



Advisory Number: 19-119

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, April 4, 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

**Friday, April 5, 2019.**

Current rates as of:

**Thursday, April 4, 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>AGRICULTURE - Outright Rates</b>								
<b>CASH BUTTER FUTURES (CB)</b>								
CB	Spec	Months 2-4	Increase	USD	1,210	1,100	1,320	1,200
CB	Hedge/Member	Months 2-4	Increase	USD	1,100	1,100	1,200	1,200
CB	Spec	Months 5-9	Increase	USD	935	850	1,100	1,000
CB	Hedge/Member	Months 5-9	Increase	USD	850	850	1,000	1,000
CB	Spec	Month 1	Increase	USD	495	450	605	550
CB	Hedge/Member	Month 1	Increase	USD	450	450	550	550
<b>CASH CHEESE FUTURES (CSC)</b>								
CSC	Spec	Mnths 2-4	Increase	USD	770	700	880	800
CSC	Hedge/Member	Mnths 2-4	Increase	USD	700	700	800	800
<b>CLASS III MILK FUTURES (DA)</b>								
DA	Spec	Months 2-5	Increase	USD	770	700	935	850
DA	Hedge/Member	Months 2-5	Increase	USD	700	700	850	850
DA	Spec	Months 6-11	Increase	USD	495	450	605	550
DA	Hedge/Member	Months 6-11	Increase	USD	450	450	550	550
<b>CLASS IV MILK FUTURE (DK)</b>								
DK	Spec	Months 2-5	Increase	USD	743	675	880	800
DK	Hedge/Member	Months 2-5	Increase	USD	675	675	800	800
<b>MLK MID FUTURES (JQ)</b>								
JQ	Spec	Months 2-5	Increase	USD	385	350	468	425
JQ	Hedge/Member	Months 2-5	Increase	USD	350	350	425	425
JQ	Spec	Months 6-11	Increase	USD	248	225	303	275
JQ	Hedge/Member	Months 6-11	Increase	USD	225	225	275	275

## 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

#### COAL - Outright Rates

##### FOB AUS PREMIUM HARD COKING COAL (ACT)

ACT	Spec	Mnth 1	Decrease	USD	23,100	21,000	13,200	12,000
ACT	Hedge/Member	Mnth 1	Decrease	USD	21,000	21,000	12,000	12,000
ACT	Spec	Mnth 2	Decrease	USD	23,100	21,000	13,200	12,000
ACT	Hedge/Member	Mnth 2	Decrease	USD	21,000	21,000	12,000	12,000
ACT	Spec	Mnths 3-4	Decrease	USD	23,100	21,000	13,200	12,000
ACT	Hedge/Member	Mnths 3-4	Decrease	USD	21,000	21,000	12,000	12,000
ACT	Spec	Mnths 5-11	Decrease	USD	23,100	21,000	13,200	12,000
ACT	Hedge/Member	Mnths 5-11	Decrease	USD	21,000	21,000	12,000	12,000
ACT	Spec	Mnths 12-14	Decrease	USD	15,400	14,000	8,800	8,000
ACT	Hedge/Member	Mnths 12-14	Decrease	USD	14,000	14,000	8,000	8,000
ACT	Spec	Mnths 15+	Decrease	USD	12,100	11,000	6,600	6,000
ACT	Hedge/Member	Mnths 15+	Decrease	USD	11,000	11,000	6,000	6,000

#### ETHANOL - Outright Rates

##### METHANOL FOBHOUSTON (ARGUS) (MTH)

MTH	Spec	Mnth 1	Decrease	USD	4,620	4,200	3,300	3,000
MTH	Hedge/Member	Mnth 1	Decrease	USD	4,200	4,200	3,000	3,000

#### FREIGHT - Outright Rates

##### FREIGHT ROUTE TD20 (BALTIC) FUTURES (T2D)

T2D	Spec	Mths 2	Increase	USD	990	900	1,210	1,100
T2D	Hedge/Member	Mths 2	Increase	USD	900	900	1,100	1,100

