18-223

TO:	Clearing Member Firms Chief Financial Officers Back Office Managers Margin Managers
FROM:	CME Clearing
SUBJECT:	Performance Bond Requirements
DATE:	Monday, June 4, 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

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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, June 5, 2018.

Current rates as of:

Monday, June 4, 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								
AGRICULTURE - Outright Rates								
BLACK SEA CORN FIN STL PLATTS FUT (BCF)								
BCF	Spec		Decrease	USD	523	475	385	350
BCF	Hedge/Member		Decrease	USD	475	475	350	350
CRUDE OIL SPREADS - Outright Rates								
ARGUS LLS VS. WTI (ARG) TRD M (E5)								
E5	Spec	Mnth 1	Increase	USD	935	850	1,265	1,150
E5	Hedge/Member	Mnth 1	Increase	USD	850	850	1,150	1,150
E5	Spec	Mnths 2-4	Increase	USD	935	850	1,265	1,150
E5	Hedge/Member	Mnths 2-4	Increase	USD	850	850	1,150	1,150
E5	Spec	Mnth 5-11	Increase	USD	880	800	1,155	1,050
E5	Hedge/Member	Mnth 5-11	Increase	USD	800	800	1,050	1,050
MARS (ARGUS) V WTI FUT (YX)								
YX	Spec	Mnth 1	Increase	USD	798	725	1,100	1,000
YX	Hedge/Member	Mnth 1	Increase	USD	725	725	1,000	1,000
YX	Spec	Mnths 2-4	Increase	USD	798	725	1,100	1,000
YX	Hedge/Member	Mnths 2-4	Increase	USD	725	725	1,000	1,000
YX	Spec	Mnths 5+	Increase	USD	798	725	1,100	1,000
YX	Hedge/Member	Mnths 5+	Increase	USD	725	725	1,000	1,000
MARS (ARGUS) V WTI TRD MTH FUT (YV)								
YV	Spec	Mnth 1	Increase	USD	798	725	1,100	1,000
YV	Hedge/Member	Mnth 1	Increase	USD	725	725	1,000	1,000
YV	Spec	Mnths 2-4	Increase	USD	798	725	1,100	1,000
YV	Hedge/Member	Mnths 2-4	Increase	USD	725	725	1,000	1,000
YV	Spec	Mnths 5+	Increase	USD	798	725	1,100	1,000
YV	Hedge/Member	Mnths 5+	Increase	USD	725	725	1,000	1,000
WTI HOUSTON ARGUS V.WTI TRADE MONTH (HTT)								
HTT	Spec	Mnth1	Increase	USD	1,045	950	1,320	1,200
HTT	Hedge/Member	Mnth1	Increase	USD	950	950	1,200	1,200
HTT	Spec	Mnth 2	Increase	USD	880	800	1,155	1,050
HTT	Hedge/Member	Mnth 2	Increase	USD	800	800	1,050	1,050
HTT	Spec	Mnths 3-7	Increase	USD	853	775	1,128	1,025
HTT	Hedge/Member	Mnths 3-7	Increase	USD	775	775	1,025	1,025
HTT	Spec	Mths 8-19	Increase	USD	798	725	1,073	975
HTT	Hedge/Member	Mths 8-19	Increase	USD	725	725	975	975

