



Advisory: 19-214

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, July 5, 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>

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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, July 8, 2019.

Current rates as of:

Thursday, July 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
Outright Rates								
EQUITY INDEX - Outright Rates								
USD-DENOMINATED IBOVESPA INDEX (IBV)								
IBV	Spec		Increase	USD	18,513	16,830	19,437	17,670
IBV	Hedge/Member		Increase	USD	16,830	16,830	17,670	17,670
METALS - Outright Rates								
IRON ORE FUTURES (TIO)								
TIO	Spec	Mnth 1	Increase	USD	3,080	2,800	3,630	3,300
TIO	Hedge/Member	Mnth 1	Increase	USD	2,800	2,800	3,300	3,300
TIO	Spec	Mnth 2-4	Increase	USD	2,970	2,700	3,520	3,200
TIO	Hedge/Member	Mnth 2-4	Increase	USD	2,700	2,700	3,200	3,200
TIO	Spec	Mnth 5-9	Increase	USD	2,640	2,400	3,080	2,800
TIO	Hedge/Member	Mnth 5-9	Increase	USD	2,400	2,400	2,800	2,800
TIO	Spec	Mnth 10+	Increase	USD	2,420	2,200	2,640	2,400
TIO	Hedge/Member	Mnth 10+	Increase	USD	2,200	2,200	2,400	2,400
NYMEX HOT ROLLED STEEL FUTURES (HR)								
HR	Spec	Mnths 8+	Increase	USD	578	525	688	625
HR	Hedge/Member	Mnths 8+	Increase	USD	525	525	625	625
PETROLEUM CRACKS AND SPREADS - Outright Rates								
EAST/WEST FUEL OIL SPREAD FUT (EW)								
EW	Spec	Mth 1	Increase	USD	6,325	5,750	7,425	6,750
EW	Hedge/Member	Mth 1	Increase	USD	5,750	5,750	6,750	6,750
EUR1%FUEL OIL CARG FOB MED V FOBNWE (ENS)								
ENS	Spec	Mths 2-9	Increase	USD	2,090	1,900	2,750	2,500
ENS	Hedge/Member	Mths 2-9	Increase	USD	1,900	1,900	2,500	2,500
ENS	Spec	Mnths 10+	Increase	USD	3,080	2,800	3,575	3,250
ENS	Hedge/Member	Mnths 10+	Increase	USD	2,800	2,800	3,250	3,250
LA CARBOB GASOLINE(OPIS)FUT (JL)								
JL	Spec	Mths 2+	Increase	USD	4,620	4,200	5,280	4,800
JL	Hedge/Member	Mths 2+	Increase	USD	4,200	4,200	4,800	4,800
MINI EAST-WEST FUEL OIL FUTURES (MEW)								
MEW	Spec	Mth 1	Increase	USD	633	575	743	675
MEW	Hedge/Member	Mth 1	Increase	USD	575	575	675	675
NY ULSD VS. NY HRBR ULSD FUT (7Y)								
7Y	Spec	Mnths 3+	Increase	USD	385	350	440	400
7Y	Hedge/Member	Mnths 3+	Increase	USD	350	350	400	400

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
REFINED PRODUCTS - Outright Rates								
MICRO SINGAPORE FUEL OIL 380CST (PL (MAF))								
MAF	Spec	Mnth 1	Increase	USD	242	220	292	265
MAF	Hedge/Member	Mnth 1	Increase	USD	220	220	265	265
MINI SINGAPORE 380CST FUEL OIL FUT (MTS)								
MTS	Spec	Mnth 1	Increase	USD	2,420	2,200	2,915	2,650
MTS	Hedge/Member	Mnth 1	Increase	USD	2,200	2,200	2,650	2,650
SINGAPORE 380CST FUEL OIL FUT (SE)								
SE	Spec	Mnth 1	Increase	USD	24,200	22,000	29,150	26,500
SE	Hedge/Member	Mnth 1	Increase	USD	22,000	22,000	26,500	26,500

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

FREIGHT - Intra Spreads

All Mnths (FREIGHT ROUTE LIQUID PETROLEUM GAS)

