option Minimum (SOM) Rate

ELECTRICITY - Short Option Minimum (SOM) Rate

MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (FAD) - SOM

Clearing Member Rate		Decrease	55.000	50.000	33.000	30.000
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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
AGRICULTURE - Volatility Scan (volScan) Rate						
CORN (C, C, CDF, YC, ZCT) - volScan						
Clearing Member Rate	Months 6-9	Decrease		0.018		0.011
Clearing Member Rate	Months 2-5	Decrease		0.020		0.018
Clearing Member Rate	Months 10+	Decrease		0.018		0.011
Clearing Member Rate	Month 1	Decrease		0.055		0.040
FEEDER CATTLE (9F1, FC, FC, GFT) - volScan						
Clearing Member Rate	Month 1	Decrease		0.035		0.028
Clearing Member Rate	Month 2	Decrease		0.030		0.025
Clearing Member Rate	Month 3	Decrease		0.030		0.020
Clearing Member Rate	Month 4	Decrease		0.030		0.020
Clearing Member Rate	Month 5	Decrease		0.030		0.020
Clearing Member Rate	Months 6+	Decrease		0.030		0.020
KANSAS WHEAT FUTURES (KET, KW, KW, KWO, MKC) - volScan						
Clearing Member Rate	Month1	Decrease		0.065		0.040
Clearing Member Rate	Months 2-5	Decrease		0.025		0.018
Clearing Member Rate	Months 6+	Decrease		0.020		0.015
LEAN HOG (9H1, HET, LN, LN) - volScan						
Clearing Member Rate		Decrease		0.045		0.035
Clearing Member Rate		Decrease		0.035		0.025
Clearing Member Rate		Decrease		0.035		0.018
Clearing Member Rate		Decrease		0.025		0.018
Clearing Member Rate		Decrease		0.025		0.018
Clearing Member Rate		Decrease		0.025		0.018
Clearing Member Rate		Decrease		0.025		0.018
LIVE CATTLE (9K1, LC, LC, LET) - volScan						
Clearing Member Rate	Month 4	Decrease		0.020		0.015
Clearing Member Rate	Month 5	Decrease		0.020		0.015
Clearing Member Rate	Months 6+	Decrease		0.020		0.015
OATS (O, O) - volScan						
Clearing Member Rate		Decrease		0.060		0.040
RANDOM LENGTH LUMBER (LB, LB) - volScan						
Clearing Member Rate		Decrease		0.060		0.045
ROUGH RICE (14, 14) - volScan						
Clearing Member Rate		Decrease		0.065		0.040
SOYBEAN MEAL (06, 06, ODF, USDINR, ZMT) - volScan						
Clearing Member Rate	Month 1	Decrease		0.065		0.050
SOYBEAN OIL (07, 07, LDF, ZLT) - volScan						
Clearing Member Rate	Month 1	Decrease		0.065		0.040
Clearing Member Rate	Months 2-6	Decrease		0.020		0.015

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
Clearing Member Rate	Months 7+	Decrease		0.015		0.013
SOYBEANS (S, S, SBT, SDF, SRS, YK) - volScan						
Clearing Member Rate	Month 1	Decrease		0.055		0.045
WHEAT (W, W, WDF, YW, ZWT) - volScan						
Clearing Member Rate	Month 1	Decrease		0.065		0.040
Clearing Member Rate	Months 2-5	Decrease		0.025		0.018