



17-399

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, October 12, 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, October 13, 2017.

Current rates as of:

Thursday, October 12, 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								
CME DRY WHEY FUTURES (DY)								
DY	Spec	Month 3+	Increase	USD	1,210	1,100	1,430	1,300
DY	Hedge/Member	Month 3+	Increase	USD	1,100	1,100	1,300	1,300
NYMEX COCOA (CJ)								
CJ	Spec		Decrease	USD	1,980	1,800	1,430	1,300
CJ	Hedge/Member		Decrease	USD	1,800	1,800	1,300	1,300
CRUDE OIL SPREADS - Outright Rates								
ARGUS LLS VS. WTI (ARG) TRD M (E5)								
E5	Spec	Mnth 1	Increase	USD	660	600	715	650
E5	Hedge/Member	Mnth 1	Increase	USD	600	600	650	650
E5	Spec	Mnths 2-4	Increase	USD	413	375	468	425
E5	Hedge/Member	Mnths 2-4	Increase	USD	375	375	425	425
NATURAL GAS - Outright Rates								
ALGONQUIN CITYGATES BASIS (B4)								
B4	Spec	Mnth 1	Increase	USD	2,200	2,000	2,530	2,300
B4	Hedge/Member	Mnth 1	Increase	USD	2,000	2,000	2,300	2,300
B4	Spec	Mnth 2	Increase	USD	1,320	1,200	1,815	1,650
B4	Hedge/Member	Mnth 2	Increase	USD	1,200	1,200	1,650	1,650
ANR LOUISIANA BASIS FUT (ND)								
ND	Spec	Mth 1	Increase	USD	198	180	264	240
ND	Hedge/Member	Mth 1	Increase	USD	180	180	240	240
ND	Spec	Mths 2 - 5	Increase	USD	165	150	198	180
ND	Hedge/Member	Mths 2 - 5	Increase	USD	150	150	180	180
ND	Spec	Mths 6+	Increase	USD	165	150	198	180
ND	Hedge/Member	Mths 6+	Increase	USD	150	150	180	180
CHICAGO BASIS FUT (NB)								
NB	Spec	Mnths 2+	Increase	USD	330	300	440	400
NB	Hedge/Member	Mnths 2+	Increase	USD	300	300	400	400
CIG BASIS (CI)								
CI	Spec	Mnth 1	Increase	USD	242	220	297	270
CI	Hedge/Member	Mnth 1	Increase	USD	220	220	270	270
FLORIDA GAS ZONE3 BASIS FUT (FP)								
FP	Spec	Mnth 1	Increase	USD	83	75	99	90
FP	Hedge/Member	Mnth 1	Increase	USD	75	75	90	90

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
FP	Spec	Mnth 2	Increase	USD	55	50	77	70
FP	Hedge/Member	Mnth 2	Increase	USD	50	50	70	70
FP	Spec	Mnths 3-6	Increase	USD	55	50	77	70
FP	Hedge/Member	Mnths 3-6	Increase	USD	50	50	70	70
FP	Spec	Mnths 7-12	Increase	USD	66	60	88	80
FP	Hedge/Member	Mnths 7-12	Increase	USD	60	60	80	80
FP	Spec	Mnths 13+	Increase	USD	77	70	88	80
FP	Hedge/Member	Mnths 13+	Increase	USD	70	70	80	80
NORTHERN NATURAL GAS DEMAR BASIS FU (PE)								
PE	Spec	Mnths 2-5	Increase	USD	143	130	176	160
PE	Hedge/Member	Mnths 2-5	Increase	USD	130	130	160	160
PE	Spec	Mnths 6+	Increase	USD	143	130	176	160
PE	Hedge/Member	Mnths 6+	Increase	USD	130	130	160	160
PANHANDLE BASIS FUT (PH)								
PH	Spec	Mnth 2	Increase	USD	94	85	110	100
PH	Hedge/Member	Mnth 2	Increase	USD	85	85	100	100
PH	Spec	Winter 2016/2017	Increase	USD	94	85	110	100
PH	Hedge/Member	Winter 2016/2017	Increase	USD	85	85	100	100
PH	Spec	Winter 2017-2018	Increase	USD	94	85	110	100
PH	Hedge/Member	Winter 2017-2018	Increase	USD	85	85	100	100
PH	Spec	APR 2018+	Increase	USD	94	85	110	100
PH	Hedge/Member	APR 2018+	Increase	USD	85	85	100	100
SUMAS BASIS FUT (NK)								
NK	Spec	Mnths 6-14	Increase	USD	143	130	176	160
NK	Hedge/Member	Mnths 6-14	Increase	USD	130	130	160	160
NK	Spec	Mnths 15-34	Increase	USD	154	140	176	160
NK	Hedge/Member	Mnths 15-34	Increase	USD	140	140	160	160
NK	Spec	Mnths 35+	Increase	USD	154	140	176	160
NK	Hedge/Member	Mnths 35+	Increase	USD	140	140	160	160

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								

TCO BASIS FUT (TC)