FLP	Spec		Increase	USD	4,950	4,500	6,325	5,750
FLP	Hedge/Member		Increase	USD	4,500	4,500	5,750	5,750

Freight Route TC12 (Baltic) Swap Futures - All Months (FREIGHT ROUTE TC12 (BALTIC) FUT)

FRS	Spec		Increase	USD	1,430	1,300	1,925	1,750
FRS	Hedge/Member		Increase	USD	1,300	1,300	1,750	1,750

METALS - Intra Spreads

Mths 1-4 vs Mths 1-4 (ALUMINUM A-380 ALLOY PLATTS FUTURES)

A38	Spec		Increase	USD	825	750	1,210	1,100
A38	Hedge/Member		Increase	USD	750	750	1,100	1,100

Mths 1-4 vs Mths 5+ (ALUMINUM A-380 ALLOY PLATTS FUTURES)

A38	Spec		Increase	USD	825	750	1,210	1,100
A38	Hedge/Member		Increase	USD	750	750	1,100	1,100

Mths 5+ vs Mths 5+ (ALUMINUM A-380 ALLOY PLATTS FUTURES)

A38	Spec		Increase	USD	825	750	1,210	1,100
A38	Hedge/Member		Increase	USD	750	750	1,100	1,100

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
PETROLEUM CRACKS AND SPREADS - Intra Spreads								
3.5% Fuel Oil Rdam v 3.5 FOB MED Spread Swap - Months 2+ vs Months 2+ (EURO 3.5% FUEL OIL SPREAD)								
FK	Spec		Increase	USD	1,540	1,400	1,870	1,700
FK	Hedge/Member		Increase	USD	1,400	1,400	1,700	1,700
GULF COAST JET VS. NYMEX #2 HEA (ME) - Mnths 3-5 vs 3-5 (GLFCST JET PLATTS UP/DN FUT)								
ME	Spec		Increase	USD	363	330	473	430
ME	Hedge/Member		Increase	USD	330	330	430	430
GULF COAST JET VS. NYMEX #2 HEA (ME) - Mnths 3-5 vs 6+ (GLFCST JET PLATTS UP/DN FUT)								
ME	Spec		Increase	USD	363	330	473	430
ME	Hedge/Member		Increase	USD	330	330	430	430
New York 1% Fuel Oil v. Gulf Coast 3% Fuel Oil Swap - Consecutive months 2+ (NY1%FO V. GULF COAST HSFO FUT)								
VR	Spec		Increase	USD	281	255	319	290
VR	Hedge/Member		Increase	USD	255	255	290	290
New York 1% Fuel Oil v. Gulf Coast 3% Fuel Oil Swap - Mnths 1-2 vs 1-2 (NY1%FO V. GULF COAST HSFO FUT)								
VR	Spec		Increase	USD	220	200	264	240
VR	Hedge/Member		Increase	USD	200	200	240	240
New York 1% Fuel Oil v. Gulf Coast 3% Fuel Oil Swap - Months 1+2 vs 3+ (NY1%FO V. GULF COAST HSFO FUT)								
VR	Spec		Increase	USD	605	550	693	630
VR	Hedge/Member		Increase	USD	550	550	630	630

