



18-245

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, June 14, 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, June 15, 2018.**

Current rates as of:

**Thursday, June 14, 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
<b>Outright Rates</b>								
<b>AGRICULTURE - Outright Rates</b>								
<b>ROUGH RICE FUTURES (14)</b>								
14	Spec	Month 1	Increase	USD	1,210	1,100	1,375	1,250
14	Hedge/Member	Month 1	Increase	USD	1,100	1,100	1,250	1,250
<b>ELECTRICITY - Outright Rates</b>								
<b>ERCOT NORTH ZONE MCPE 50 MW PEAK CALENDAR-DAY SWAP FUTURES (2T)</b>								
2T	Spec	Days 1-8	Increase	USD	44,000	40,000	55,000	50,000
2T	Hedge/Member	Days 1-8	Increase	USD	40,000	40,000	50,000	50,000
<b>ERCOT NRTH 345 KV HUB PEAK CLND D (I7)</b>								
I7	Spec	Days 1-8	Increase	USD	4,400	4,000	5,500	5,000
I7	Hedge/Member	Days 1-8	Increase	USD	4,000	4,000	5,000	5,000
<b>FX - Outright Rates</b>								
<b>BRAZILIAN REAL FUTURES (BR)</b>								
BR	Spec	Contracts 1-12	Increase	USD	1,210	1,100	1,485	1,350
BR	Hedge/Member	Contracts 1-12	Increase	USD	1,100	1,100	1,350	1,350

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

#### NATURAL GAS - Outright Rates

##### LNG JAPAN KOREA MARKER PLATTS FUT (JKM)

JKM	Spec	Month 1	Increase	USD	3,135	2,850	3,905	3,550
JKM	Hedge/Member	Month 1	Increase	USD	2,850	2,850	3,550	3,550
JKM	Spec	Month 2	Increase	USD	4,290	3,900	5,115	4,650
JKM	Hedge/Member	Month 2	Increase	USD	3,900	3,900	4,650	4,650
JKM	Spec	Month 3+	Increase	USD	4,125	3,750	4,950	4,500
JKM	Hedge/Member	Month 3+	Increase	USD	3,750	3,750	4,500	4,500

#### NGL/PETROCHEMICALS - Outright Rates

##### PGP POLYMER GRD PROPYLENE CAL FUT (PGP)

PGP	Spec	Mth 1	Increase	USD	3,410	3,100	4,510	4,100
PGP	Hedge/Member	Mth 1	Increase	USD	3,100	3,100	4,100	4,100
PGP	Spec	Mth 2+	Increase	USD	2,860	2,600	3,740	3,400
PGP	Hedge/Member	Mth 2+	Increase	USD	2,600	2,600	3,400	3,400

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>AGRICULTURE - Intra Spreads</b>								
<b>Month 1 vs Month 2 (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,320	1,200	1,100	1,000
FC	Hedge/Member		Decrease	USD	1,200	1,200	1,000	1,000
<b>Month 1 vs Month 2 (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,320	1,200	1,100	1,000
GFT	Hedge/Member		Decrease	USD	1,200	1,200	1,000	1,000
<b>Month 1 vs Month 3 (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,320	1,200	1,100	1,000
FC	Hedge/Member		Decrease	USD	1,200	1,200	1,000	1,000
<b>Month 1 vs Month 3 (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,320	1,200	1,100	1,000
GFT	Hedge/Member		Decrease	USD	1,200	1,200	1,000	1,000
<b>Month 1 vs Month 4 (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,320	1,200	1,100	1,000
FC	Hedge/Member		Decrease	USD	1,200	1,200	1,000	1,000
<b>Month 1 vs Month 4 (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,320	1,200	1,100	1,000
GFT	Hedge/Member		Decrease	USD	1,200	1,200	1,000	1,000
<b>Month 1 vs Month 5 (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,320	1,200	1,100	1,000
FC	Hedge/Member		Decrease	USD	1,200	1,200	1,000	1,000
<b>Month 1 vs Month 5 (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,320	1,200	1,100	1,000
GFT	Hedge/Member		Decrease	USD	1,200	1,200	1,000	1,000
<b>Month 1 vs Months 6+ (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,705	1,550	1,375	1,250
FC	Hedge/Member		Decrease	USD	1,550	1,550	1,250	1,250
<b>Month 1 vs Months 6+ (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,705	1,550	1,375	1,250
GFT	Hedge/Member		Decrease	USD	1,550	1,550	1,250	1,250
<b>Month 2 vs Month 4 (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	990	900	825	750
FC	Hedge/Member		Decrease	USD	900	900	750	750

