



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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, April 12, 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

Friday, April 13, 2018.

Current rates as of:

Thursday, April 12, 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								
COAL - Outright Rates								
AUSTRALIAN COKING (PLATTS) LOW VOL (ALW)								
ALW	Spec	Mnth 1	Decrease	USD	19,250	17,500	16,500	15,000
ALW	Hedge/Member	Mnth 1	Decrease	USD	17,500	17,500	15,000	15,000
ALW	Spec	Mnth 2	Decrease	USD	19,250	17,500	16,500	15,000
ALW	Hedge/Member	Mnth 2	Decrease	USD	17,500	17,500	15,000	15,000
ALW	Spec	Mnths 3-4	Decrease	USD	19,250	17,500	16,500	15,000
ALW	Hedge/Member	Mnths 3-4	Decrease	USD	17,500	17,500	15,000	15,000
ALW	Spec	Mnths 5-11	Decrease	USD	19,250	17,500	16,500	15,000
ALW	Hedge/Member	Mnths 5-11	Decrease	USD	17,500	17,500	15,000	15,000
EASTERN RAIL DELIVERY CSX COAL FUT (QX)								
QX	Spec	Mths 1	Decrease	USD	1,980	1,800	1,650	1,500
QX	Hedge/Member	Mths 1	Decrease	USD	1,800	1,800	1,500	1,500
QX	Spec	Mths 2-3	Decrease	USD	1,760	1,600	1,650	1,500
QX	Hedge/Member	Mths 2-3	Decrease	USD	1,600	1,600	1,500	1,500
QX	Spec	Mths 4-6	Decrease	USD	1,760	1,600	1,650	1,500
QX	Hedge/Member	Mths 4-6	Decrease	USD	1,600	1,600	1,500	1,500
QX	Spec	Mnths 7-11	Decrease	USD	1,760	1,600	1,650	1,500
QX	Hedge/Member	Mnths 7-11	Decrease	USD	1,600	1,600	1,500	1,500
QX	Spec	Mnths 12+	Decrease	USD	1,760	1,600	1,650	1,500
QX	Hedge/Member	Mnths 12+	Decrease	USD	1,600	1,600	1,500	1,500
WESTERN RAIL DELIVERY PRB COAL FUT (QP)								
QP	Spec	Mnth 1	Decrease	USD	468	425	385	350
QP	Hedge/Member	Mnth 1	Decrease	USD	425	425	350	350
QP	Spec	Mnth 2	Decrease	USD	413	375	330	300
QP	Hedge/Member	Mnth 2	Decrease	USD	375	375	300	300

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

WTI MIDLAND (ARG) VS. WTI TRADE MTH (WTT)

WTT	Spec	Mnth 1	Increase	USD	660	600	770	700
WTT	Hedge/Member	Mnth 1	Increase	USD	600	600	700	700
WTT	Spec	Mnths 2-3	Increase	USD	660	600	770	700
WTT	Hedge/Member	Mnths 2-3	Increase	USD	600	600	700	700
WTT	Spec	Mnths 4-7	Increase	USD	660	600	715	650
WTT	Hedge/Member	Mnths 4-7	Increase	USD	600	600	650	650

WTI MIDLAND(ARGUS) VS WTI FINCL FUT (FF)

FF	Spec	Mnth1	Increase	USD	660	600	770	700
FF	Hedge/Member	Mnth1	Increase	USD	600	600	700	700
FF	Spec	Mnth 2	Increase	USD	660	600	770	700
FF	Hedge/Member	Mnth 2	Increase	USD	600	600	700	700
FF	Spec	Mnths 3-5	Increase	USD	660	600	715	650
FF	Hedge/Member	Mnths 3-5	Increase	USD	600	600	650	650

FX - Outright Rates

RU RUSSIAN RUBLE FUTURES (RU)

RU	Spec	Contracts 1-12	Increase	USD	2,090	1,900	2,530	2,300
RU	Hedge/Member	Contracts 1-12	Increase	USD	1,900	1,900	2,300	2,300