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
HTT	Spec	Mnths 20+	Increase	USD	605	550	853	775
HTT	Hedge/Member	Mnths 20+	Increase	USD	550	550	775	775
ELECTRICITY - Outright Rates								
GERMAN POWER BASELOAD CAL MONTH FUT (DEB)								
DEB	Spec	Mnth 2	Increase	EUR	1,760	1,600	2,090	1,900
DEB	Hedge/Member	Mnth 2	Increase	EUR	1,600	1,600	1,900	1,900
DEB	Spec	Mnth 3	Increase	EUR	1,320	1,200	1,540	1,400
DEB	Hedge/Member	Mnth 3	Increase	EUR	1,200	1,200	1,400	1,400
DEB	Spec	Mnths 4-9	Increase	EUR	1,210	1,100	1,485	1,350
DEB	Hedge/Member	Mnths 4-9	Increase	EUR	1,100	1,100	1,350	1,350
DEB	Spec	Mnths 10+	Increase	EUR	1,100	1,000	1,375	1,250
DEB	Hedge/Member	Mnths 10+	Increase	EUR	1,000	1,000	1,250	1,250
GERMAN POWER PEAKLOAD CAL MONTH FUT (DEP)								
DEP	Spec	Mnths 4-9	Increase	EUR	440	400	550	500
DEP	Hedge/Member	Mnths 4-9	Increase	EUR	400	400	500	500
DEP	Spec	Mnths 10+	Increase	EUR	440	400	550	500
DEP	Hedge/Member	Mnths 10+	Increase	EUR	400	400	500	500
ITALIAN POWER BASELOAD GME CAL FUT (ITB)								
ITB	Spec	Mnths 10+	Increase	EUR	1,210	1,100	1,485	1,350
ITB	Hedge/Member	Mnths 10+	Increase	EUR	1,100	1,100	1,350	1,350
FREIGHT - Outright Rates								
FREIGHT ROUTE TC14 (BALTIC) FUTURES (FRC)								
FRC	Spec	Mnths 2	Increase	USD	2,420	2,200	3,080	2,800
FRC	Hedge/Member	Mnths 2	Increase	USD	2,200	2,200	2,800	2,800
FREIGHT ROUTE TD20 (BALTIC) FUTURES (T2D)								
T2D	Spec	Mths 2	Increase	USD	825	750	990	900
T2D	Hedge/Member	Mths 2	Increase	USD	750	750	900	900
FX - Outright Rates								
U.S. DOLLAR TURKISH LIRA FUTURES (TRY)								
TRY	Spec		Increase	TRY	44,000	40,000	55,000	50,000
TRY	Hedge/Member		Increase	TRY	40,000	40,000	50,000	50,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
			INTEREST RATES - Outright Rates					
10Y TREASURY NOTE FUTURES (21)								
21	Spec		Increase	USD	1,100	1,000	1,155	1,050
21	Hedge/Member		Increase	USD	1,000	1,000	1,050	1,050
2 YEAR TREASURY NOTE FUTURES (26)								
26	Spec	Mnth 1	Increase	USD	440	400	506	460
26	Hedge/Member	Mnth 1	Increase	USD	400	400	460	460
26	Spec	Mnths 2+	Increase	USD	495	450	578	525
26	Hedge/Member	Mnths 2+	Increase	USD	450	450	525	525
5 YR TREASURY NOTE FUTURES (25)								
25	Spec		Increase	USD	704	640	748	680
25	Hedge/Member		Increase	USD	640	640	680	680
			METALS - Outright Rates					
NYMEX HOT ROLLED STEEL FUTURES (HR)								
HR	Spec	Mnths 2 - 7	Increase	USD	715	650	798	725
HR	Hedge/Member	Mnths 2 - 7	Increase	USD	650	650	725	725
HR	Spec	Mnths 8+	Increase	USD	935	850	1,045	950
HR	Hedge/Member	Mnths 8+	Increase	USD	850	850	950	950
HR	Spec	Mnth 1	Increase	USD	715	650	798	725
HR	Hedge/Member	Mnth 1	Increase	USD	650	650	725	725

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								
Dated-to-Frontline Brent Swap - Mth 1 vs Mths 2+ (DATED TO FRONTLINE BRENT CLNDR FUT)								
FY	Spec		Increase	USD	110	100	138	125
FY	Hedge/Member		Increase	USD	100	100	125	125
Mars (Argus) vs. WTI Spread Calendar Swap - All Months (MARS (ARGUS) V WTI FUT)								
YX	Spec		Increase	USD	770	700	935	850
YX	Hedge/Member		Increase	USD	700	700	850	850
Mars (Argus) vs. WTI Spread Trade Month Swap - All Months (MARS (ARGUS) V WTI TRD MTH FUT)								
YV	Spec		Increase	USD	770	700	935	850
YV	Hedge/Member		Increase	USD	700	700	850	850
WTI Houston (Argus) vs. WTI Trade Month Futures - All Months (WTI HOUSTON ARGUS V.WTI TRADE MONTH)								
HTT	Spec		Increase	USD	495	450	715	650
HTT	Hedge/Member		Increase	USD	450	450	650	650

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
CRUDE OIL - Inter-commodity Spread Rates						
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	85%	85%	80%	80%
LLS (ARGUS) CALENDAR SWAP FUTURES (NY-XA - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL, CS, WS)						
Spread Credit Rate	Decrease	+1:-1	85%	85%	80%	80%