CME Group

CH Advisory 16-341

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, August 25, 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

Friday, August 26, 2016.

Current rates as of:

Thursday, August 25, 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.

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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	Increase	USD	7,370	6,700	7,700	7,000
ALW	Hedge/Member	Mnth 1	Increase	USD	6,700	6,700	7,000	7,000
ALW	Spec	Mnth 2	Increase	USD	7,315	6,650	7,700	7,000
ALW	Hedge/Member	Mnth 2	Increase	USD	6,650	6,650	7,000	7,000
				EQUITY INDEX - Outright Rates				
BTIC ON S&P 500 TOTAL RETURN INDEX (TRB)								
TRB	Spec		New	USD			4,455	4,050
TRB	Hedge/Member		New	USD			4,050	4,050
BTIC REAL ESTATE SELECT INDEX FUT (XRT)								
XRT	Spec		New	USD			1,540	1,400
XRT	Hedge/Member		New	USD			1,400	1,400
BTIC S&P CARRY ADJUSTED TOTAL RETRN (CTB)								
CTB	Spec		New	USD			3,641	3,310
CTB	Hedge/Member		New	USD			3,310	3,310
E-MINI REAL ESTATE INDEX MARKER (XRI)								
XRI	Spec		New	USD			1,540	1,400
XRI	Hedge/Member		New	USD			1,400	1,400
REAL ESTATE SELECT SECTOR FUTURES (XAR)								
XAR	Spec		New	USD			1,540	1,400
XAR	Hedge/Member		New	USD			1,400	1,400
S&P 500 CARRY ADJUSTED TOTAL RETURN INDEX (CTR)								
CTR	Spec		New	USD			3,641	3,310
CTR	Hedge/Member		New	USD			3,310	3,310
S&P 500 TOTAL RETURN INDEX FUTURES (TRI)								
TRI	Spec		New	USD			4,455	4,050
TRI	Hedge/Member		New	USD			4,050	4,050
S&P 500 TOTAL RETURN INDEX MARKER (TRM)								
TRM	Spec		New	USD			4,455	4,050
TRM	Hedge/Member		New	USD			4,050	4,050

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
			METALS - Outright Rates					
ALUMINIUM EURO PREM DUTY-PAID FUT (EDP)								
EDP	Spec	Mth 1	Decrease	USD	220	200	193	175
EDP	Hedge/Member	Mth 1	Decrease	USD	200	200	175	175
EDP	Spec	Mths 2-9	Decrease	USD	220	200	193	175
EDP	Hedge/Member	Mths 2-9	Decrease	USD	200	200	175	175
EDP	Spec	Mths 10+	Decrease	USD	220	200	193	175
EDP	Hedge/Member	Mths 10+	Decrease	USD	200	200	175	175
ALUMINIUM EURO PREM METAL BULLETIN (AEP)								
AEP	Spec	Mth 1	Decrease	USD	165	150	143	130
AEP	Hedge/Member	Mth 1	Decrease	USD	150	150	130	130
AEP	Spec	Mths 2-9	Decrease	USD	165	150	143	130
AEP	Hedge/Member	Mths 2-9	Decrease	USD	150	150	130	130
AEP	Spec	Mths 10+	Decrease	USD	165	150	143	130
AEP	Hedge/Member	Mths 10+	Decrease	USD	150	150	130	130
ALUMINUM JAPAN PREMIUM (PLATTS) FUT (MJP)								
MJP	Spec	Mth 1	Decrease	USD	248	225	209	190
MJP	Hedge/Member	Mth 1	Decrease	USD	225	225	190	190
MJP	Spec	Mths 2-9	Decrease	USD	248	225	209	190
MJP	Hedge/Member	Mths 2-9	Decrease	USD	225	225	190	190
MJP	Spec	Mths 10+	Decrease	USD	248	225	209	190
MJP	Hedge/Member	Mths 10+	Decrease	USD	225	225	190	190
LEAD FUTURES (LED)								
LED	Spec	Mth 1	Decrease	USD	3,300	3,000	3,190	2,900
LED	Hedge/Member	Mth 1	Decrease	USD	3,000	3,000	2,900	2,900
LED	Spec	Mths 4-6	Increase	USD	3,080	2,800	3,190	2,900
LED	Hedge/Member	Mths 4-6	Increase	USD	2,800	2,800	2,900	2,900
LED	Spec	Mths 7+	Increase	USD	2,970	2,700	3,190	2,900
LED	Hedge/Member	Mths 7+	Increase	USD	2,700	2,700	2,900	2,900
U.S. MIDWEST BUSHELING SCRAP (BUS)								
BUS	Spec	Mth 1	Decrease	USD	770	700	633	575
BUS	Hedge/Member	Mth 1	Decrease	USD	700	700	575	575
BUS	Spec	Mths 2-4	Decrease	USD	770	700	633	575
BUS	Hedge/Member	Mths 2-4	Decrease	USD	700	700	575	575
BUS	Spec	Mths 6+	Decrease	USD	770	700	633	575
BUS	Hedge/Member	Mths 6+	Decrease	USD	700	700	575	575