##### FREIGHT ROUTE TD3C FUTURES (TL)

TL	Spec	Mtnh 26+	Decrease	USD	660	600	440	400
TL	Hedge/Member	Mtnh 26+	Decrease	USD	600	600	400	400

##### FREIGHT ROUTE TD8 (BALTIC) FUTURES (TD8)

TD8	Spec	Mth 1	Increase	USD	1,430	1,300	1,760	1,600
TD8	Hedge/Member	Mth 1	Increase	USD	1,300	1,300	1,600	1,600
TD8	Spec	Mths 2	Increase	USD	1,430	1,300	1,760	1,600
TD8	Hedge/Member	Mths 2	Increase	USD	1,300	1,300	1,600	1,600

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Outright Rates</b>								
<b>10-YEAR ERIS SWAP FUTURES (LIY)</b>			<b>INTEREST RATES - Outright Rates</b>					
LIY	Spec	Month 1	Decrease	USD	1,265	1,150	605	550
LIY	Hedge/Member	Month 1	Decrease	USD	1,150	1,150	550	550
LIY	Spec	Month 2	Decrease	USD	1,265	1,150	649	590
LIY	Hedge/Member	Month 2	Decrease	USD	1,150	1,150	590	590
LIY	Spec	Month 3	Decrease	USD	1,265	1,150	693	630
LIY	Hedge/Member	Month 3	Decrease	USD	1,150	1,150	630	630
LIY	Spec	Month 4	Decrease	USD	1,265	1,150	737	670
LIY	Hedge/Member	Month 4	Decrease	USD	1,150	1,150	670	670
LIY	Spec	Month 5	Decrease	USD	1,265	1,150	781	710
LIY	Hedge/Member	Month 5	Decrease	USD	1,150	1,150	710	710
LIY	Spec	Month 6	Decrease	USD	1,265	1,150	825	750
LIY	Hedge/Member	Month 6	Decrease	USD	1,150	1,150	750	750
LIY	Spec	Month 7	Decrease	USD	1,265	1,150	869	790
LIY	Hedge/Member	Month 7	Decrease	USD	1,150	1,150	790	790
LIY	Spec	Month 8	Decrease	USD	1,265	1,150	913	830
LIY	Hedge/Member	Month 8	Decrease	USD	1,150	1,150	830	830
LIY	Spec	Month 9	Decrease	USD	1,265	1,150	957	870
LIY	Hedge/Member	Month 9	Decrease	USD	1,150	1,150	870	870
LIY	Spec	Month 10	Decrease	USD	1,265	1,150	1,001	910
LIY	Hedge/Member	Month 10	Decrease	USD	1,150	1,150	910	910
LIY	Spec	Month 11	Decrease	USD	1,265	1,150	1,045	950
LIY	Hedge/Member	Month 11	Decrease	USD	1,150	1,150	950	950
LIY	Spec	Month 12	Decrease	USD	1,265	1,150	1,089	990
LIY	Hedge/Member	Month 12	Decrease	USD	1,150	1,150	990	990
LIY	Spec	Month 13	Decrease	USD	1,265	1,150	1,133	1,030
LIY	Hedge/Member	Month 13	Decrease	USD	1,150	1,150	1,030	1,030
LIY	Spec	Month 14	Decrease	USD	1,265	1,150	1,177	1,070
LIY	Hedge/Member	Month 14	Decrease	USD	1,150	1,150	1,070	1,070
LIY	Spec	Month 15	Decrease	USD	1,265	1,150	1,221	1,110
LIY	Hedge/Member	Month 15	Decrease	USD	1,150	1,150	1,110	1,110
LIY	Spec	Month 17	Increase	USD	1,265	1,150	1,309	1,190
LIY	Hedge/Member	Month 17	Increase	USD	1,150	1,150	1,190	1,190
LIY	Spec	Month 18	Increase	USD	1,265	1,150	1,353	1,230
LIY	Hedge/Member	Month 18	Increase	USD	1,150	1,150	1,230	1,230
LIY	Spec	Month 19	Increase	USD	1,265	1,150	1,397	1,270
LIY	Hedge/Member	Month 19	Increase	USD	1,150	1,150	1,270	1,270
LIY	Spec	Month 20	Increase	USD	1,265	1,150	1,441	1,310
LIY	Hedge/Member	Month 20	Increase	USD	1,150	1,150	1,310	1,310
LIY	Spec	Month 21	Decrease	USD	1,650	1,500	1,485	1,350

