



19-007

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, January 04, 2019

***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

**Monday, January 07, 2019.**

Current rates as of:

**Friday, January 04, 2019.**

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>FREIGHT - Outright Rates</b>								
<b>FREIGHT ROUTE LIQUID PETROLEUM GAS (FLP)</b>								
FLP	Spec	Mth 1	Increase	USD	3,960	3,600	4,785	4,350
FLP	Hedge/Member	Mth 1	Increase	USD	3,600	3,600	4,350	4,350
FLP	Spec	Mths 2	Increase	USD	3,135	2,850	3,795	3,450
FLP	Hedge/Member	Mths 2	Increase	USD	2,850	2,850	3,450	3,450
FLP	Spec	Mnths 3-5	Increase	USD	2,420	2,200	3,080	2,800
FLP	Hedge/Member	Mnths 3-5	Increase	USD	2,200	2,200	2,800	2,800
FLP	Spec	Months 6+	Increase	USD	2,420	2,200	3,080	2,800
FLP	Hedge/Member	Months 6+	Increase	USD	2,200	2,200	2,800	2,800
<b>FREIGHT ROUTE TC14 (BALTIC) FUTURES (FRC)</b>								
FRC	Spec	Mnth 1	Increase	USD	3,850	3,500	4,620	4,200
FRC	Hedge/Member	Mnth 1	Increase	USD	3,500	3,500	4,200	4,200
FRC	Spec	Mnths 2	Increase	USD	2,640	2,400	3,190	2,900
FRC	Hedge/Member	Mnths 2	Increase	USD	2,400	2,400	2,900	2,900
FRC	Spec	Mnths 3+	Increase	USD	1,430	1,300	1,705	1,550
FRC	Hedge/Member	Mnths 3+	Increase	USD	1,300	1,300	1,550	1,550
<b>FREIGHT ROUTE TC15 (BALTIC) FUTURES (T5C)</b>								
T5C	Spec	Mths 2	Increase	USD	2,200	2,000	2,860	2,600
T5C	Hedge/Member	Mths 2	Increase	USD	2,000	2,000	2,600	2,600
<b>FREIGHT ROUTE TC9 (BALTIC) FUTURES (TC9)</b>								
TC9	Spec	Mth 1	Increase	USD	1,760	1,600	2,200	2,000
TC9	Hedge/Member	Mth 1	Increase	USD	1,600	1,600	2,000	2,000
TC9	Spec	Mths 2	Increase	USD	1,650	1,500	1,980	1,800
TC9	Hedge/Member	Mths 2	Increase	USD	1,500	1,500	1,800	1,800
TC9	Spec	Mnths 3-5	Increase	USD	1,650	1,500	1,925	1,750
TC9	Hedge/Member	Mnths 3-5	Increase	USD	1,500	1,500	1,750	1,750
TC9	Spec	Months 6+	Increase	USD	1,650	1,500	1,925	1,750
TC9	Hedge/Member	Months 6+	Increase	USD	1,500	1,500	1,750	1,750
<b>FREIGHT ROUTE TD3C FUTURES (TL)</b>								
TL	Spec	Mnth 1	Increase	USD	1,320	1,200	1,595	1,450
TL	Hedge/Member	Mnth 1	Increase	USD	1,200	1,200	1,450	1,450
TL	Spec	Mnth 2	Increase	USD	1,155	1,050	1,375	1,250
TL	Hedge/Member	Mnth 2	Increase	USD	1,050	1,050	1,250	1,250
TL	Spec	Mnths 3-6	Increase	USD	990	900	1,210	1,100
TL	Hedge/Member	Mnths 3-6	Increase	USD	900	900	1,100	1,100
<b>FREIGHT ROUTE TD8 (BALTIC) FUTURES (TD8)</b>								

## **SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS**

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<b>Outright Rates</b>								
TD8	Spec	Mths 2	Increase	USD	880	800	1,100	1,000
TD8	Hedge/Member	Mths 2	Increase	USD	800	800	1,000	1,000
<b>TC2 ROTTERDAM TO USAC 37K MT (TM)</b>								
TM	Spec	Mnth 1	Increase	USD	3,465	3,150	4,070	3,700
TM	Hedge/Member	Mnth 1	Increase	USD	3,150	3,150	3,700	3,700
<b>TC5 RAS TANURA TO YOKOHAMA 55K MT (TH)</b>								
TH	Spec	Mth 1	Increase	USD	1,650	1,500	2,200	2,000
TH	Hedge/Member	Mth 1	Increase	USD	1,500	1,500	2,000	2,000
TH	Spec	Mths 2+	Increase	USD	1,650	1,500	1,980	1,800
TH	Hedge/Member	Mths 2+	Increase	USD	1,500	1,500	1,800	1,800
<b>TD7 NORTH SEA TO CONTINENT 80K MT (TK)</b>								
TK	Spec	Mnth 1	Increase	USD	990	900	1,210	1,100
TK	Hedge/Member	Mnth 1	Increase	USD	900	900	1,100	1,100

## 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

#### INTEREST RATES - Outright Rates

#### 10-YEAR ERIS SWAP FUTURES (LIY)

LIY	Spec	Months 21+	Increase	USD	1650	1500	1,650	1,500
LIY	Hedge/Member	Months 21+	Increase	USD	1500	1500	1,500	1,500

