CME Group

CH Advisory 16-135

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, March 23, 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, March 24, 2016.

Current rates as of:

Wednesday, March 23, 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								
				ELECTRICITY - Outright Rates				
PJM AECO DA PEAK (Y1)								
Y1	Spec	Mnths 12+	Increase	USD	286	260	330	300
Y1	Hedge/Member	Mnths 12+	Increase	USD	260	260	300	300
				METALS - Outright Rates				
IRON ORE FUTURES (TIO)								
TIO	Spec	Mnth 1	Increase	USD	2,145	1,950	2,750	2,500
TIO	Hedge/Member	Mnth 1	Increase	USD	1,950	1,950	2,500	2,500
TIO	Spec	Mnths 2-4	Increase	USD	2,145	1,950	2,750	2,500
TIO	Hedge/Member	Mnths 2-4	Increase	USD	1,950	1,950	2,500	2,500
TIO	Spec	Mnths 5+	Increase	USD	1,760	1,600	2,200	2,000
TIO	Hedge/Member	Mnths 5+	Increase	USD	1,600	1,600	2,000	2,000
				NATURAL GAS - Outright Rates				
TCO BASIS FUT (TC)								
TC	Spec	Mnth 1	Decrease	USD	110	100	77	70
TC	Hedge/Member	Mnth 1	Decrease	USD	100	100	70	70

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

Intra Spreads

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			AGRICULTURE - Intra Spreads					
Bean Spread: May 16 vs Jul 16 (MINI-SIZED SOYBEANS FUTURES)								
YK	Spec		Increase	USD	33	30	44	40
YK	Hedge/Member		Increase	USD	30	30	40	40
Bean Spread: May 16 vs Jul 16 (SOYBEAN FUTURES)								
S	Spec		Increase	USD	165	150	220	200
S	Hedge/Member		Increase	USD	150	150	200	200
Bean Spread: May 16 vs Jul 16 (SOYBEAN TAS FUTURE)								
SBT	Spec		Increase	USD	165	150	220	200
SBT	Hedge/Member		Increase	USD	150	150	200	200
Bean Spread: All Undefined Spreads (MINI-SIZED SOYBEANS FUTURES)								
YK	Spec		Decrease	USD	275	250	187	170
YK	Hedge/Member		Decrease	USD	250	250	170	170
Bean Spread: All Undefined Spreads (SOYBEAN FUTURES)								
S	Spec		Decrease	USD	1,375	1,250	935	850
S	Hedge/Member		Decrease	USD	1,250	1,250	850	850
Bean Spread: All Undefined Spreads (SOYBEAN TAS FUTURE)								
SBT	Spec		Decrease	USD	1,375	1,250	935	850
SBT	Hedge/Member		Decrease	USD	1,250	1,250	850	850
Corn Spread: All Undefined Spreads (CORN FUTURES)								
C	Spec		Decrease	USD	880	800	715	650
C	Hedge/Member		Decrease	USD	800	800	650	650
Corn Spread: All Undefined Spreads (CORN TAS FUTURE)								
ZCT	Spec		Decrease	USD	880	800	715	650
ZCT	Hedge/Member		Decrease	USD	800	800	650	650
Corn Spread: All Undefined Spreads (MINI-SIZED CORN FUTURES)								
YC	Spec		Decrease	USD	176	160	143	130
YC	Hedge/Member		Decrease	USD	160	160	130	130
Corn Spread: May 16 vs Jul 16 (CORN FUTURES)								
C	Spec		Increase	USD	110	100	165	150
C	Hedge/Member		Increase	USD	100	100	150	150
Corn Spread: May 16 vs Jul 16 (CORN TAS FUTURE)								
ZCT	Spec		Increase	USD	110	100	165	150
ZCT	Hedge/Member		Increase	USD	100	100	150	150

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
Corn Spread: May 16 vs Jul 16 (MINI-SIZED CORN FUTURES)								
YC	Spec		Increase	USD	22	20	33	30
YC	Hedge/Member		Increase	USD	20	20	30	30
KC Wheat: Sep 16 vs Dec 16 (KC HRW WHEAT FUTURES)								
KW	Spec		Increase	USD	165	150	220	200
KW	Hedge/Member		Increase	USD	150	150	200	200
KC Wheat: Sep 16 vs Dec 16 (KC HRW WHEAT TAS FUTURE)								
KET	Spec		Increase	USD	165	150	220	200
KET	Hedge/Member		Increase	USD	150	150	200	200
KC Wheat: Sep 16 vs Dec 16 (MINI-SIZED KC HRW WHEAT FUTURES)								
MKC	Spec		Increase	USD	33	30	44	40
MKC	Hedge/Member		Increase	USD	30	30	40	40
KC Wheat: Sep 16 vs Jul 16 (KC HRW WHEAT FUTURES)								
KW	Spec		Increase	USD	110	100	165	150
KW	Hedge/Member		Increase	USD	100	100	150	150
KC Wheat: Sep 16 vs Jul 16 (KC HRW WHEAT TAS FUTURE)								
KET	Spec		Increase	USD	110	100	165	150
KET	Hedge/Member		Increase	USD	100	100	150	150
KC Wheat: Sep 16 vs Jul 16 (MINI-SIZED KC HRW WHEAT FUTURES)								
MKC	Spec		Increase	USD	22	20	33	30
MKC	Hedge/Member		Increase	USD	20	20	30	30
Wheat Spread: Sep 16 vs Dec 16 (CHICAGO SRW WHEAT TAS FUTURE)								
ZWT	Spec		Increase	USD	165	150	220	200
ZWT	Hedge/Member		Increase	USD	150	150	200	200
Wheat Spread: Sep 16 vs Dec 16 (MINI-SIZED WHEAT FUTURES)								
YW	Spec		Increase	USD	33	30	44	40
YW	Hedge/Member		Increase	USD	30	30	40	40
Wheat Spread: Sep 16 vs Dec 16 (WHEAT FUTURES)								
W	Spec		Increase	USD	165	150	220	200
W	Hedge/Member		Increase	USD	150	150	200	200
Wheat Spread: Sep 16 vs Jul 16 (CHICAGO SRW WHEAT TAS FUTURE)								
ZWT	Spec		Increase	USD	110	100	165	150
ZWT	Hedge/Member		Increase	USD	100	100	150	150