TC	Spec	Mnth 1	Increase	USD	72	65	94	85
TC	Hedge/Member	Mnth 1	Increase	USD	65	65	85	85
TC	Spec	Mnth 2-2	Increase	USD	55	50	83	75
TC	Hedge/Member	Mnth 2-2	Increase	USD	50	50	75	75
TC	Spec	Mnths 3-7	Increase	USD	55	50	83	75
TC	Hedge/Member	Mnths 3-7	Increase	USD	50	50	75	75
TC	Spec	Mnths 8-19	Increase	USD	55	50	83	75
TC	Hedge/Member	Mnths 8-19	Increase	USD	50	50	75	75
TC	Spec	Mnths 20+	Increase	USD	55	50	83	75
TC	Hedge/Member	Mnths 20+	Increase	USD	50	50	75	75

TENNESSEE ZONE 0 BASIS FUT (NQ)

NQ	Spec	Mnths 2+	Increase	USD	99	90	132	120
NQ	Hedge/Member	Mnths 2+	Increase	USD	90	90	120	120

TEXAS EASTERN ZONE M-3 BASIS FUT (NX)

NX	Spec	Mth 1	Increase	USD	715	650	880	800
NX	Hedge/Member	Mth 1	Increase	USD	650	650	800	800
NX	Spec	Mth 2	Increase	USD	605	550	660	600
NX	Hedge/Member	Mth 2	Increase	USD	550	550	600	600

TRANSCO ZONE 6 BASIS FUT (NZ)

NZ	Spec	Mnth 1	Increase	USD	1,100	1,000	1,320	1,200
NZ	Hedge/Member	Mnth 1	Increase	USD	1,000	1,000	1,200	1,200
NZ	Spec	Mnth 2	Increase	USD	880	800	990	900
NZ	Hedge/Member	Mnth 2	Increase	USD	800	800	900	900

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
TRANSCO ZONE 6 NON NY BASIS FUT (TZ6)								
TZ6	Spec	Mnth 1	Increase	USD	770	700	990	900
TZ6	Hedge/Member	Mnth 1	Increase	USD	700	700	900	900
TZ6	Spec	Mnth 2	Increase	USD	770	700	990	900
TZ6	Hedge/Member	Mnth 2	Increase	USD	700	700	900	900
TZ6	Spec	Winter 2016/2017	Increase	USD	660	600	770	700
TZ6	Hedge/Member	Winter 2016/2017	Increase	USD	600	600	700	700
TZ6	Spec	Winter 2017/2018	Increase	USD	660	600	770	700
TZ6	Hedge/Member	Winter 2017/2018	Increase	USD	600	600	700	700
TZ6	Spec	Summer 2018	Increase	USD	660	600	770	700
TZ6	Hedge/Member	Summer 2018	Increase	USD	600	600	700	700
TZ6	Spec	Winter 2018/2019	Increase	USD	660	600	770	700
TZ6	Hedge/Member	Winter 2018/2019	Increase	USD	600	600	700	700
TZ6	Spec	APR 2019+	Increase	USD	660	600	770	700
TZ6	Hedge/Member	APR 2019+	Increase	USD	600	600	700	700
VENTURA BASIS FUT (PF)								
PF	Spec	Mnths 2-5	Increase	USD	110	100	132	120
PF	Hedge/Member	Mnths 2-5	Increase	USD	100	100	120	120
PF	Spec	Mnths 6+	Increase	USD	110	100	132	120
PF	Hedge/Member	Mnths 6+	Increase	USD	100	100	120	120
WAHA TEXAS BASIS FUT (NW)								
NW	Spec	Mnth 1	Increase	USD	220	200	286	260
NW	Hedge/Member	Mnth 1	Increase	USD	200	200	260	260
NW	Spec	Mnth 2	Increase	USD	110	100	138	125
NW	Hedge/Member	Mnth 2	Increase	USD	100	100	125	125
NW	Spec	Mnths 3-6	Increase	USD	110	100	138	125
NW	Hedge/Member	Mnths 3-6	Increase	USD	100	100	125	125
NW	Spec	Mnths 7-12	Increase	USD	110	100	138	125
NW	Hedge/Member	Mnths 7-12	Increase	USD	100	100	125	125
NW	Spec	Mnths 13-33	Increase	USD	110	100	138	125
NW	Hedge/Member	Mnths 13-33	Increase	USD	100	100	125	125
NW	Spec	Mnths 34+	Increase	USD	110	100	138	125
NW	Hedge/Member	Mnths 34+	Increase	USD	100	100	125	125

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

PETROLEUM CRACKS AND SPREADS - Outright Rates

EURO 3.5% FUEL OIL SPREAD (FK)

FK	Spec	Mnths 3-11	Increase	USD	825	750	1,045	950
FK	Hedge/Member	Mnths 3-11	Increase	USD	750	750	950	950

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

REFINED PRODUCTS - Outright Rates

EUROPEAN GASOIL ICE FUTURE (7F)

7F	Spec	Mnth 1	Increase	USD	1,980	1,800	2,200	2,000
7F	Hedge/Member	Mnth 1	Increase	USD	1,800	1,800	2,000	2,000
7F	Spec	Mnths 2-6	Increase	USD	1,925	1,750	2,090	1,900
7F	Hedge/Member	Mnths 2-6	Increase	USD	1,750	1,750	1,900	1,900