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Outright Rates</b>								
LIY	Hedge/Member	Month 21	Decrease	USD	1,500	1,500	1,350	1,350
LIY	Spec	Month 22	Decrease	USD	1,650	1,500	1,529	1,390
LIY	Hedge/Member	Month 22	Decrease	USD	1,500	1,500	1,390	1,390
LIY	Spec	Month 23	Decrease	USD	1,650	1,500	1,573	1,430
LIY	Hedge/Member	Month 23	Decrease	USD	1,500	1,500	1,430	1,430
LIY	Spec	Month 24	Decrease	USD	1,650	1,500	1,617	1,470
LIY	Hedge/Member	Month 24	Decrease	USD	1,500	1,500	1,470	1,470
LIY	Spec	Month 25	Increase	USD	1,650	1,500	1,661	1,510
LIY	Hedge/Member	Month 25	Increase	USD	1,500	1,500	1,510	1,510
LIY	Spec	Month 26	Increase	USD	1,650	1,500	1,705	1,550
LIY	Hedge/Member	Month 26	Increase	USD	1,500	1,500	1,550	1,550
LIY	Spec	Month 27	Increase	USD	1,650	1,500	1,705	1,550
LIY	Hedge/Member	Month 27	Increase	USD	1,500	1,500	1,550	1,550
LIY	Spec	Month 28	Increase	USD	1,650	1,500	1,705	1,550
LIY	Hedge/Member	Month 28	Increase	USD	1,500	1,500	1,550	1,550
LIY	Spec	Months 29+	Increase	USD	1,650	1,500	1,705	1,550
LIY	Hedge/Member	Months 29+	Increase	USD	1,500	1,500	1,550	1,550
<b>2-YEAR ERIS SWAP FUTURE (LIT)</b>								
LIT	Spec	Month 1	Decrease	USD	220	200	11	10
LIT	Hedge/Member	Month 1	Decrease	USD	200	200	10	10
LIT	Spec	Month 2	Decrease	USD	220	200	28	25
LIT	Hedge/Member	Month 2	Decrease	USD	200	200	25	25
LIT	Spec	Month 3	Decrease	USD	220	200	55	50
LIT	Hedge/Member	Month 3	Decrease	USD	200	200	50	50
LIT	Spec	Month 4	Decrease	USD	220	200	110	100
LIT	Hedge/Member	Month 4	Decrease	USD	200	200	100	100
LIT	Spec	Month 5	Decrease	USD	220	200	165	150
LIT	Hedge/Member	Month 5	Decrease	USD	200	200	150	150
LIT	Spec	Month 7	Increase	USD	220	200	275	250
LIT	Hedge/Member	Month 7	Increase	USD	200	200	250	250
LIT	Spec	Month 8	Increase	USD	220	200	330	300
LIT	Hedge/Member	Month 8	Increase	USD	200	200	300	300
LIT	Spec	Month 9	Decrease	USD	440	400	385	350
LIT	Hedge/Member	Month 9	Decrease	USD	400	400	350	350
LIT	Spec	Month 10	Decrease	USD	440	400	385	350
LIT	Hedge/Member	Month 10	Decrease	USD	400	400	350	350
LIT	Spec	Month 11	Decrease	USD	440	400	385	350
LIT	Hedge/Member	Month 11	Decrease	USD	400	400	350	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**

**WAHA TEXAS BASIS FUT (NW)**

NW	Spec	Mnth 2	Increase	USD	935	850	1,100	1,000
NW	Hedge/Member	Mnth 2	Increase	USD	850	850	1,000	1,000
NW	Spec	Mnths 3-6	Increase	USD	935	850	1,100	1,000
NW	Hedge/Member	Mnths 3-6	Increase	USD	850	850	1,000	1,000
NW	Spec	Mnths 7-12	Increase	USD	935	850	1,100	1,000
NW	Hedge/Member	Mnths 7-12	Increase	USD	850	850	1,000	1,000
NW	Spec	Mnths 13-33	Increase	USD	935	850	1,100	1,000
NW	Hedge/Member	Mnths 13-33	Increase	USD	850	850	1,000	1,000
NW	Spec	Mnths 34+	Increase	USD	935	850	1,100	1,000
NW	Hedge/Member	Mnths 34+	Increase	USD	850	850	1,000	1,000