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>Month 2 vs Month 4 (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	990	900	825	750
GFT	Hedge/Member		Decrease	USD	900	900	750	750
<b>Month 2 vs Month 5 (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,210	1,100	990	900
FC	Hedge/Member		Decrease	USD	1,100	1,100	900	900
<b>Month 2 vs Month 5 (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,210	1,100	990	900
GFT	Hedge/Member		Decrease	USD	1,100	1,100	900	900
<b>Month 2 vs Months 6+ (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,870	1,700	1,485	1,350
FC	Hedge/Member		Decrease	USD	1,700	1,700	1,350	1,350
<b>Month 2 vs Months 6+ (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,870	1,700	1,485	1,350
GFT	Hedge/Member		Decrease	USD	1,700	1,700	1,350	1,350
<b>Month 3 vs Month 5 (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	990	900	825	750
FC	Hedge/Member		Decrease	USD	900	900	750	750
<b>Month 3 vs Month 5 (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	990	900	825	750
GFT	Hedge/Member		Decrease	USD	900	900	750	750
<b>Month 3 vs Months 6+ (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,870	1,700	1,485	1,350
FC	Hedge/Member		Decrease	USD	1,700	1,700	1,350	1,350
<b>Month 3 vs Months 6+ (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,870	1,700	1,485	1,350
GFT	Hedge/Member		Decrease	USD	1,700	1,700	1,350	1,350
<b>Month 4 vs Months 6+ (FEEDER CATTLE FUTURES)</b>								
FC	Spec		Decrease	USD	1,210	1,100	990	900
FC	Hedge/Member		Decrease	USD	1,100	1,100	900	900
<b>Month 4 vs Months 6+ (FEEDER CATTLE TRADE AT SETTLE)</b>								
GFT	Spec		Decrease	USD	1,210	1,100	990	900
GFT	Hedge/Member		Decrease	USD	1,100	1,100	900	900

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>Rough Rice (CBOT) (14) - Months 1-2 vs Months 3+ (ROUGH RICE FUTURES)</b>								
14	Spec		Increase	USD	385	350	440	400
14	Hedge/Member		Increase	USD	350	350	400	400
<b>Rough Rice (CBOT) (14) - Months 3+ vs Months 3+ (ROUGH RICE FUTURES)</b>								
14	Spec		Increase	USD	220	200	275	250
14	Hedge/Member		Increase	USD	200	200	250	250
<b>CRUDE OIL SPREADS - Intra Spreads</b>								
<b>WTS (Argus) vs. WTI Spread Trade Month Swap - All Months (WTS (ARGUS) V WTI TRD MTH FUT)</b>								
FH	Spec		Increase	USD	2,310	2,100	2,915	2,650
FH	Hedge/Member		Increase	USD	2,100	2,100	2,650	2,650

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
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### Inter-commodity Spread Rates

#### CRUDE OIL - Inter-commodity Spread Rates

##### 1% FUEL OIL (PLATTS) CARGOES CIF MED SWAP FUTURES (NY-1W - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)

Spread Credit Rate	Decrease	+3:-19	74%	74%	70%	70%
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##### DUBAI CRUDE OIL CALENDAR SWAP (NYM-DC - CME) vs LIGHT, SWEET CRUDE OIL FUTURES (NYM-CL, CS, WS)

Spread Credit Rate	Decrease	+1:-1	85%	85%	80%	80%
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##### LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs EUROPEAN 1% FUEL OIL (PLATTS) CARGOES FOB NWE CALENDAR SWAP FUTURES (NY-UF - CME)

Spread Credit Rate	Decrease	+19:-3	77%	77%	73%	73%
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##### LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs SINGAPORE FUEL OIL 380 CST (PLATTS) SWAP FUTURES (NY-SE - CME)

Spread Credit Rate	Decrease	+19:-3	75%	75%	73%	73%
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##### LIGHT, SWEET CRUDE OIL FUTURES (NYM-CL, CS, WS) vs GULF COAST #6 FUEL 3.0% SWAP (NYM-MF - CME)

Spread Credit Rate	Decrease	+1:-1	77%	77%	73%	73%
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#### ERIS Standards - Inter-commodity Spread Rates