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

METALS - Outright Rates

ALUMINA FOB AUSTRALIA PLATT FUTURES (ALA)

ALA	Spec	Mths 1-4	Increase	USD	4,400	4,000	5,170	4,700
ALA	Hedge/Member	Mths 1-4	Increase	USD	4,000	4,000	4,700	4,700
ALA	Spec	Mths 5+	Increase	USD	4,400	4,000	5,170	4,700
ALA	Hedge/Member	Mths 5+	Increase	USD	4,000	4,000	4,700	4,700

ALUMINIUM EURO PREM METAL BULLETIN (AEP)

AEP	Spec	Mth 1	Increase	USD	440	400	550	500
AEP	Hedge/Member	Mth 1	Increase	USD	400	400	500	500
AEP	Spec	Mths 2-9	Increase	USD	440	400	550	500
AEP	Hedge/Member	Mths 2-9	Increase	USD	400	400	500	500
AEP	Spec	Mths 10+	Increase	USD	495	450	633	575
AEP	Hedge/Member	Mths 10+	Increase	USD	450	450	575	575

ALUMINUM JAPAN PREMIUM (PLATTS) FUT (MJP)

MJP	Spec	Mth 1	Increase	USD	363	330	413	375
MJP	Hedge/Member	Mth 1	Increase	USD	330	330	375	375
MJP	Spec	Mths 2-9	Increase	USD	363	330	413	375
MJP	Hedge/Member	Mths 2-9	Increase	USD	330	330	375	375
MJP	Spec	Mths 10+	Increase	USD	363	330	413	375
MJP	Hedge/Member	Mths 10+	Increase	USD	330	330	375	375

ALUMINUM MW TRANS PREM PLATTS SWAPS (AUP)

AUP	Spec	Mth 1	Increase	USD	1,210	1,100	1,375	1,250
AUP	Hedge/Member	Mth 1	Increase	USD	1,100	1,100	1,250	1,250
AUP	Spec	Mths 2-12	Increase	USD	1,210	1,100	1,375	1,250
AUP	Hedge/Member	Mths 2-12	Increase	USD	1,100	1,100	1,250	1,250
AUP	Spec	Mths 13-21	Increase	USD	1,265	1,150	1,485	1,350
AUP	Hedge/Member	Mths 13-21	Increase	USD	1,150	1,150	1,350	1,350
AUP	Spec	22+	Increase	USD	1,320	1,200	1,540	1,400
AUP	Hedge/Member	22+	Increase	USD	1,200	1,200	1,400	1,400

NATURAL GAS - Outright Rates

UK NBP NATURAL GAS FRONT MTH FUT (NBP)

NBP	Spec	Mnths 3+	Increase	USD	2,200	2,000	2,420	2,200
NBP	Hedge/Member	Mnths 3+	Increase	USD	2,000	2,000	2,200	2,200

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								
EAST/WEST FUEL OIL SPREAD FUT (EW)								
EW	Spec	Mths 3-9	Increase	USD	1,210	1,100	1,430	1,300
EW	Hedge/Member	Mths 3-9	Increase	USD	1,100	1,100	1,300	1,300
JET CIF NWE VS ICE (JC)								
JC	Spec	Mnths 7+	Increase	USD	2,090	1,900	2,530	2,300
JC	Hedge/Member	Mnths 7+	Increase	USD	1,900	1,900	2,300	2,300
MIN JETKERO CRGOS CIF NWE VS GASOIL (MJC)								
MJC	Spec	Mnths 7+	Increase	USD	209	190	253	230
MJC	Hedge/Member	Mnths 7+	Increase	USD	190	190	230	230
MINI EAST-WEST FUEL OIL FUTURES (MEW)								
MEW	Spec	Mths 3-9	Increase	USD	121	110	143	130
MEW	Hedge/Member	Mths 3-9	Increase	USD	110	110	130	130
SINGAPORE FUEL OIL SPREAD FUT (SD)								
SD	Spec	Mnths 1	Increase	USD	1,650	1,500	1,980	1,800
SD	Hedge/Member	Mnths 1	Increase	USD	1,500	1,500	1,800	1,800
SD	Spec	Mnth 2	Increase	USD	770	700	963	875
SD	Hedge/Member	Mnth 2	Increase	USD	700	700	875	875
SD	Spec	Mnths 3-25	Increase	USD	550	500	715	650
SD	Hedge/Member	Mnths 3-25	Increase	USD	500	500	650	650
SD	Spec	Mnths 26+	Increase	USD	440	400	605	550
SD	Hedge/Member	Mnths 26+	Increase	USD	400	400	550	550