#### 2-YEAR ERIS SWAP FUTURE (LIT)

LIT	Spec	Months 9+	Increase	USD	220	200	330	300
LIT	Hedge/Member	Months 9+	Increase	USD	200	200	300	300

#### 3-YEAR ERIS SWAP FUTURES (LIC)

LIC	Spec	Months 9-12	Increase	USD	275	250	385	350
LIC	Hedge/Member	Months 9-12	Increase	USD	250	250	350	350
LIC	Spec	Months 13+	Increase	USD	275	250	550	500
LIC	Hedge/Member	Months 13+	Increase	USD	250	250	500	500

#### 4-YEAR ERIS SWAP FUTURES (LID)

LID	Spec	Months 9+	Increase	USD	330	300	495	450
LID	Hedge/Member	Months 9+	Increase	USD	300	300	450	450

#### 5-YEAR ERIS SWAP FUTURES (LIW)

LIW	Spec	Months 9-15	Increase	USD	330	300	495	450
LIW	Hedge/Member	Months 9-15	Increase	USD	300	300	450	450
LIW	Spec	Months 16+	Increase	USD	330	300	495	450
LIW	Hedge/Member	Months 16+	Increase	USD	300	300	450	450

#### ONE-MONTH SOFR FUTURES (SR1)

SR1	Spec	Month 5	Increase	USD	253	230	275	250
SR1	Hedge/Member	Month 5	Increase	USD	230	230	250	250
SR1	Spec	Month 6	Increase	USD	281	255	308	280
SR1	Hedge/Member	Month 6	Increase	USD	255	255	280	280
SR1	Spec	Month 7	Increase	USD	330	300	363	330
SR1	Hedge/Member	Month 7	Increase	USD	300	300	330	330



## **SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS**

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Outright Rates</b>								

### **THREE-MONTH SOFR FUTURES (SR3)**

SR3	Spec	Month 1	Increase	USD	187	170	209	190
SR3	Hedge/Member	Month 1	Increase	USD	170	170	190	190
SR3	Spec	Month 2	Increase	USD	231	210	264	240
SR3	Hedge/Member	Month 2	Increase	USD	210	210	240	240
SR3	Spec	Month 3	Increase	USD	308	280	363	330
SR3	Hedge/Member	Month 3	Increase	USD	280	280	330	330
SR3	Spec	Months 4-5	Increase	USD	391	355	451	410
SR3	Hedge/Member	Months 4-5	Increase	USD	355	355	410	410
SR3	Spec	Months 6-8	Increase	USD	451	410	523	475
SR3	Hedge/Member	Months 6-8	Increase	USD	410	410	475	475
SR3	Spec	Months 9-12	Increase	USD	484	440	550	500
SR3	Hedge/Member	Months 9-12	Increase	USD	440	440	500	500
SR3	Spec	Months 13-16	Increase	USD	501	455	578	525
SR3	Hedge/Member	Months 13-16	Increase	USD	455	455	525	525
SR3	Spec	Months 17+	Increase	USD	501	455	578	525
SR3	Hedge/Member	Months 17+	Increase	USD	455	455	525	525

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>EQUITY INDEX - Intra Spreads</b>								
<b>E-Mini S&amp;P Midcap 400 (MD) - Months 1 vs 2 (BTIC E-MINI S&amp;P MIDCAP 400 FUT)</b>								
EMT	Spec		Increase	USD	253	230	330	300
EMT	Hedge/Member		Increase	USD	230	230	300	300
<b>E-Mini S&amp;P Midcap 400 (MD) - Months 1 vs 2 (EMINI MIDCAP FUTURES)</b>								
ME	Spec		Increase	USD	253	230	330	300
ME	Hedge/Member		Increase	USD	230	230	300	300
<b>E-Mini S&amp;P Midcap 400 (MD) - Months 1 vs 2 (E-MINI S&amp;P MIDCAP 400 SYNT MARKER)</b>								
ETT	Spec		Increase	USD	253	230	330	300
ETT	Hedge/Member		Increase	USD	230	230	300	300

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						
<b>EQUITY INDEX - Inter-commodity Spread Rates</b>						
<b>EMINI SP500-TECHNOLOGY SECTOR INDEX (XAK) vs S&amp;P 500 FUTURES (SP)</b>						
Spread Credit Rate	Decrease	+15:-1	65%	65%	60%	60%
<b>INTEREST RATES - Inter-commodity Spread Rates</b>						
<b>10 Year Treasury Note (21) vs. Fed Funds (41) Tier 1 (Month 1)</b>						
Spread Credit Rate	Decrease	+1:-2	35%	35%	30%	30%
<b>10 Year Treasury Note (21) vs. Fed Funds (41) Tier 2 (Months 2-4)</b>						
Spread Credit Rate	Decrease	+1:-2	40%	40%	35%	35%
<b>5 Year Treasury Note (25) vs. Fed Funds (CBOT) (41) Tier 4 (Months 13-24)</b>						
Spread Credit Rate	Decrease	+2:-3	75%	75%	70%	70%
<b>5 Year Treasury Note (25) vs. Fed Funds (CBOT) (41) Tier 5 (Months 25+)</b>						
Spread Credit Rate	Decrease	+2:-3	75%	75%	70%	70%