

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Monday, January 07, 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

Tuesday, January 08, 2019.

Current rates as of:

Monday, January 07, 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
Outright Rates								
EQUITY INDEX - Outright Rates								
S&P 500 ANNUAL DIVIDEND INDEX FUT (SDA)								
SDA	Spec	Month 9	Increase	USD	561	510	660	600
SDA	Hedge/Member	Month 9	Increase	USD	510	510	600	600
SDA	Spec	Month 10	Increase	USD	561	510	660	600
SDA	Hedge/Member	Month 10	Increase	USD	510	510	600	600
SDA	Spec	Month 11	Increase	USD	561	510	660	600
SDA	Hedge/Member	Month 11	Increase	USD	510	510	600	600
INTEREST RATES - Outright Rates								
10Y TREASURY NOTE FUTURES (21)								
21	Spec		Increase	USD	1,155	1,050	1,265	1,150
21	Hedge/Member		Increase	USD	1,050	1,050	1,150	1,150
2 YEAR TREASURY NOTE FUTURES (26)								
26	Spec	Mnth 1	Increase	USD	539	490	572	520
26	Hedge/Member	Mnth 1	Increase	USD	490	490	520	520
26	Spec	Mnths 2+	Increase	USD	605	550	638	580
26	Hedge/Member	Mnths 2+	Increase	USD	550	550	580	580
5 YR TREASURY NOTE FUTURES (25)								
25	Spec		Increase	USD	748	680	814	740
25	Hedge/Member		Increase	USD	680	680	740	740