



CH-ADV-17-118

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, March 24, 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

Friday, March 24, 2017.

Current rates as of:

Thursday, March 23, 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
Outright Rates								

CRUDE OIL SPREADS - Outright Rates

CANADIAN SWEET CRUDE SYNT OIL (CSN)

CSN	Spec	Mth 1-3	Decrease	USD	4,950	4,500	2,750	2,500
CSN	Hedge/Member	Mth 1-3	Decrease	USD	4,500	4,500	2,500	2,500
CSN	Spec	Mth 4-6	Decrease	USD	3,850	3,500	1,650	1,500
CSN	Hedge/Member	Mth 4-6	Decrease	USD	3,500	3,500	1,500	1,500
CSN	Spec	Mnths 7+	Decrease	USD	2,750	2,500	1,100	1,000
CSN	Hedge/Member	Mnths 7+	Decrease	USD	2,500	2,500	1,000	1,000

LIGHT SWEET OIL NET ENERGY MONTHLY (LSW)

LSW	Spec	Mnths 1-2	New	USD			1,320	1,200
LSW	Hedge/Member	Mnths 1-2	New	USD			1,200	1,200
LSW	Spec	Mnths 3-6	New	USD			1,100	1,000
LSW	Hedge/Member	Mnths 3-6	New	USD			1,000	1,000
LSW	Spec	Mnths 7+	New	USD			880	800
LSW	Hedge/Member	Mnths 7+	New	USD			800	800

SYNTHETIC SWEET OIL MONTHLY FUT (SSW)

SSW	Spec	Mth 1-3	New	USD			2,750	2,500
SSW	Hedge/Member	Mth 1-3	New	USD			2,500	2,500
SSW	Spec	Mth 4-6	New	USD			1,650	1,500
SSW	Hedge/Member	Mth 4-6	New	USD			1,500	1,500
SSW	Spec	Mnths 7+	New	USD			1,100	1,000
SSW	Hedge/Member	Mnths 7+	New	USD			1,000	1,000

WESTERN CANADIAN SELECT OIL MONTHLY (WCW)

WCW	Spec	Mnths 1-2	New	USD			1,210	1,100
WCW	Hedge/Member	Mnths 1-2	New	USD			1,100	1,100
WCW	Spec	Mnths 3-6	New	USD			1,210	1,100
WCW	Hedge/Member	Mnths 3-6	New	USD			1,100	1,100
WCW	Spec	Mnths 7+	New	USD			1,100	1,000
WCW	Hedge/Member	Mnths 7+	New	USD			1,000	1,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
CRUDE OIL SPREADS - Intra Spreads								
Light Sweet Oil (Net Energy) Monthly Index Futures - All Months (LIGHT SWEET OIL NET ENERGY MONTHLY)								
LSW	Spec		New	USD			660	600
LSW	Hedge/Member		New	USD			600	600
Synthetic Sweet Oil (Net Energy) Monthly Index Futures - All Months (SYNTHETIC SWEET OIL MONTHLY FUT)								
SSW	Spec		New	USD			330	300
SSW	Hedge/Member		New	USD			300	300
Western Canadian Select Oil (Net Energy) Monthly Index Futures - All Months (WESTERN CANADIAN SELECT OIL MONTHLY)								
WCW	Spec		New	USD			880	800
WCW	Hedge/Member		New	USD			800	800

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
CRUDE OIL SPREADS - Short Option Minimum (SOM) Rate						
LIGHT SWEET OIL (NET ENERGY) MONTHLY INDEX FUTURES (LSW) - SOM						
Clearing Member Rate		New			55.000	50.000
SYNTHETIC SWEET OIL (NET ENERGY) MONTHLY INDEX FUTURES (SSW) - SOM						
Clearing Member Rate		New			55.000	50.000
WESTERN CANADIAN SELECT OIL (NET ENERGY) MONTHLY INDEX FUTURES (WCW) - SOM						
Clearing Member Rate		New			55.000	50.000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
CRUDE OIL SPREADS - Volatility Scan (volScan) Rate						
LIGHT SWEET OIL (NET ENERGY) MONTHLY INDEX FUTURES (LSW) - volScan						
Clearing Member Rate	Mnths 1-2	New				25.000%
Clearing Member Rate	Mnths 3-6	New				25.000%
Clearing Member Rate	Mnths 7+	New				25.000%
SYNTHETIC SWEET OIL (NET ENERGY) MONTHLY INDEX FUTURES (SSW) - volScan						
Clearing Member Rate	Mth 1-3	New				0.080
Clearing Member Rate	Mth 4-6	New				0.080
Clearing Member Rate	Mnths 7+	New				0.080
WESTERN CANADIAN SELECT OIL (NET ENERGY) MONTHLY INDEX FUTURES (WCW) - volScan						
Clearing Member Rate	Mnths 1-2	New				25.000%
Clearing Member Rate	Mnths 3-6	New				20.000%
Clearing Member Rate	Mnths 7+	New				15.000%