17-408

TO:	Clearing Member Firms Chief Financial Officers Back Office Managers Margin Managers
FROM:	CME Clearing
SUBJECT:	Performance Bond Requirements
DATE:	Thursday, October 26, 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

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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 27, 2017.

Current rates as of:

Thursday, October 26, 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	Months 13+	Increase	USD	1,430	1,300	1,650	1,500
DY	Hedge/Member	Months 13+	Increase	USD	1,300	1,300	1,500	1,500
DAP FOB NOLA SWAP (DFL)								
DFL	Spec		Decrease	USD	1,430	1,300	990	900
DFL	Hedge/Member		Decrease	USD	1,300	1,300	900	900
DAP FOB TAMPA SWAP (DFT)								
DFT	Spec		Decrease	USD	2,475	2,250	1,925	1,750
DFT	Hedge/Member		Decrease	USD	2,250	2,250	1,750	1,750
MALAYSIAN CRUDE PALM OIL CAL SWAP (CPC)								
CPC	Spec	Month 2+	Decrease	USD	1,100	1,000	770	700
CPC	Hedge/Member	Month 2+	Decrease	USD	1,000	1,000	700	700
UAN FOB NOLA SWAP (UFU)								
UFU	Spec		Increase	USD	1,100	1,000	1,320	1,200
UFU	Hedge/Member		Increase	USD	1,000	1,000	1,200	1,200
USD MALAYSIAN CRUDE PALM CAL FUT (CPO)								
CPO	Spec		Decrease	USD	1,100	1,000	770	700
CPO	Hedge/Member		Decrease	USD	1,000	1,000	700	700
FX - Outright Rates								
BRITISH POUND FUTURES (BP)								
BP	Spec	Month1	Increase	USD	1,980	1,800	2,200	2,000
BP	Hedge/Member	Month1	Increase	USD	1,800	1,800	2,000	2,000
BP	Spec	Months 2+	Increase	USD	1,980	1,800	2,200	2,000
BP	Hedge/Member	Months 2+	Increase	USD	1,800	1,800	2,000	2,000
E-MICRO GBP/USD FUTURES (M6B)								
M6B	Spec	Month1	Increase	USD	198	180	220	200
M6B	Hedge/Member	Month1	Increase	USD	180	180	200	200
M6B	Spec	Months 2+	Increase	USD	198	180	220	200
M6B	Hedge/Member	Months 2+	Increase	USD	180	180	200	200

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PETROLEUM CRACKS AND SPREADS - Outright Rates								
FUELOIL FUT:CARGOES VS.BARGES (FS)								
FS	Spec	Mnths 21+	Increase	USD	3,025	2,750	3,740	3,400
FS	Hedge/Member	Mnths 21+	Increase	USD	2,750	2,750	3,400	3,400
JET AVIA FUEL(PLTT) FOB V. ICE (1V)								
1V	Spec	Mnth 1	Increase	USD	3,850	3,500	4,675	4,250
1V	Hedge/Member	Mnth 1	Increase	USD	3,500	3,500	4,250	4,250
1V	Spec	Mnth 2-4	Increase	USD	2,750	2,500	3,465	3,150
1V	Hedge/Member	Mnth 2-4	Increase	USD	2,500	2,500	3,150	3,150
1V	Spec	Mnths 5+	Increase	USD	2,200	2,000	2,640	2,400
1V	Hedge/Member	Mnths 5+	Increase	USD	2,000	2,000	2,400	2,400
JET CIF NWE VS ICE (JC)								
JC	Spec	Mnth 2	Increase	USD	2,750	2,500	3,135	2,850
JC	Hedge/Member	Mnth 2	Increase	USD	2,500	2,500	2,850	2,850
MIN JETKERO CRGOS CIF NWE VS GASOIL (MJC)								
MJC	Spec	Mnth 2	Increase	USD	275	250	314	285
MJC	Hedge/Member	Mnth 2	Increase	USD	250	250	285	285
MINI 380CST VS 3.5% FUEL OIL FUT (MSB)								
MSB	Spec	Mths 18+	Increase	USD	220	200	264	240
MSB	Hedge/Member	Mths 18+	Increase	USD	200	200	240	240
SING 380 FUEL OIL VS FUEL OIL ROTDM (EVC)								
EVC	Spec	Mths 18+	Increase	USD	2,200	2,000	2,640	2,400
EVC	Hedge/Member	Mths 18+	Increase	USD	2,000	2,000	2,400	2,400

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
EQUITY INDEX - Inter-commodity Spread Rates						
E-MINI DOW ($5) FUTURES (YM - CME) vs S&P 500 VALUE (SU - CME)						
Spread Credit Rate	Decrease	+6:-2	90%	90%	85%	85%
NATURAL GAS - Inter-commodity Spread Rates						
CIG ROCKIES BASIS SWAP (PLATTS IFERC) FUTURES (NY-CI - CME) vs SAN JUAN BASIS SWAP (PLATTS IFERC) FUTURES (NY-NJ - CME)						
Spread Credit Rate	Decrease	+1:-1	55%	55%	40%	40%
EL PASO NATURAL GAS CO. PERMIAN BASIN BASIS SWAP ((NYM-PM - CME) vs CIG ROCKY MOUNTAIN BASIS SWAP (PLATTS IFERC) (NYM-CI - CME)						
Spread Credit Rate	Decrease	+1:-1	66%	66%	55%	55%
EL PASO NATURAL GAS CO. PERMIAN BASIN BASIS SWAP ((NYM-PM - CME) vs NORTHWEST PIPELINE, ROCKIES BASIS SWAP (PLATTS IFE (NYM-NR						
Spread Credit Rate	Decrease	+1:-1	69%	69%	59%	59%