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Outright Rates

US MW BUSHELING FERROUS SCRAP SWAP (BUW)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
BUW	Spec	Mth 1	Decrease	USD	770	700	633	575
BUW	Hedge/Member	Mth 1	Decrease	USD	700	700	575	575
BUW	Spec	Mths 2-4	Decrease	USD	770	700	633	575
BUW	Hedge/Member	Mths 2-4	Decrease	USD	700	700	575	575
BUW	Spec	Mths 6+	Decrease	USD	770	700	633	575
BUW	Hedge/Member	Mths 6+	Decrease	USD	700	700	575	575

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			COAL - Intra Spreads					
Australian Coking Coal (Platts) Low Vol Swap Futures [All Months] (AUSTRALIAN COKING (PLATTS) LOW VOL)								
ALW	Spec		Increase	USD	6,050	5,500	6,600	6,000
ALW	Hedge/Member		Increase	USD	5,500	5,500	6,000	6,000
COAL API4 RCH BAY ARGS MCCLOSKY FUT : MFF-2 vs MFF-30 (COAL API4 RCH BAY ARGS MCCLOSKY FUT)								
MFF	Spec		Increase	USD	1,650	1,500	1,716	1,560
MFF	Hedge/Member		Increase	USD	1,500	1,500	1,560	1,560
COAL API4 RCH BAY ARGS MCCLOSKY FUT : MFF-2 vs MFF-31 (COAL API4 RCH BAY ARGS MCCLOSKY FUT)								
MFF	Spec		Increase	USD	1,650	1,500	1,716	1,560
MFF	Hedge/Member		Increase	USD	1,500	1,500	1,560	1,560
COAL API4 RCH BAY ARGS MCCLOSKY FUT : MFF-2 vs MFF-32 (COAL API4 RCH BAY ARGS MCCLOSKY FUT)								
MFF	Spec		Increase	USD	1,650	1,500	1,716	1,560
MFF	Hedge/Member		Increase	USD	1,500	1,500	1,560	1,560

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			EQUITY INDEX - Intra Spreads					
(BTIC ON S&P 500 TOTAL RETURN INDEX)								
TRB	Spec		New	USD			61	55
TRB	Hedge/Member		New	USD			55	55
(BTIC REAL ESTATE SELECT INDEX FUT)								
XRT	Spec		New	USD			330	300
XRT	Hedge/Member		New	USD			300	300
(BTIC S&P CARRY ADJUSTED TOTAL RETRN)								
CTB	Spec		New	USD			61	55
CTB	Hedge/Member		New	USD			55	55
(E-MINI REAL ESTATE INDEX MARKER)								
XRI	Spec		New	USD			330	300
XRI	Hedge/Member		New	USD			300	300
(REAL ESTATE SELECT SECTOR FUTURES)								
XAR	Spec		New	USD			330	300
XAR	Hedge/Member		New	USD			300	300
(S&P 500 ADJUSTED TOTAL RETURN INDEX)								
CTR	Spec		New	USD			61	55
CTR	Hedge/Member		New	USD			55	55
(S&P 500 TOTAL RETURN INDEX FUTURES)								
TRI	Spec		New	USD			61	55
TRI	Hedge/Member		New	USD			55	55
(S&P 500 TOTAL RETURN INDEX MARKER)								
TRM	Spec		New	USD			61	55
TRM	Hedge/Member		New	USD			55	55
All Months (S&P 500 ANNUAL DIVIDEND INDEX FUT)								
SDA	Spec		Increase	USD	77	70	132	120
SDA	Hedge/Member		Increase	USD	70	70	120	120

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates	**Coal Inter-commodity Spread Rates**					

COAL API4 RCH BAY ARGS MCCLOSKY FUT (NY-MTF - CME) vs COAL API2 CIF ARA ARG-MCCLOSKY FUT (NY-MFF - CME): MTF Month 1 vs MFF Month 1

