CH-ADV-17-478

TO:	Clearing Member Firms Chief Financial Officers Back Office Managers Margin Managers
FROM:	CME Clearing
SUBJECT:	Performance Bond Requirements
DATE:	Monday, December 11, 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

Tuesday, December 12, 2017.

Current rates as of:

Monday, December 11, 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 C5+ CONDENSATE INDEX FUT (CC5)								
CC5	Spec	Mnths 1-2	Increase	USD	1,045	950	1,320	1,200
CC5	Hedge/Member	Mnths 1-2	Increase	USD	950	950	1,200	1,200
CC5	Spec	Mnths 3-6	Increase	USD	880	800	1,100	1,000
CC5	Hedge/Member	Mnths 3-6	Increase	USD	800	800	1,000	1,000
CC5	Spec	Mnths 7+	Increase	USD	660	600	880	800
CC5	Hedge/Member	Mnths 7+	Increase	USD	600	600	800	800
CANADIAN HEAVYCRUDE(NET ENRGY) FUT (WCC)								
WCC	Spec	Mnth 1	Increase	USD	1,155	1,050	1,430	1,300
WCC	Hedge/Member	Mnth 1	Increase	USD	1,050	1,050	1,300	1,300
WCC	Spec	Mnths 2-3	Increase	USD	1,155	1,050	1,430	1,300
WCC	Hedge/Member	Mnths 2-3	Increase	USD	1,050	1,050	1,300	1,300
WCC	Spec	Mnths 4+	Increase	USD	880	800	990	900
WCC	Hedge/Member	Mnths 4+	Increase	USD	800	800	900	900
CANADIAN LIGHT SWEET OIL (CIL)								
CIL	Spec	Mnths 1-2	Increase	USD	1,100	1,000	1,320	1,200
CIL	Hedge/Member	Mnths 1-2	Increase	USD	1,000	1,000	1,200	1,200
CIL	Spec	Mnths 3-6	Increase	USD	1,100	1,000	1,320	1,200
CIL	Hedge/Member	Mnths 3-6	Increase	USD	1,000	1,000	1,200	1,200
CIL	Spec	Mnths 7+	Increase	USD	770	700	880	800
CIL	Hedge/Member	Mnths 7+	Increase	USD	700	700	800	800
CLEARBROOK BAKKEN SWEET CRUDE OIL (CSW)								
CSW	Spec	Mnths 1-2	Increase	USD	880	800	1,045	950
CSW	Hedge/Member	Mnths 1-2	Increase	USD	800	800	950	950
CSW	Spec	Mnths 3-6	Increase	USD	880	800	1,045	950
CSW	Hedge/Member	Mnths 3-6	Increase	USD	800	800	950	950
CSW	Spec	Mnths 7+	Increase	USD	770	700	880	800
CSW	Hedge/Member	Mnths 7+	Increase	USD	700	700	800	800
LIGHT SWEET OIL NET ENERGY MONTHLY (LSW)								
LSW	Spec	Mnths 1-2	Increase	USD	1,100	1,000	1,430	1,300
LSW	Hedge/Member	Mnths 1-2	Increase	USD	1,000	1,000	1,300	1,300
LSW	Spec	Mnths 3-6	Increase	USD	1,100	1,000	1,430	1,300
LSW	Hedge/Member	Mnths 3-6	Increase	USD	1,000	1,000	1,300	1,300
LSW	Spec	Mnths 7+	Increase	USD	880	800	1,100	1,000
LSW	Hedge/Member	Mnths 7+	Increase	USD	800	800	1,000	1,000
SYNTHETIC SWEET OIL MONTHLY FUT (SSW)								

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
SSW	Spec	Mth 1-3	Increase	USD	1,100	1,000	1,430	1,300
SSW	Hedge/Member	Mth 1-3	Increase	USD	1,000	1,000	1,300	1,300
SSW	Spec	Mth 4-6	Increase	USD	1,100	1,000	1,430	1,300
SSW	Hedge/Member	Mth 4-6	Increase	USD	1,000	1,000	1,300	1,300
SSW	Spec	Mnths 7+	Increase	USD	825	750	1,100	1,000
SSW	Hedge/Member	Mnths 7+	Increase	USD	750	750	1,000	1,000
WESTERN CANADIAN SELECT OIL MONTHLY (WCW)								
WCW	Spec	Mnth 1	Increase	USD	1,155	1,050	1,430	1,300
WCW	Hedge/Member	Mnth 1	Increase	USD	1,050	1,050	1,300	1,300
WCW	Spec	Mnths 2-3	Increase	USD	1,155	1,050	1,430	1,300
WCW	Hedge/Member	Mnths 2-3	Increase	USD	1,050	1,050	1,300	1,300
WCW	Spec	Mnths 4+	Increase	USD	880	800	1,100	1,000
WCW	Hedge/Member	Mnths 4+	Increase	USD	800	800	1,000	1,000
WTI HOUSTON ARGUS V.WTI TRADE MONTH (HTT)								
HTT	Spec	Mnth1	Increase	USD	715	650	825	750
HTT	Hedge/Member	Mnth1	Increase	USD	650	650	750	750

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					
CANADIAN LIGHT SWEET OIL (NET ENERGY) INDEX FUTURES (CANADIAN LIGHT SWEET OIL)								
CIL	Spec		Increase	USD	880	800	1,100	1,000
CIL	Hedge/Member		Increase	USD	800	800	1,000	1,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
CRUDE OIL - Inter-commodity Spread Rates						
BRENT (ICE) CALENDAR SWAP FUTURES (NY-CY - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
CRUDE OIL FINANCIAL FUTURES (NY-WS - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
CRUDE OIL FINANCIAL FUTURES (NY-WS - CME) vs BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-26 - CME) vs BRENT (ICE) CALENDAR SWAP FUTURES (NY-CY - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-26 - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-26 - CME) vs BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
WTI CALENDAR SWAP FUTURES (NY-CS - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%
WTI CALENDAR SWAP FUTURES (NY-CS - CME) vs BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (NY-BB - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	77%	77%

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
EQUITY INDEX - Volatility Scan (volScan) Rate						
E-MINI RUSSELL 2000 INDEX FUTURES (RLT, RTM, RTO, RTY) - volScan						
Clearing Member Rate		Increase		0.035		0.040