



18-488

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, December 11, 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, December 12, 2018.

Current rates as of:

Tuesday, December 11, 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

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

INTEREST RATES - Volatility Scan (volScan) Rate

EURODOLLAR (E2W, E3W, E5, ED, ED, EED, ET, TE2, TE3, TE4, TF) - volScan

Clearing Member Rate	Mnth4	Increase		20.000%		22.000%
Clearing Member Rate	Mnth5	Increase		20.000%		22.000%
Clearing Member Rate	Mnth6	Increase		20.000%		22.000%
Clearing Member Rate	Mnth7	Increase		18.000%		20.000%
Clearing Member Rate	Mnth8	Increase		18.000%		20.000%
Clearing Member Rate	Mnth9	Increase		18.000%		20.000%
Clearing Member Rate	Mnth10	Increase		15.000%		17.000%
Clearing Member Rate	Mnth11	Increase		15.000%		17.000%
Clearing Member Rate	Mnth12	Increase		15.000%		17.000%
Clearing Member Rate	Mnth13	Increase		15.000%		17.000%
Clearing Member Rate	Mnth14	Increase		15.000%		17.000%
Clearing Member Rate	Mnth15	Increase		15.000%		17.000%
Clearing Member Rate	Mnth16	Increase		15.000%		17.000%
Clearing Member Rate	Mnth17	Increase		15.000%		17.000%
Clearing Member Rate	Mnth18	Increase		15.000%		17.000%
Clearing Member Rate	Mnth19	Increase		15.000%		17.000%
Clearing Member Rate	Mnth20	Increase		15.000%		17.000%
Clearing Member Rate	Mnth21	Increase		15.000%		17.000%
Clearing Member Rate	Mnth22	Increase		15.000%		17.000%
Clearing Member Rate	Mnth23	Increase		15.000%		17.000%
Clearing Member Rate	Mnth24	Increase		15.000%		17.000%
Clearing Member Rate	Mnth25	Increase		15.000%		17.000%
Clearing Member Rate	Mnth26	Increase		15.000%		17.000%
Clearing Member Rate	Mnth27	Increase		15.000%		17.000%
Clearing Member Rate	Mnth28	Increase		15.000%		17.000%
Clearing Member Rate	Mnth29	Increase		15.000%		17.000%
Clearing Member Rate	Mnth30	Increase		15.000%		17.000%
Clearing Member Rate	Mnth31	Increase		15.000%		17.000%
Clearing Member Rate	Mnth32	Increase		15.000%		17.000%
Clearing Member Rate	Mnth33	Increase		15.000%		17.000%
Clearing Member Rate	Mnth34	Increase		15.000%		17.000%
Clearing Member Rate	Mnth35	Increase		15.000%		17.000%
Clearing Member Rate	Mnth36	Increase		15.000%		17.000%
Clearing Member Rate	Mnth37	Increase		15.000%		17.000%
Clearing Member Rate	Mnth38	Increase		15.000%		17.000%
Clearing Member Rate	Mnth39	Increase		15.000%		17.000%
Clearing Member Rate	Mnth40	Increase		15.000%		17.000%
Clearing Member Rate	Mnth41	Increase		15.000%		17.000%
Clearing Member Rate	Mnth42	Increase		15.000%		17.000%

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	Mnth43	Increase		15.000%		17.000%
Clearing Member Rate	Mnth44	Increase		15.000%		17.000%