



17-082

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, February 28, 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

Wednesday, March 01, 2017.

Current rates as of:

Tuesday, February 28, 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
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Outright Rates

AGRICULTURE - Outright Rates

CASH BUTTER FUTURES (CB)

CB	Spec	Months 1-4	Decrease	USD	1,980	1,800	1,760	1,600
CB	Hedge/Member	Months 1-4	Decrease	USD	1,800	1,800	1,600	1,600
CB	Spec	Months 5-	Decrease	USD	1,980	1,800	1,760	1,600
CB	Hedge/Member	Months 5-	Decrease	USD	1,800	1,800	1,600	1,600

CASH CHEESE FUTURES (CSC)

CSC	Spec	Mnths 6+	Decrease	USD	1,100	1,000	825	750
CSC	Hedge/Member	Mnths 6+	Decrease	USD	1,000	1,000	750	750

CME DRY WHEY FUTURES (DY)

DY	Spec	Month 3+	Increase	USD	1,210	1,100	1,540	1,400
DY	Hedge/Member	Month 3+	Increase	USD	1,100	1,100	1,400	1,400

LUMBER110 FUTURES (LB)

LB	Spec		Increase	USD	1,540	1,400	1,815	1,650
LB	Hedge/Member		Increase	USD	1,400	1,400	1,650	1,650

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

AGRICULTURE - Intra Spreads

CME Dry Whey Futures (DY) - Months 1-2 vs Months 3+ (CME DRY WHEY FUTURES)

DY	Spec	Increase	USD	1,100	1,000	1,320	1,200
DY	Hedge/Member	Increase	USD	1,000	1,000	1,200	1,200

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
NATURAL GAS - Volatility Scan (volScan) Rate						
HENRY HUB NATURAL GAS FUTURES (HHQ, KD, LN, LNW, MNG, NG, NGT, ON, ONW, U01, U02, U03, U04, U05, U06, U07, U08, U09, U10, U11, U12, U13, U14, U15, U16, U17, U18, U19, U20, U21, U22, U23, U24, U25, U26, U27, U28, U29, U30, U31) - volScan						
Clearing Member Rate	Mnth1	Decrease		0.125		0.080
Clearing Member Rate	Mnth2	Decrease		0.065		0.050
Clearing Member Rate	Mnth3	Decrease		0.040		0.030
Clearing Member Rate	Mnth4	Decrease		0.040		0.030
Clearing Member Rate	Mnth5	Decrease		0.040		0.030
Clearing Member Rate	Mnth6	Decrease		0.040		0.030
Clearing Member Rate	Mnth13	Decrease		0.025		0.015
Clearing Member Rate	Mnth14	Decrease		0.025		0.015
Clearing Member Rate	Mnth15	Decrease		0.025		0.015
HENRY HUB NATURAL GAS PENULTIMATE FINANCIAL FUTURES (E7, HH, HP, NP, QG) - volScan						
Clearing Member Rate	Mnth1	Decrease		0.125		0.080
Clearing Member Rate	Mnth2	Decrease		0.065		0.050
Clearing Member Rate	Mnth3	Decrease		0.040		0.030
Clearing Member Rate	Mnth4	Decrease		0.040		0.030
Clearing Member Rate	Mnth5	Decrease		0.040		0.030
Clearing Member Rate	Mnth6	Decrease		0.040		0.030
Clearing Member Rate	Mnth13	Decrease		0.025		0.015
Clearing Member Rate	Mnth14	Decrease		0.025		0.015
Clearing Member Rate	Mnth15	Decrease		0.025		0.015
NYMEX NATURAL GAS (H.HUB LTD) FUT (E7, HH, HHT, NN, NNT) - volScan						
Clearing Member Rate	Mnth1	Decrease		0.125		0.080
Clearing Member Rate	Mnth2	Decrease		0.065		0.050
Clearing Member Rate	Mnth3	Decrease		0.040		0.030
Clearing Member Rate	Mnth4	Decrease		0.040		0.030
Clearing Member Rate	Mnth5	Decrease		0.040		0.030
Clearing Member Rate	Mnth6	Decrease		0.040		0.030
Clearing Member Rate	Mnth13	Decrease		0.025		0.015
Clearing Member Rate	Mnth14	Decrease		0.025		0.015
Clearing Member Rate	Mnth15	Decrease		0.025		0.015