##### 5 YR SWAP ERIS vs 5YR DELIVERABLE SWAP CME

Spread Credit Rate	Decrease	+1:+1	95%	95%	90%	90%
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#### INTEREST RATES - Inter-commodity Spread Rates

##### 5 YR SWAP ERIS vs 5YR DELIVERABLE SWAP CME

Spread Credit Rate	Decrease	+1:+1	95%	95%	90%	90%
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#### NGL/PETROCHEMICALS - Inter-commodity Spread Rates

##### CONWAY NATURAL GASOLINE (OPIS) SWAP FUTURES (NY-8L - CME) vs CONWAY NORMAL BUTANE (OPIS) SWAP FUTURES (NY-8M - CME)

Spread Credit Rate	Decrease	+1:-1	55%	55%	45%	45%
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##### MONT BELVIEU ETHANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-C0 - CME) vs CONWAY NORMAL BUTANE (OPIS) SWAP FUTURES (NY-8M - CME)

Spread Credit Rate	Decrease	+1:-1	30%	30%	0%	0%
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## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						
<b>REFINED PRODUCTS - Inter-commodity Spread Rates</b>						
<b>1% FUEL OIL (PLATTS) CARGOES CIF MED SWAP FUTURES (NY-1W - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)</b>						
Spread Credit Rate	Decrease	+3:-19	74%	74%	70%	70%
<b>LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs EUROPEAN 1% FUEL OIL (PLATTS) CARGOES FOB NWE CALENDAR SWAP FUTURES (NY-UF - CME)</b>						
Spread Credit Rate	Decrease	+19:-3	77%	77%	73%	73%
<b>LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs SINGAPORE FUEL OIL 380 CST (PLATTS) SWAP FUTURES (NY-SE - CME)</b>						
Spread Credit Rate	Decrease	+19:-3	75%	75%	73%	73%
<b>LIGHT, SWEET CRUDE OIL FUTURES (NYM-CL, CS, WS) vs GULF COAST #6 FUEL 3.0% SWAP (NYM-MF - CME)</b>						
Spread Credit Rate	Decrease	+1:-1	77%	77%	73%	73%

# SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>AGRICULTURE - Volatility Scan (volScan) Rate</b>						
<b>CORN (C, C, CDF, YC, ZCT) - volScan</b>						
Clearing Member Rate	Months 6-9	Change to % Vol		0.011		7.000%
Clearing Member Rate	Months 2-5	Change to % Vol		0.030		14.000%
Clearing Member Rate	Months 10+	Change to % Vol		0.011		7.000%
Clearing Member Rate	Month 1	Change to % Vol		0.050		20.000%
<b>FEEDER CATTLE (9F1, FC, FC, GFT) - volScan</b>						
Clearing Member Rate	Month 1	Change to % Vol		0.028		14.000%
Clearing Member Rate	Month 2	Change to % Vol		0.025		13.000%
Clearing Member Rate	Month 3	Change to % Vol		0.020		13.000%
Clearing Member Rate	Month 4	Change to % Vol		0.020		13.000%
Clearing Member Rate	Month 5	Change to % Vol		0.020		13.000%
Clearing Member Rate	Months 6+	Change to % Vol		0.020		13.000%
<b>KANSAS WHEAT FUTURES (KET, KW, KW, KWO, MKC) - volScan</b>						
Clearing Member Rate	Months 2-5	Change to % Vol		0.030		13.000%
Clearing Member Rate	Months 6+	Change to % Vol		0.020		10.000%
Clearing Member Rate	Month1	Change to % Vol		0.060		17.000%
<b>LEAN HOG (9H1, HET, LN, LN) - volScan</b>						
Clearing Member Rate	Mnth 1	Change to % Vol		0.070		55.000%
Clearing Member Rate	Mnth 2	Change to % Vol		0.035		14.000%
Clearing Member Rate	Mnth 3	Change to % Vol		0.025		9.000%
Clearing Member Rate	Mnth 4	Change to % Vol		0.018		7.000%
Clearing Member Rate	Mnth 5	Change to % Vol		0.018		6.000%
Clearing Member Rate	Mnth 6	Change to % Vol		0.018		6.000%
Clearing Member Rate	Mnth 7	Change to % Vol		0.018		6.000%
Clearing Member Rate	Mnths 8+	Change to % Vol		0.018		6.000%
<b>LIVE CATTLE (9K1, LC, LC, LET) - volScan</b>						
Clearing Member Rate	Month 3	Change to % Vol		0.030		10.000%
Clearing Member Rate	Month 4	Change to % Vol		0.015		10.000%
Clearing Member Rate	Month 5	Change to % Vol		0.015		10.000%
Clearing Member Rate	Months 6+	Change to % Vol		0.015		10.000%
Clearing Member Rate	Month 1	Change to % Vol		0.080		14.000%
Clearing Member Rate	Month 2	Change to % Vol		0.030		14.000%
<b>OATS (O, O) - volScan</b>						
Clearing Member Rate	Months 1-2	Change to % Vol		0.040		13.000%
Clearing Member Rate	Months 3+	Change to % Vol		0.040		13.000%
<b>RANDOM LENGTH LUMBER (LB, LB) - volScan</b>						
Clearing Member Rate	Mnths 2+	Change to % Vol		0.045		12.000%
Clearing Member Rate	Mnth 1	Change to % Vol		0.045		12.000%
<b>ROUGH RICE (14, 14) - volScan</b>						

