



18-371

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Monday, September 17, 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

**Tuesday, September 18, 2018.**

Current rates as of:

**Monday, September 17, 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>CRUDE OIL SPREADS - Outright Rates</b>								
<b>CANADIAN LIGHT SWEET OIL (CIL)</b>								
CIL	Spec	Mnths 1-2	Increase	USD	2,420	2,200	2,915	2,650
CIL	Hedge/Member	Mnths 1-2	Increase	USD	2,200	2,200	2,650	2,650
CIL	Spec	Mnths 3-6	Increase	USD	1,980	1,800	2,200	2,000
CIL	Hedge/Member	Mnths 3-6	Increase	USD	1,800	1,800	2,000	2,000
CIL	Spec	Mnths 7+	Increase	USD	1,540	1,400	1,760	1,600
CIL	Hedge/Member	Mnths 7+	Increase	USD	1,400	1,400	1,600	1,600
<b>LIGHT SWEET OIL NET ENERGY MONTHLY (LSW)</b>								
LSW	Spec	Mnths 3-6	Increase	USD	1,980	1,800	2,200	2,000
LSW	Hedge/Member	Mnths 3-6	Increase	USD	1,800	1,800	2,000	2,000
LSW	Spec	Mnths 7+	Increase	USD	1,540	1,400	1,760	1,600
LSW	Hedge/Member	Mnths 7+	Increase	USD	1,400	1,400	1,600	1,600
<b>ENVIRONMENTAL - Outright Rates</b>								
<b>IN DELIVERY MONTH EUA FUTURES (6T)</b>								
6T	Spec	Mth 1	Increase	EUR	2,090	1,900	2,310	2,100
6T	Hedge/Member	Mth 1	Increase	EUR	1,900	1,900	2,100	2,100
6T	Spec	Mths 2+	Increase	EUR	2,090	1,900	2,310	2,100
6T	Hedge/Member	Mths 2+	Increase	EUR	1,900	1,900	2,100	2,100
<b>NATURAL GAS - Outright Rates</b>								
<b>WAHA TEXAS BASIS FUT (NW)</b>								
NW	Spec	Mnth 1	Increase	USD	462	420	550	500
NW	Hedge/Member	Mnth 1	Increase	USD	420	420	500	500
NW	Spec	Mnth 2	Increase	USD	462	420	550	500
NW	Hedge/Member	Mnth 2	Increase	USD	420	420	500	500
NW	Spec	Mnths 3-6	Increase	USD	462	420	550	500
NW	Hedge/Member	Mnths 3-6	Increase	USD	420	420	500	500
NW	Spec	Mnths 7-12	Increase	USD	462	420	550	500
NW	Hedge/Member	Mnths 7-12	Increase	USD	420	420	500	500
NW	Spec	Mnths 13-33	Increase	USD	462	420	550	500
NW	Hedge/Member	Mnths 13-33	Increase	USD	420	420	500	500
NW	Spec	Mnths 34+	Increase	USD	462	420	550	500
NW	Hedge/Member	Mnths 34+	Increase	USD	420	420	500	500

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								

### CRUDE OIL SPREADS - Intra Spreads

#### CANADIAN HEAVYCRUDE(NET ENRGY) FUT - All Months (CANADIAN HEAVYCRUDE(NET ENRGY) FUT)

WCC	Spec		Increase	USD	1,870	1,700	2,420	2,200
WCC	Hedge/Member		Increase	USD	1,700	1,700	2,200	2,200

### NATURAL GAS - Intra Spreads

#### Waha Basis Swap - All Months (WAHA TEXAS BASIS FUT)

NW	Spec		Increase	USD	385	350	495	450
NW	Hedge/Member		Increase	USD	350	350	450	450

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						

### AGRICULTURE - Volatility Scan (volScan) Rate

#### LIVE CATTLE (9K1, LC, LC, LET) - volScan

Clearing Member Rate	Month 1	Increase		14.000%		16.000%
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