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
METALS - Intra Spreads								
Aluminum MW US Transaction Premium Platts (25MT) Swap Futures - Mths 1-21 vs Mths 1-21 (ALUMINUM MW TRANS PREM PLATTS SWAPS)								
AUP	Spec		Increase	USD	1,265	1,150	1,375	1,250
AUP	Hedge/Member		Increase	USD	1,150	1,150	1,250	1,250
Aluminum MW US Transaction Premium Platts (25MT) Swap Futures - Mths 1-21 vs Mths 22+ (ALUMINUM MW TRANS PREM PLATTS SWAPS)								
AUP	Spec		Increase	USD	1,265	1,150	1,375	1,250
AUP	Hedge/Member		Increase	USD	1,150	1,150	1,250	1,250
Aluminum MW US Transaction Premium Platts (25MT) Swap Futures - Mths 22+ vs Mths 22+ (ALUMINUM MW TRANS PREM PLATTS SWAPS)								
AUP	Spec		Increase	USD	1,265	1,150	1,375	1,250
AUP	Hedge/Member		Increase	USD	1,150	1,150	1,250	1,250
Consecutive Spread - Months 2+ (ALUMINUM MW TRANS PREM PLATTS SWAPS)								
AUP	Spec		Increase	USD	990	900	1,100	1,000
AUP	Hedge/Member		Increase	USD	900	900	1,000	1,000
Mths 1-11 vs Mths 1-11 (ALUMINIUM EURO PREM METAL BULLETIN)								
AEP	Spec		Increase	USD	308	280	385	350
AEP	Hedge/Member		Increase	USD	280	280	350	350
Mths 1-11 vs Mths 12+ (ALUMINIUM EURO PREM METAL BULLETIN)								
AEP	Spec		Increase	USD	495	450	605	550
AEP	Hedge/Member		Increase	USD	450	450	550	550
Mths 12+ vs Mths 12+ (ALUMINIUM EURO PREM METAL BULLETIN)								
AEP	Spec		Increase	USD	440	400	550	500
AEP	Hedge/Member		Increase	USD	400	400	500	500
Mths 1-4 vs Mths 1-4 (ALUMINA FOB AUSTRALIA PLATT FUTURES)								
ALA	Spec		Increase	USD	880	800	1,100	1,000
ALA	Hedge/Member		Increase	USD	800	800	1,000	1,000
Mths 1-4 vs Mths 5+ (ALUMINA FOB AUSTRALIA PLATT FUTURES)								
ALA	Spec		Increase	USD	880	800	1,100	1,000
ALA	Hedge/Member		Increase	USD	800	800	1,000	1,000
Mths 5+ vs Mths 5+ (ALUMINA FOB AUSTRALIA PLATT FUTURES)								
ALA	Spec		Increase	USD	880	800	1,100	1,000
ALA	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						
NGL/PETROCHEMICALS - Inter-commodity Spread Rates						
EUROPEAN NAPHTHA (PLATTS) CALENDAR SWAP FUTURES (NY-UN) vs. MONT BELVIEU NATURAL GASOLINE 5 DECIMALS (OPIS) SWAP FUTURES (NY-7Q)						
Spread Credit Rate	Decrease	+1:-9	78%	78%	73%	73%
REFINED PRODUCTS - Inter-commodity Spread Rates						
EUROPEAN NAPHTHA (PLATTS) CALENDAR SWAP FUTURES (NY-UN) vs. MONT BELVIEU NATURAL GASOLINE 5 DECIMALS (OPIS) SWAP FUTURES (NY-7Q)						
Spread Credit Rate	Decrease	+1:-9	78%	78%	73%	73%
SINGAPORE FUEL OIL 180 CST (PLATTS) CALENDAR SWAP FUTURES (NY-UA - CME) vs SINGAPORE JET KEROSENE (PLATTS) SWAP FUTURES (NY-KS - CME)						
