CME Group

17-355

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, September 14, 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, September 15, 2017.

Current rates as of:

Thursday, September 14, 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								
AGRICULTURE - Outright Rates								
CASH BUTTER FUTURES (CB)								
CB	Spec	Month 1	Decrease	USD	2,035	1,850	1,650	1,500
CB	Hedge/Member	Month 1	Decrease	USD	2,035	1,850	1,500	1,500
CASH CHEESE FUTURES (CSC)								
CSC	Spec	Mnths 2-5	Decrease	USD	1,375	1,250	1,210	1,100
CSC	Hedge/Member	Mnths 2-5	Decrease	USD	1,250	1,250	1,100	1,100
CSC	Spec	Mnths 6+	Decrease	USD	743	675	660	600
CSC	Hedge/Member	Mnths 6+	Decrease	USD	675	675	600	600
CLASS III MILK FUTURES (DA)								
DA	Spec	Month 1	Decrease	USD	550	500	495	450
DA	Hedge/Member	Month 1	Decrease	USD	500	500	450	450
DA	Spec	Month 1	Decrease	USD	550	500	495	450
DA	Hedge/Member	Month 1	Decrease	USD	500	500	450	450
DA	Spec	Months 2-5	Decrease	USD	1,210	1,100	1,100	1,000
DA	Hedge/Member	Months 2-5	Decrease	USD	1,100	1,100	1,000	1,000
DA	Spec	Months 6+	Decrease	USD	688	625	660	600
DA	Hedge/Member	Months 6+	Decrease	USD	625	625	600	600
NONFAT DRY MILK FUTURES (NF)								
NF	Spec	Month 1	Decrease	USD	1,375	1,250	1,183	1,075
NF	Hedge/Member	Month 1	Decrease	USD	1,250	1,250	1,075	1,075
NYMEX COTTON (TT)								
TT	Spec	Month 1	Increase	USD	2,035	1,850	2,310	2,100

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
TT	Hedge/Member	Month 1	Increase	USD	1,850	1,850	2,100	2,100
TT	Spec	Month 2+	Increase	USD	1,650	1,500	1,870	1,700
TT	Hedge/Member	Month 2+	Increase	USD	1,500	1,500	1,700	1,700
EQUITY INDEX - Outright Rates								
DJ US REAL ESTATE BTIC (REX)								
REX	Spec		Decrease	USD	1,375	1,250	1,100	1,000
REX	Hedge/Member		Decrease	USD	1,250	1,250	1,000	1,000
DJ US REAL ESTATE INDEX (JR)								
JR	Spec		Decrease	USD	1,375	1,250	1,100	1,000
JR	Hedge/Member		Decrease	USD	1,250	1,250	1,000	1,000
DJ US REAL ESTATE SYNTHEIC (DJR)								
DJR	Spec		Decrease	USD	1,375	1,250	1,100	1,000
DJR	Hedge/Member		Decrease	USD	1,250	1,250	1,000	1,000
PETROLEUM CRACKS AND SPREADS - Outright Rates								
EURO 3.5% FUEL OIL SPREAD (FK)								
FK	Spec	Mnths 3-11	Increase	USD	605	550	660	600
FK	Hedge/Member	Mnths 3-11	Increase	USD	550	550	600	600
SINGAPORE GASOIL VS ICE (GA)								
GA	Spec	Mnth 2	Increase	USD	440	400	495	450
GA	Hedge/Member	Mnth 2	Increase	USD	400	400	450	450
WEATHER - Outright Rates								
K2 CHICAGO CDD FUTURES (K2)								
K2	Spec		Increase	USD	29%	26%	32%	29%
K2	Hedge/Member		Increase	USD	26%	26%	29%	29%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			ETHANOL - Intra Spreads					
Chicago Ethanol (Platts) Swap, Mth 2 vs. Mths 3-7 (CHICAGO ETHANOL FUT)								
CU	Spec		Increase	USD	770	700	880	800
CU	Hedge/Member		Increase	USD	700	700	800	800
Chicago Ethanol (Platts) Swap, Mth 1 vs. Mths 3-7 (CHICAGO ETHANOL FUT)								
CU	Spec		Increase	USD	550	500	770	700
CU	Hedge/Member		Increase	USD	500	500	700	700
Chicago Ethanol (Platts) Swap, Mth 1 vs. Mths 8+ (CHICAGO ETHANOL FUT)								
CU	Spec		Increase	USD	550	500	770	700
CU	Hedge/Member		Increase	USD	500	500	700	700
Chicago Ethanol (Platts) Swap, Mth 2 vs. Mths 8+ (CHICAGO ETHANOL FUT)								
CU	Spec		Increase	USD	880	800	990	900
CU	Hedge/Member		Increase	USD	800	800	900	900

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

FX - Inter-commodity Spread Rates

GOLD FUTURES (CX-GC - CME) vs JAPANESE YEN (JY - CME)

Spread Credit Rate	Increase	+2:-1	60%	60%	70%	70%

GOLD FUTURES (CX-GC - CME) vs SWISS FRANC (SF - CME)

Spread Credit Rate	Increase	+1:-1	40%	40%	60%	60%

METALS - Inter-commodity Spread Rates

COMEX COPPER (CMX-HG - CME) vs COMEX SILVER (CMX-SI - CME)

Spread Credit Rate	Decrease	+2:-1	35%	35%	0%	0%

COMEX GOLD (CMX-GC - CME) vs COMEX SILVER (CMX-SI - CME)

Spread Credit Rate	Increase	+1:-1	67%	67%	75%	75%

COMEX GOLD (CMX-GC - CME) vs PLATINUM FUTURES (NYM-PL - CME)

Spread Credit Rate	Increase	+1:-2	58%	58%	65%	65%

GOLD FUTURES (CX-GC - CME) vs JAPANESE YEN (JY - CME)

Spread Credit Rate	Increase	+2:-1	60%	60%	70%	70%

GOLD FUTURES (CX-GC - CME) vs SWISS FRANC (SF - CME)

Spread Credit Rate	Increase	+1:-1	40%	40%	60%	60%

ZINC FUTURES (CX-ZNC - CME) vs GOLD FUTURES (CX-GC - CME)

Spread Credit Rate	Decrease	+1:-1	20%	20%	0%	0%

NGL/PETROCHEMICALS - Inter-commodity Spread Rates

PROPANE NON-LDH MONT BELVIEU (OPIS) BALMO SWAP FUTURES (NY-1S - CME) vs MONT BELVIEU LDH PROPANE (OPIS) BALMO SWAP FUTURES (NY-8O - CME)

Spread Credit Rate	New	+1:-1			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						
AGRICULTURE - Short Option Minimum (SOM) Rate						
CORN (C, C, CDF, YC, ZCT) - SOM						
Clearing Member Rate		Increase	9.900	9.000	13.750	12.500
KANSAS WHEAT FUTURES (KET, KW, KW, KWO, MKC) - SOM						
Clearing Member Rate		Increase	11.550	10.500	13.750	12.500
SOYBEANS (S, S, SBT, SDF, SRS, YK) - SOM						
Clearing Member Rate		Decrease	23.100	21.000	13.750	12.500
WHEAT (W, W, WDF, YW, ZWT) - SOM						
Clearing Member Rate		Increase	11.00	10.000	13.750	12.500