



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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Monday, October 17, 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

Tuesday, October 18, 2016.

Current rates as of:

Monday, October 17, 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								
COAL - Outright Rates								
AUSTRALIAN COKING (PLATTS) LOW VOL (ALW)								
ALW	Spec	Mnth 1	Increase	USD	17,600	16,000	25,300	23,000
ALW	Hedge/Member	Mnth 1	Increase	USD	16,000	16,000	23,000	23,000
ALW	Spec	Mnth 2	Increase	USD	17,600	16,000	25,300	23,000
ALW	Hedge/Member	Mnth 2	Increase	USD	16,000	16,000	23,000	23,000
ALW	Spec	Mnths 3-4	Increase	USD	16,858	15,325	24,750	22,500
ALW	Hedge/Member	Mnths 3-4	Increase	USD	15,325	15,325	22,500	22,500
ALW	Spec	Mnths 5-11	Increase	USD	16,858	15,325	18,700	17,000
ALW	Hedge/Member	Mnths 5-11	Increase	USD	15,325	15,325	17,000	17,000
ALW	Spec	Mnths 12+	Increase	USD	16,830	15,300	18,700	17,000
ALW	Hedge/Member	Mnths 12+	Increase	USD	15,300	15,300	17,000	17,000
COAL API 8 CFR SOUTH CHINA (SSI)								
SSI	Spec	Month 1	Increase	USD	5,170	4,700	5,500	5,000
SSI	Hedge/Member	Month 1	Increase	USD	4,700	4,700	5,000	5,000
SSI	Spec	Month 2	Increase	USD	5,115	4,650	5,445	4,950
SSI	Hedge/Member	Month 2	Increase	USD	4,650	4,650	4,950	4,950
SSI	Spec	Months 3-11	Increase	USD	5,115	4,650	5,445	4,950
SSI	Hedge/Member	Months 3-11	Increase	USD	4,650	4,650	4,950	4,950
COAL API5 FOB NEWCASTLE ARG/MC FUT (ACM)								
ACM	Spec	Mth 1	Increase	USD	4,620	4,200	4,950	4,500
ACM	Hedge/Member	Mth 1	Increase	USD	4,200	4,200	4,500	4,500
ACM	Spec	Mths 2-12	Increase	USD	4,587	4,170	4,912	4,465
ACM	Hedge/Member	Mths 2-12	Increase	USD	4,170	4,170	4,465	4,465
ACM	Spec	Mnths 13+	Increase	USD	3,905	3,550	4,015	3,650
ACM	Hedge/Member	Mnths 13+	Increase	USD	3,550	3,550	3,650	3,650
EASTERN RAIL DELIVERY CSX COAL FUT (QX)								
QX	Spec	Mths 4-6	Increase	USD	3,663	3,330	4,180	3,800
QX	Hedge/Member	Mths 4-6	Increase	USD	3,330	3,330	3,800	3,800
QX	Spec	Mnths 7-11	Increase	USD	3,663	3,330	4,070	3,700
QX	Hedge/Member	Mnths 7-11	Increase	USD	3,330	3,330	3,700	3,700
INDONESIAN COAL MCCLOSKEY SUBBIT. (MCC)								
MCC	Spec	Mth 1	Increase	USD	4,455	4,050	4,901	4,455
MCC	Hedge/Member	Mth 1	Increase	USD	4,050	4,050	4,455	4,455
MCC	Spec	Mths 2-6	Increase	USD	4,015	3,650	4,417	4,015

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
MCC	Hedge/Member	Mths 2-6	Increase	USD	3,650	3,650	4,015	4,015

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	17,600	16,000	25,300	23,000
ALW	Hedge/Member		Increase	USD	16,000	16,000	23,000	23,000
Coal (API 5) fob Newcastle (Argus/McCloskey) Futures - All Months (COAL API5 FOB NEWCASTLE ARG/MC FUT)								
ACM	Spec		Increase	USD	2,145	1,950	2,365	2,150
ACM	Hedge/Member		Increase	USD	1,950	1,950	2,150	2,150
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-4 vs MFF-10 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-4 vs MFF-11 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-4 vs MFF-12 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-4 vs MFF-13 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,320	1,200	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,200	1,200	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-4 vs MFF-14 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,320	1,200	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,200	1,200	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-4 vs MFF-15 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-5 vs MFF-10 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-5 vs MFF-11 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-5 vs MFF-12 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-6 vs MFF-10 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-6 vs MFF-11 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-6 vs MFF-12 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-7 vs MFF-10 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-7 vs MFF-11 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-7 vs MFF-12 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-8 vs MFF-10 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-8 vs MFF-11 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-8 vs MFF-12 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-9 vs MFF-10 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300
COAL API4 RCH BAY ARGS MCCLOSKEY FUT : MFF-9 vs MFF-11 (COAL API4 RCH BAY ARGS MCCLOSKEY FUT)								
MFF	Spec		Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member		Increase	USD	1,190	1,190	1,300	1,300

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

COAL API4	RCH BAY ARGS MCCLOSKEY FUT : MFF-9 vs MFF-12 (COAL API4	RCH BAY ARGS MCCLOSKEY FUT)
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MFF	Spec	Increase	USD	1,309	1,190	1,430	1,300
MFF	Hedge/Member	Increase	USD	1,190	1,190	1,300	1,300