Spread Credit Rate	Decrease	+1:-1	60%	**60%**	50%	50%

COAL API4 RCH BAY ARGS MCCLOSKY FUT (NY-MTF - CME) vs COAL API2 CIF ARA ARG-MCCLOSKY FUT (NY-MFF - CME): MTF Months 2 - 4 vs MFF Months 2 - 4

Spread Credit Rate	Increase	+1:-1	60%	60%	65%	65%

COAL API4 RCH BAY ARGS MCCLOSKY FUT (NY-MTF - CME) vs COAL API2 CIF ARA ARG-MCCLOSKY FUT (NY-MFF - CME): MTF Months 2 - 4 vs MFF Months 5+

Spread Credit Rate	Increase	+1:-1	60%	60%	65%	65%

COAL API4 RCH BAY ARGS MCCLOSKY FUT (NY-MTF - CME) vs COAL API2 CIF ARA ARG-MCCLOSKY FUT (NY-MFF - CME): MTF Months 5+ vs MFF Months 2-4

Spread Credit Rate	Increase	+1:-1	60%	60%	65%	65%

COAL API4 RCH BAY ARGS MCCLOSKY FUT (NY-MTF - CME) vs COAL API2 CIF ARA ARG-MCCLOSKY FUT (NY-MFF - CME): MTF Months 5+ vs MFF Months 5+

Spread Credit Rate	Increase	+1:-1	60%	60%	70%	70%

EQUITY INDEX - Inter-commodity Spread Rates

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
(XAR - CME) vs (ES - CME)						
Spread Credit Rate	New	+5:-2			40%	40%
E-MINI NASDAQ BIOTECHNOLOGY (BQ - CME) vs E-MINI NASDAQ-100 FUTURES (NQ - CME)						
Spread Credit Rate	Decrease	+1:-1	80%	80%	70%	70%
SP Carry Adjusted Total Return vs. ES(SP)						
Spread Credit Rate	New	+3:-4			85%	85%
SP Total Return Index (TRF) vs. ES(SP)						
Spread Credit Rate	New	+1:-1			90%	90%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
ERIS Standards - Inter-commodity Spread Rates						
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 13-16						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 17-20						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 21-24						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 25-28						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 29-32						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 33-36						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 37-40						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 41-44						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
EURODOLLAR TIER 3 VS 7 YEAR SWAP ERIS						
Spread Credit Rate	Decrease	+5:+3	85%	85%	75%	75%
EURODOLLAR TIER 4 VS 7 YEAR SWAP ERIS						
Spread Credit Rate	Decrease	+5:+3	85%	85%	75%	75%
EURODOLLAR TIER 5 VS 7 YEAR SWAP ERIS						
Spread Credit Rate	Decrease	+5:+3	85%	85%	75%	75%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
INTEREST RATES - Inter-commodity Spread Rates						
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 13-16						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 17-20						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 21-24						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 25-28						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 29-32						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 33-36						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 37-40						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
10YR INTEREST RATE SWAP FUTURE ERIS vs EURODOLLARS Contracts 41-44						
Spread Credit Rate	Decrease	+2:+5	80%	80%	75%	75%
EURODOLLAR TIER 3 VS 7 YEAR SWAP ERIS						
Spread Credit Rate	Decrease	+5:+3	85%	85%	75%	75%
EURODOLLAR TIER 4 VS 7 YEAR SWAP ERIS						
Spread Credit Rate	Decrease	+5:+3	85%	85%	75%	75%
EURODOLLAR TIER 5 VS 7 YEAR SWAP ERIS						
Spread Credit Rate	Decrease	+5:+3	85%	85%	75%	75%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
EQUITY INDEX - Short Option Minimum (SOM) Rate						
E-MINI REAL ESTATE SELECT SECTOR FUTURES (XAR, XRI, XRT) - SOM						
Clearing Member Rate		New			1.100%	1.000%
S&P 500 CARRY ADJUSTED TOTAL RETURN INDEX FUTURES (CTB, CTR) - SOM						
Clearing Member Rate		New			1.100%	1.000%
S&P 500 TOTAL RETURN INDEX FUTURES (TRB, TRI, TRM) - SOM						
Clearing Member Rate		New			1.100%	1.000%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
EQUITY INDEX - Volatility Scan (volScan) Rate						
E-MINI REAL ESTATE SELECT SECTOR FUTURES (XAR, XRI, XRT) - volScan						
Clearing Member Rate		New				0.070
S&P 500 CARRY ADJUSTED TOTAL RETURN INDEX FUTURES (CTB, CTR) - volScan						
Clearing Member Rate		New				0.060
S&P 500 TOTAL RETURN INDEX FUTURES (TRB, TRI, TRM) - volScan						
Clearing Member Rate		New				0.060