



18-131

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, March 27, 2018

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

Wednesday, March 28, 2018.

Current rates as of:

Tuesday, March 27, 2018.

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								
MARS (ARGUS) V WTI FUT (YX)								
YX	Spec	Mnths 2-4	Increase	USD	440	400	523	475
YX	Hedge/Member	Mnths 2-4	Increase	USD	400	400	475	475
YX	Spec	Mnths 5+	Increase	USD	440	400	523	475
YX	Hedge/Member	Mnths 5+	Increase	USD	400	400	475	475
MARS (ARGUS) V WTI TRD MTH FUT (YV)								
YV	Spec	Mnths 2-4	Increase	USD	440	400	523	475
YV	Hedge/Member	Mnths 2-4	Increase	USD	400	400	475	475
YV	Spec	Mnths 5+	Increase	USD	440	400	523	475
YV	Hedge/Member	Mnths 5+	Increase	USD	400	400	475	475
NGL/PETROCHEMICALS - Outright Rates								
ARGUS PROPAN FAR EST INDEX FUT (7E)								
7E	Spec	Mnth 1	Decrease	USD	31,900	29,000	26,400	24,000
7E	Hedge/Member	Mnth 1	Decrease	USD	29,000	29,000	24,000	24,000
7E	Spec	Mnth 2	Decrease	USD	31,900	29,000	26,400	24,000
7E	Hedge/Member	Mnth 2	Decrease	USD	29,000	29,000	24,000	24,000
7E	Spec	Mnth 3-4	Decrease	USD	24,750	22,500	23,100	21,000
7E	Hedge/Member	Mnth 3-4	Decrease	USD	22,500	22,500	21,000	21,000
7E	Spec	Month 5+	Decrease	USD	24,750	22,500	19,800	18,000
7E	Hedge/Member	Month 5+	Decrease	USD	22,500	22,500	18,000	18,000
ARGUS PROPAN(SAUDI ARAMCO) FUT (9N)								
9N	Spec	Mnth 1	Decrease	USD	29,700	27,000	25,300	23,000
9N	Hedge/Member	Mnth 1	Decrease	USD	27,000	27,000	23,000	23,000
9N	Spec	Mnth 2	Decrease	USD	24,200	22,000	23,100	21,000
9N	Hedge/Member	Mnth 2	Decrease	USD	22,000	22,000	21,000	21,000
9N	Spec	Mnth 3+	Decrease	USD	20,900	19,000	20,350	18,500
9N	Hedge/Member	Mnth 3+	Decrease	USD	19,000	19,000	18,500	18,500
EURO PROPANE CIF ARA FUT (PS)								
PS	Spec	Mnth 1	Decrease	USD	30,800	28,000	26,400	24,000
PS	Hedge/Member	Mnth 1	Decrease	USD	28,000	28,000	24,000	24,000
PS	Spec	Mths 2	Decrease	USD	28,050	25,500	26,400	24,000
PS	Hedge/Member	Mths 2	Decrease	USD	25,500	25,500	24,000	24,000
PS	Spec	Mths 3-4	Increase	USD	22,550	20,500	23,100	21,000
PS	Hedge/Member	Mths 3-4	Increase	USD	20,500	20,500	21,000	21,000
PS	Spec	Mnths 5+	Decrease	USD	22,550	20,500	19,800	18,000
PS	Hedge/Member	Mnths 5+	Decrease	USD	20,500	20,500	18,000	18,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
MIN ARGUS PROPANE SAUDI ARAMCO FUT (MAS)								
MAS	Spec	Mnth 1	Decrease	USD	2,970	2,700	2,530	2,300
MAS	Hedge/Member	Mnth 1	Decrease	USD	2,700	2,700	2,300	2,300
MAS	Spec	Mnth 2	Decrease	USD	2,420	2,200	2,310	2,100
MAS	Hedge/Member	Mnth 2	Decrease	USD	2,200	2,200	2,100	2,100
MAS	Spec	Mnth 3+	Decrease	USD	2,090	1,900	2,035	1,850
MAS	Hedge/Member	Mnth 3+	Decrease	USD	1,900	1,900	1,850	1,850
MINI ARGUS PROPANE FAR EAST IDX (MAE)								
MAE	Spec	Mnth 1	Decrease	USD	3,190	2,900	2,640	2,400
MAE	Hedge/Member	Mnth 1	Decrease	USD	2,900	2,900	2,400	2,400
MAE	Spec	Mnth 2	Decrease	USD	3,190	2,900	2,640	2,400
MAE	Hedge/Member	Mnth 2	Decrease	USD	2,900	2,900	2,400	2,400
MAE	Spec	Mnth 3-4	Decrease	USD	2,475	2,250	2,310	2,100
MAE	Hedge/Member	Mnth 3-4	Decrease	USD	2,250	2,250	2,100	2,100
MAE	Spec	Month 5+	New	USD			1,980	1,800
MAE	Hedge/Member	Month 5+	New	USD			1,800	1,800
MINI EURO PROPANE CIF ARA ARGUS FUT (MPS)								
MPS	Spec	Mnth 1	Decrease	USD	3,080	2,800	2,640	2,400
MPS	Hedge/Member	Mnth 1	Decrease	USD	2,800	2,800	2,400	2,400
MPS	Spec	Mths 2	Decrease	USD	2,805	2,550	2,640	2,400
MPS	Hedge/Member	Mths 2	Decrease	USD	2,550	2,550	2,400	2,400
MPS	Spec	Mths 3-4	Increase	USD	2,255	2,050	2,310	2,100
MPS	Hedge/Member	Mths 3-4	Increase	USD	2,050	2,050	2,100	2,100
MPS	Spec	Mnths 5+	New	USD			1,980	1,800
MPS	Hedge/Member	Mnths 5+	New	USD			1,800	1,800