Spread Credit Rate	Decrease	+2:-15	55%	55%	52%	52%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
AGRICULTURE - Volatility Scan (volScan) Rate						
CORN (C, C, CDF, YC, ZCT) - volScan						
Clearing Member Rate	Months 2-5	Increase		0.018		0.023
Clearing Member Rate	Month 1	Increase		0.048		0.050
KANSAS WHEAT FUTURES (KET, KW, KW, KWO, MKC) - volScan						
Clearing Member Rate	Months 2-5	Increase		0.025		0.030
Clearing Member Rate	Month1	Increase		0.050		0.060
WHEAT (W, W, WDF, YW, ZWT) - volScan						
Clearing Member Rate	Months 2-5	Increase		0.040		0.050
Clearing Member Rate	Months 6+	Increase		0.020		0.025
Clearing Member Rate	Month 1	Increase		0.050		0.060
CRUDE OIL - Volatility Scan (volScan) Rate						
BRENT (ICE) CALENDAR SWAP FUTURES (BA, CY, IBS, MBC) - volScan						
Clearing Member Rate	Mnth2	Decrease		0.055		0.045
Clearing Member Rate	Mnth3	Decrease		0.040		0.035
Clearing Member Rate	Mnth4	Decrease		0.035		0.030
BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (BB, BE, BZ, BZL, BZO, BZS, BZT, IBS, OS, OSW) - volScan						
Clearing Member Rate	Mnth2	Decrease		0.055		0.045
Clearing Member Rate	Mnth3	Decrease		0.040		0.035
Clearing Member Rate	Mnth4	Decrease		0.035		0.030
BRENT CRUDE OIL PENULTIMATE FINANCIAL FUTURES (BB, BBT, MBZ, ODB, SBB) - volScan						
Clearing Member Rate	Mnth2	Decrease		0.055		0.045
Clearing Member Rate	Mnth3	Decrease		0.040		0.035
Clearing Member Rate	Mnth4	Decrease		0.035		0.030
CRUDE OIL FINANCIAL FUTURES (MCL, QM, WS) - volScan						
Clearing Member Rate	Mnth2	Decrease		0.055		0.045
Clearing Member Rate	Mnth3	Decrease		0.045		0.035
Clearing Member Rate	Mnth4	Decrease		0.035		0.030
CRUDE OIL LAST DAY FINANCIAL FUTURES (26, S26) - volScan						
Clearing Member Rate	Mnth2	Decrease		0.055		0.045
Clearing Member Rate	Mnth3	Decrease		0.045		0.035
Clearing Member Rate	Mnth4	Decrease		0.035		0.030
LIGHT SWEET CRUDE OIL FUTURES (C01, C02, C03, C04, C05, C06, C07, C08, C09, C10, C11, C12, C13, C14, C15, C16, C17, C18, C19, C20, C21, C22, C23, C24, C25, C26, C27, C28, C29, C30, C31, CD, CL, CLL, CLS, CLT, LC, LM1, LM2, LM3, LM4, LM5, LO, LOW, XC, XCT) - volScan						
Clearing Member Rate	Mnth2	Decrease		0.055		0.045
Clearing Member Rate	Mnth3	Decrease		0.045		0.035
Clearing Member Rate	Mnth4	Decrease		0.035		0.030
WTI CALENDAR SWAP FUTURES (AO, CS) - volScan						

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
Clearing Member Rate	Mnth2	Decrease		0.055		0.045
Clearing Member Rate	Mnth3	Decrease		0.045		0.035
Clearing Member Rate	Mnth4	Decrease		0.035		0.030