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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### Intra Spreads

#### AGRICULTURE - Intra Spreads

#### Month 1 vs Month 7 (LEAN HOG FUTURES)

LN	Spec		Decrease	USD	1,650	1,500	1,430	1,300
LN	Hedge/Member		Decrease	USD	1,500	1,500	1,300	1,300

#### Month 1 vs Month 7 (LEAN HOGS TRADE AT SETTLE)

HET	Spec		Decrease	USD	1,650	1,500	1,430	1,300
HET	Hedge/Member		Decrease	USD	1,500	1,500	1,300	1,300

#### Month 1 vs Months 8+ (LEAN HOG FUTURES)

LN	Spec		Decrease	USD	1,650	1,500	1,430	1,300
LN	Hedge/Member		Decrease	USD	1,500	1,500	1,300	1,300

#### Month 1 vs Months 8+ (LEAN HOGS TRADE AT SETTLE)

HET	Spec		Decrease	USD	1,650	1,500	1,430	1,300
HET	Hedge/Member		Decrease	USD	1,500	1,500	1,300	1,300

#### Month 2 vs Month 7 (LEAN HOG FUTURES)

LN	Spec		Decrease	USD	1,485	1,350	1,100	1,000
LN	Hedge/Member		Decrease	USD	1,350	1,350	1,000	1,000

#### Month 2 vs Month 7 (LEAN HOGS TRADE AT SETTLE)

HET	Spec		Decrease	USD	1,485	1,350	1,100	1,000
HET	Hedge/Member		Decrease	USD	1,350	1,350	1,000	1,000

#### Month 2 vs Months 8+ (LEAN HOG FUTURES)

LN	Spec		Decrease	USD	1,485	1,350	1,320	1,200
LN	Hedge/Member		Decrease	USD	1,350	1,350	1,200	1,200