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
Wheat Spread: Sep 16 vs Jul 16 (MINI-SIZED WHEAT FUTURES)								
YW	Spec		Increase	USD	22	20	33	30
YW	Hedge/Member		Increase	USD	20	20	30	30
Wheat Spread: Sep 16 vs Jul 16 (WHEAT FUTURES)								
W	Spec		Increase	USD	110	100	165	150
W	Hedge/Member		Increase	USD	100	100	150	150
ERIS - Intra Spreads								
10YR INTEREST RATE SWAP FUTURE ERIS vs 10YR INTEREST RATE SWAP FUTURE ERIS (10-YR INT RATE SWAP SEC COUPON)								
ZC9210	Clearing/Member		Increase	USD	300	300	500	500
2YR INTEREST RATE SWAP FUTURE ERIS vs 2YR INTEREST RATE SWAP FUTURE ERIS (ERIS 2-YR INT RATE SWAP SEC COUPON)								
ZA9202	Clearing/Member		Increase	USD	150	150	225	225
ERIS - Intra Spreads								
10YR INTEREST RATE SWAP FUTURE ERIS vs 10YR INTEREST RATE SWAP FUTURE ERIS (ERIS STANDARD 10Y INT RATE SWAP FUT)								
ZC9110	Clearing/Member		Increase	USD	400	400	500	500
2YR INTEREST RATE SWAP FUTURE ERIS vs 2YR INTEREST RATE SWAP FUTURE ERIS (ERIS STANDARD 2Y INT RATE SWAP FUTU)								
ZA9102	Clearing/Member		Increase	USD	150	150	225	225

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
INTEREST RATES - Intra Spreads								
10 Year Deliverable Swap Future (N1U) - All Months (10 YEAR USD INTEREST RATE SWAP)								
N1U	Spec		Increase	USD	440	400	550	500
N1U	Hedge/Member		Increase	USD	400	400	500	500
2 Year Deliverable Swap Future (T1U) - All Months (2 YEAR USD INT RATE SWAP FUTURES)								
T1U	Spec		Increase	USD	176	160	248	225
T1U	Hedge/Member		Increase	USD	160	160	225	225
U.S. Treasury Bond (17) - Month 1 vs. Month 2 (30 YR U.S. TREASURY BOND FUTURES)								
17	Spec		Increase	USD	743	675	798	725
17	Hedge/Member		Increase	USD	675	675	725	725
Ultra Long Bond (UBE) - All Months (LONG TERM U.S. TREASURY BOND FUTURE)								
UBE	Spec		Increase	USD	660	600	853	775
UBE	Hedge/Member		Increase	USD	600	600	775	775

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
ELECTRICITY - Volatility Scan (volScan) Rate						
NYISO ZONE A PEAK LBMP SWAP FUTURES (9T, K3, KA) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.120		0.200
Clearing Member Rate	Mnth 2	Increase		0.080		0.150
PJM PEAK CALENDAR-MONTH LMP SWAP FUTURES (JM, JO, PML) - volScan						
Clearing Member Rate	Mnth 1	Decrease		0.330		0.300
Clearing Member Rate	Mnth 3	Decrease		0.110		0.070
PJM WESTERN HUB PEAK CALENDAR-MONTH REAL-TIME LMP SWAP FUTURES (4S, JOA, L1, PMA) - volScan						
Clearing Member Rate	Mth 1	Increase		0.025		0.050
Clearing Member Rate	Mnth 2	Increase		0.025		0.050
Clearing Member Rate	Mnths 3-5	Increase		0.025		0.050
Clearing Member Rate	Mnths 6-11	Increase		0.025		0.050
INTEREST RATES - Volatility Scan (volScan) Rate						
10-YEAR T-NOTE (21, 21, 551) - volScan						
Clearing Member Rate		Increase		0.020		0.023
2-YEAR T-NOTE (26, 26, 59) - volScan						
Clearing Member Rate		Increase		0.004		0.005
5-YEAR T-NOTE (25, 25, 57) - volScan						
Clearing Member Rate		Increase		0.015		0.017
ULTRA 10-YEAR U.S. TREASURY NOTE FUTURES (TN, TN, TNW) - volScan						
Clearing Member Rate		Increase		0.020		0.023