EUROPEAN GASOIL ICE TAS FUTURE (7FT)

7FT	Spec	Mnth 1	Increase	USD	1,980	1,800	2,200	2,000
7FT	Hedge/Member	Mnth 1	Increase	USD	1,800	1,800	2,000	2,000
7FT	Spec	Mnths 2-6	Increase	USD	1,925	1,750	2,090	1,900
7FT	Hedge/Member	Mnths 2-6	Increase	USD	1,750	1,750	1,900	1,900

GASOIL BULLET FUT (BG)

BG	Spec	Mnth 1	Increase	USD	19,800	18,000	22,000	20,000
BG	Hedge/Member	Mnth 1	Increase	USD	18,000	18,000	20,000	20,000
BG	Spec	Mnths 2-6	Increase	USD	19,250	17,500	20,900	19,000
BG	Hedge/Member	Mnths 2-6	Increase	USD	17,500	17,500	19,000	19,000

MINI SINGAPORE GASOIL PLATS FUTURES (MSG)

MSG	Spec	Mnth 1	Increase	USD	253	230	275	250
MSG	Hedge/Member	Mnth 1	Increase	USD	230	230	250	250
MSG	Spec	Mnths 2-6	Increase	USD	242	220	286	260
MSG	Hedge/Member	Mnths 2-6	Increase	USD	220	220	260	260

SINGAPORE GASOIL FUT (SG)

SG	Spec	Mnth 1	Increase	USD	2,530	2,300	2,750	2,500
SG	Hedge/Member	Mnth 1	Increase	USD	2,300	2,300	2,500	2,500
SG	Spec	Mnths 2-6	Increase	USD	2,420	2,200	2,860	2,600
SG	Hedge/Member	Mnths 2-6	Increase	USD	2,200	2,200	2,600	2,600

SYNTHETIC GASOIL BULLET FUT (SBG)

SBG	Spec	Mnth 1	Increase	USD	19,800	18,000	22,000	20,000
SBG	Hedge/Member	Mnth 1	Increase	USD	18,000	18,000	20,000	20,000
SBG	Spec	Mnths 2-6	Increase	USD	19,250	17,500	20,900	19,000
SBG	Hedge/Member	Mnths 2-6	Increase	USD	17,500	17,500	19,000	19,000

SYNTHETIC SINGAPORE GASOIL FUT (SSG)

SSG	Spec	Mnth 1	Increase	USD	2,530	2,300	2,750	2,500
SSG	Hedge/Member	Mnth 1	Increase	USD	2,300	2,300	2,500	2,500
SSG	Spec	Mnths 2-6	Increase	USD	2,420	2,200	2,860	2,600
SSG	Hedge/Member	Mnths 2-6	Increase	USD	2,200	2,200	2,600	2,600

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
REFINED PRODUCTS - Inter-commodity Spread Rates						
GASOIL 0.1 (PLATTS) BARGES FOB RDAM SWAP FUTURES (NY-VL - CME) vs GASOIL 0.1 (PLATTS) CARGOES CIF NWE SWAP FUTURES (NY-TW - CME)						
Spread Credit Rate	Increase	+1:-1	75%	75%	95%	95%
Volatility Scan (volScan) Rate						
ETHANOL - Volatility Scan (volScan) Rate						
CHICAGO ETHANOL (PLATTS) SWAP FUTURES (CU, CVR) - volScan						
Clearing Member Rate	Mth 1	Increase		0.035		0.050
Clearing Member Rate	Mths 2	Increase		0.030		0.040
Clearing Member Rate	Mth 3-7	Increase		0.020		0.030
Clearing Member Rate	Mnth 8+	Increase		0.020		0.030
METALS - Volatility Scan (volScan) Rate						
IRON ORE FUTURES (ICT, TIO) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.050		0.070
Clearing Member Rate	Mnth 2-4	Increase		0.038		0.050
REFINED PRODUCTS - Volatility Scan (volScan) Rate						
GULF COAST JET FUEL (PLATTS) CALENDAR SWAP FUTURES (GE, GVR) - volScan						
Clearing Member Rate	Mnths 2-6	Increase		0.030		0.040
Clearing Member Rate	Mnths 7+	Increase		0.030		0.040
SINGAPORE FUEL OIL 380 CST (PLATTS) SWAP FUTURES (8H, MTS, SE) - volScan						
Clearing Member Rate	Mnths 7+	Decrease		0.030		0.025
Clearing Member Rate	Mnths 2-6	Decrease		0.030		0.025
SINGAPORE GASOIL (PLATTS) SWAP FUTURES (M2, MSG, SG, SSG) - volScan						
Clearing Member Rate	Mnths 2-6	Decrease		0.040		0.025
SINGAPORE JET KEROSENE (PLATTS) SWAP FUTURES (KS, N2, SKS) - volScan						
Clearing Member Rate	Mnths 2-6	Decrease		0.040		0.025