## 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 Months 8+ (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Decrease	USD	1,485	1,350	1,320	1,200
HET	Hedge/Member		Decrease	USD	1,350	1,350	1,200	1,200
<b>Month 3 vs Month 7 (LEAN HOG FUTURES)</b>								
LN	Spec		Decrease	USD	1,210	1,100	880	800
LN	Hedge/Member		Decrease	USD	1,100	1,100	800	800
<b>Month 3 vs Month 7 (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Decrease	USD	1,210	1,100	880	800
HET	Hedge/Member		Decrease	USD	1,100	1,100	800	800
<b>Month 3 vs Months 8+ (LEAN HOG FUTURES)</b>								
LN	Spec		Decrease	USD	1,430	1,300	1,210	1,100
LN	Hedge/Member		Decrease	USD	1,300	1,300	1,100	1,100
<b>Month 3 vs Months 8+ (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Decrease	USD	1,430	1,300	1,210	1,100
HET	Hedge/Member		Decrease	USD	1,300	1,300	1,100	1,100
<b>Month 4 vs Month 5 (LEAN HOG FUTURES)</b>								
LN	Spec		Decrease	USD	550	500	495	450
LN	Hedge/Member		Decrease	USD	500	500	450	450
<b>Month 4 vs Month 5 (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Decrease	USD	550	500	495	450
HET	Hedge/Member		Decrease	USD	500	500	450	450
<b>Month 4 vs Month 7 (LEAN HOG FUTURES)</b>								
LN	Spec		Decrease	USD	825	750	605	550
LN	Hedge/Member		Decrease	USD	750	750	550	550
<b>Month 4 vs Month 7 (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Decrease	USD	825	750	605	550
HET	Hedge/Member		Decrease	USD	750	750	550	550
<b>Month 4 vs Months 8+ (LEAN HOG FUTURES)</b>								
LN	Spec		Decrease	USD	1,210	1,100	990	900
LN	Hedge/Member		Decrease	USD	1,100	1,100	900	900
<b>Month 4 vs Months 8+ (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Decrease	USD	1,210	1,100	990	900
HET	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>Month 5 vs Month 7 (LEAN HOG FUTURES)</b>								
LN	Spec		Decrease	USD	770	700	550	500
LN	Hedge/Member		Decrease	USD	700	700	500	500
<b>Month 5 vs Month 7 (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Decrease	USD	770	700	550	500
HET	Hedge/Member		Decrease	USD	700	700	500	500
<b>Month 7 vs Months 8+ (LEAN HOG FUTURES)</b>								
LN	Spec		Increase	USD	880	800	1,045	950
LN	Hedge/Member		Increase	USD	800	800	950	950
<b>Month 7 vs Months 8+ (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Increase	USD	880	800	1,045	950
HET	Hedge/Member		Increase	USD	800	800	950	950
<b>Months 8+ vs Months 8+ (LEAN HOG FUTURES)</b>								
LN	Spec		Increase	USD	715	650	825	750
LN	Hedge/Member		Increase	USD	650	650	750	750
<b>Months 8+ vs Months 8+ (LEAN HOGS TRADE AT SETTLE)</b>								
HET	Spec		Increase	USD	715	650	825	750
HET	Hedge/Member		Increase	USD	650	650	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>INTEREST RATES - Intra Spreads</b>								
<b>10 YR ERI SWAP FUTURE (10-YEAR ERI SWAP FUTURES)</b>								
LIY	Spec		Decrease	USD	715	650	55	50
LIY	Hedge/Member		Decrease	USD	650	650	50	50
<b>2 YR ERI SWAP FUTURE (2-YEAR ERI SWAP FUTURE)</b>								
LIT	Spec		Decrease	USD	286	260	44	40
LIT	Hedge/Member		Decrease	USD	260	260	40	40
<b>NATURAL GAS - Intra Spreads</b>								
<b>Waha Basis Swap - All Months (WAHA TEXAS BASIS FUT)</b>								
NW	Spec		Increase	USD	880	800	1,045	950
NW	Hedge/Member		Increase	USD	800	800	950	950
<b>NGL/PETROCHEMICALS - Intra Spreads</b>								
<b>Argus Propane (Saudi Aramco) Swap - 1 vs. All Months (ARGUS PROPAN(SAUDI ARAMCO) FUT)</b>								
9N	Spec		Increase	USD	16,500	15,000	20,350	18,500
9N	Hedge/Member		Increase	USD	15,000	15,000	18,500	18,500
<b>Argus Propane (Saudi Aramco) Swap - 1 vs. All Months (MIN ARGUS PROPANE SAUDI ARAMCO FUT)</b>								
MAS	Spec		Increase	USD	1,650	1,500	2,035	1,850
MAS	Hedge/Member		Increase	USD	1,500	1,500	1,850	1,850

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						

### COAL - Inter-commodity Spread Rates

**COAL API4 RCH BAY ARGS MCCLOSKEY FUT (NY-MTF - CME) vs COAL API2 CIF ARA ARG-MCCLOSKEY FUT (NY-MFF - CME): MTF Months 1 vs MFF Month 1**

Spread Credit Rate	Decrease	+1:-1	30%	30%	0%	0%
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Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						

### AGRICULTURE - Volatility Scan (volScan) Rate

**LEAN HOG (9H1, HET, LN, LN) - volScan**

Clearing Member Rate	Mnth 4	Increase		7.000%		8.000%
Clearing Member Rate	Mnth 5	Increase		6.000%		8.000%
Clearing Member Rate	Mnth 6	Increase		6.000%		8.000%
Clearing Member Rate	Mnth 7	Increase		6.000%		8.000%
Clearing Member Rate	Mnths 8+	Increase		6.000%		8.000%

### INTEREST RATES - Volatility Scan (volScan) Rate

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

Clearing Member Rate	Mnth4	Increase		22.000%		25.000%
Clearing Member Rate	Mnth5	Increase		22.000%		25.000%
Clearing Member Rate	Mnth6	Increase		22.000%		25.000%