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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Intra Spreads

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
NGL/PETROCHEMICALS - Intra Spreads								
Argus Propane (Saudi Aramco) Swap - 1 vs. All Months (ARGUS PROPAN(SAUDI ARAMCO) FUT)								
9N	Spec		Decrease	USD	19,800	18,000	9,900	9,000
9N	Hedge/Member		Decrease	USD	18,000	18,000	9,000	9,000
Argus Propane (Saudi Aramco) Swap - 1 vs. All Months (MIN ARGUS PROPANE SAUDI ARAMCO FUT)								
MAS	Spec		Decrease	USD	1,980	1,800	990	900
MAS	Hedge/Member		Decrease	USD	1,800	1,800	900	900
Argus Propane (Saudi Aramco) Swap - 2+ All Months (ARGUS PROPAN(SAUDI ARAMCO) FUT)								
9N	Spec		Decrease	USD	13,750	12,500	8,250	7,500
9N	Hedge/Member		Decrease	USD	12,500	12,500	7,500	7,500
Argus Propane (Saudi Aramco) Swap - 2+ All Months (MIN ARGUS PROPANE SAUDI ARAMCO FUT)								
MAS	Spec		Decrease	USD	1,375	1,250	825	750
MAS	Hedge/Member		Decrease	USD	1,250	1,250	750	750
Argus Propane (Saudi Aramco) Swap - Consecutives (ARGUS PROPAN(SAUDI ARAMCO) FUT)								
9N	Spec		Decrease	USD	8,800	8,000	4,400	4,000
9N	Hedge/Member		Decrease	USD	8,000	8,000	4,000	4,000
Argus Propane (Saudi Aramco) Swap - Consecutives (MIN ARGUS PROPANE SAUDI ARAMCO FUT)								
MAS	Spec		Decrease	USD	880	800	440	400
MAS	Hedge/Member		Decrease	USD	800	800	400	400
Argus Propane Far East Index Swap - 1v2 (ARGUS PROPAN FAR EST INDEX FUT)								
7E	Spec		Decrease	USD	22,000	20,000	8,250	7,500
7E	Hedge/Member		Decrease	USD	20,000	20,000	7,500	7,500
Argus Propane Far East Index Swap - 1v2 (MINI ARGUS PROPANE FAR EAST IDX)								
MAE	Spec		Decrease	USD	2,200	2,000	825	750
MAE	Hedge/Member		Decrease	USD	2,000	2,000	750	750
Argus Propane Far East Index Swap - 2v2 (ARGUS PROPAN FAR EST INDEX FUT)								
7E	Spec		Decrease	USD	16,500	15,000	11,000	10,000
7E	Hedge/Member		Decrease	USD	15,000	15,000	10,000	10,000
Argus Propane Far East Index Swap - 2v2 (MINI ARGUS PROPANE FAR EAST IDX)								
MAE	Spec		Decrease	USD	1,650	1,500	1,100	1,000
MAE	Hedge/Member		Decrease	USD	1,500	1,500	1,000	1,000
Argus Propane Far East Index Swap - Consecutives (ARGUS PROPAN FAR EST INDEX FUT)								
7E	Spec		Decrease	USD	6,600	6,000	5,500	5,000
7E	Hedge/Member		Decrease	USD	6,000	6,000	5,000	5,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
Argus Propane Far East Index Swap - Consecutives (MINI ARGUS PROPANE FAR EAST IDX)								
MAE	Spec		Decrease	USD	660	600	550	500
MAE	Hedge/Member		Decrease	USD	600	600	500	500
European Propane CIF ARA (Argus) Swap - 1 vs. All Months (EURO PROPANE CIF ARA FUT)								
PS	Spec		Decrease	USD	22,000	20,000	8,250	7,500
PS	Hedge/Member		Decrease	USD	20,000	20,000	7,500	7,500
European Propane CIF ARA (Argus) Swap - 1 vs. All Months (MINI EURO PROPANE CIF ARA ARGUS FUT)								
MPS	Spec		Decrease	USD	2,200	2,000	825	750
MPS	Hedge/Member		Decrease	USD	2,000	2,000	750	750
European Propane CIF ARA (Argus) Swap - 2+ All Months (EURO PROPANE CIF ARA FUT)								
PS	Spec		Decrease	USD	17,600	16,000	13,200	12,000
PS	Hedge/Member		Decrease	USD	16,000	16,000	12,000	12,000
European Propane CIF ARA (Argus) Swap - 2+ All Months (MINI EURO PROPANE CIF ARA ARGUS FUT)								
MPS	Spec		Decrease	USD	1,760	1,600	1,320	1,200
MPS	Hedge/Member		Decrease	USD	1,600	1,600	1,200	1,200
European Propane CIF ARA (Argus) Swap - consecutives (EURO PROPANE CIF ARA FUT)								
PS	Spec		Decrease	USD	7,700	7,000	6,600	6,000
PS	Hedge/Member		Decrease	USD	7,000	7,000	6,000	6,000
European Propane CIF ARA (Argus) Swap - consecutives (MINI EURO PROPANE CIF ARA ARGUS FUT)								
MPS	Spec		Decrease	USD	770	700	660	600
MPS	Hedge/Member		Decrease	USD	700	700	600	600