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
Clearing Member Rate	Month 1	Change to % Vol		0.040		15.000%
Clearing Member Rate	Months 2+	Change to % Vol		0.040		15.000%
<b>SOYBEAN MEAL (06, 06, ODF, USDINR, ZMT) - volScan</b>						
Clearing Member Rate	Month 1	Change to % Vol		0.050		22.000%
Clearing Member Rate	Months 2-4	Change to % Vol		0.025		11.000%
Clearing Member Rate	Months 5-7	Change to % Vol		0.013		7.000%
Clearing Member Rate	Months 8+	Change to % Vol		0.013		7.000%
<b>SOYBEANS (S, S, SBT, SDF, SRS, YK) - volScan</b>						
Clearing Member Rate	Months 2-4	Change to % Vol		0.025		15.000%
Clearing Member Rate	Months 7+	Change to % Vol		0.013		9.000%
Clearing Member Rate	Months 5-6	Change to % Vol		0.015		10.000%
Clearing Member Rate	Month 1	Change to % Vol		0.045		25.000%
<b>WHEAT (W, W, WDF, YW, ZWT) - volScan</b>						
Clearing Member Rate	Month 1	Change to % Vol		0.060		18.000%
Clearing Member Rate	Months 2-5	Change to % Vol		0.050		17.000%
Clearing Member Rate	Months 6+	Change to % Vol		0.025		12.000%
<b>EQUITY INDEX - Volatility Scan (volScan) Rate</b>						
<b>E-MINI DOW (\$5) FUTURES (11, 11, DO, EYM, EZD, YM, YM, YMI, YMT) - volScan</b>						
Clearing Member Rate		Decrease		50.000%		35.000%
<b>E-MINI NASDAQ-100 FUTURES (7H, DN, ND, ND, NQ, NQ, NQI, NQT, QN, YH) - volScan</b>						
Clearing Member Rate		Decrease		50.000%		35.000%
Clearing Member Rate	Months 2+	Decrease		40.000%		30.000%
<b>E-MINI RUSSELL 2000 INDEX FUTURES (RLT, RTM, RTO, RTY) - volScan</b>						
Clearing Member Rate	Months 2+	Decrease		40.000%		30.000%
Clearing Member Rate	Month 1	Decrease		50.000%		35.000%
<b>S&amp;P 500 (7S, 8A, 8B, ES, ES, ESI, ESQ, EST, EV, EW, MDV, MDW, MMV, MMW, SP, SP, YP1) - volScan</b>						
Clearing Member Rate	Month 1	Change to % Vol		0.050		40.000%
Clearing Member Rate	Month 2	Change to % Vol		0.040		30.000%
Clearing Member Rate	Months 3+	Change to % Vol		0.040		25.000%
<b>S&amp;P 500 (7S, 8A, 8B, ES, ES, ESI, ESQ, EST, EV, EW, MDV, MDW, MMV, MMW, SP, SP, YP1) - volScan Down</b>						
Clearing Member Rate	Month 1	Change to % Vol		0.045		30.000%
Clearing Member Rate	Month 2	Change to % Vol		0.035		20.000%
Clearing Member Rate	Months 3+	Change to % Vol		0.035		20.000%