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
REFINED PRODUCTS - Intra Spreads								
1% FUEL OIL (PLATTS) CARGO CIF MED - 2+ vs 2+ (1% FUEL OIL (PLT) CARG CIF MED)								
1W	Spec		Increase	USD	3,300	3,000	4,400	4,000
1W	Hedge/Member		Increase	USD	3,000	3,000	4,000	4,000
EIA FLAT TAX ON-HIGHWAY DIESEL SWAP- 2+ vs 2+ (EIA FLAT TAX ONHWAY DIESEL FUT)								
A5	Spec		Increase	USD	1,595	1,450	1,815	1,650
A5	Hedge/Member		Increase	USD	1,450	1,450	1,650	1,650
European 3.5% Fuel Oil Rotterdam Calendar Swap - Mnth 1 vs Mnth 11+ (EUROPE 3.5% FUEL OIL RDAM CALFUT)								
UV	Spec		Increase	USD	3,850	3,500	4,400	4,000
UV	Hedge/Member		Increase	USD	3,500	3,500	4,000	4,000
European 3.5% Fuel Oil Rotterdam Calendar Swap - Mnth 1 vs Mnth 11+ (MICRO EUROPEAN 3.5% FUEL OIL BARGES)								
MEF	Spec		Increase	USD	39	35	44	40
MEF	Hedge/Member		Increase	USD	35	35	40	40
European 3.5% Fuel Oil Rotterdam Calendar Swap - Mnth 1 vs Mnth 11+ (MINI EURO 3.5% FUEL OIL FOB RDM FUT)								
0D	Spec		Increase	USD	385	350	440	400
0D	Hedge/Member		Increase	USD	350	350	400	400
European 3.5% Fuel Oil Rotterdam Calendar Swap - Mnth 1 vs Mnth 7-10 (EUROPE 3.5% FUEL OIL RDAM CALFUT)								
UV	Spec		Increase	USD	3,850	3,500	4,400	4,000
UV	Hedge/Member		Increase	USD	3,500	3,500	4,000	4,000
European 3.5% Fuel Oil Rotterdam Calendar Swap - Mnth 1 vs Mnth 7-10 (MICRO EUROPEAN 3.5% FUEL OIL BARGES)								
MEF	Spec		Increase	USD	39	35	44	40
MEF	Hedge/Member		Increase	USD	35	35	40	40
European 3.5% Fuel Oil Rotterdam Calendar Swap - Mnth 1 vs Mnth 7-10 (MINI EURO 3.5% FUEL OIL FOB RDM FUT)								
0D	Spec		Increase	USD	385	350	440	400
0D	Hedge/Member		Increase	USD	350	350	400	400
Fuel Oil 3.5% CIF MED Swap - 2+ vs 2+ (3.5% FUEL OIL CID MED FUT)								
7D	Spec		Increase	USD	2,750	2,500	3,300	3,000
7D	Hedge/Member		Increase	USD	2,500	2,500	3,000	3,000
Gasoline Euro-bob Oxy (Argus) NWE Barges Swap - Month 1 vs Months 3+ (GAS EURO-BOB OXY (ARG) NEW BRG)								
7H	Spec		Increase	USD	6,050	5,500	6,875	6,250
7H	Hedge/Member		Increase	USD	5,500	5,500	6,250	6,250
Gasoline Euro-bob Oxy (Argus) NWE Barges Swap - Month 1 vs Months 3+ (MINI GAS EUROBOB OXY BARGES FUT)								
MEO	Spec		Increase	USD	6,050	5,500	6,875	6,250
MEO	Hedge/Member		Increase	USD	5,500	5,500	6,250	6,250

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
Gulf Coast #6 Fuel 3.0% Swap - Months 2-6 vs 2-6 (GULF COAST HSFO (PLATTS) FUTURES)								
MF	Spec		Increase	USD	633	575	759	690
MF	Hedge/Member		Increase	USD	575	575	690	690
Months 2-6 vs 2-6 (MICRO SINGAPORE FUEL OIL 380CST (PL))								
MAF	Spec		Increase	USD	50	45	55	50
MAF	Hedge/Member		Increase	USD	45	45	50	50
Months 2-6 vs 2-6 (MINI SINGAPORE 380CST FUEL OIL FUT)								
MTS	Spec		Increase	USD	495	450	550	500
MTS	Hedge/Member		Increase	USD	450	450	500	500
Months 2-6 vs 2-6 (SINGAPORE 380CST FUEL OIL FUT)								
SE	Spec		Increase	USD	4,950	4,500	5,500	5,000
SE	Hedge/Member		Increase	USD	4,500	4,500	5,000	5,000
Months 2-6 vs 2-6 (SYNTHET GULF COAST NO.6 FUEL OIL 3)								
SMF	Spec		Increase	USD	633	575	759	690
SMF	Hedge/Member		Increase	USD	575	575	690	690

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
INTEREST RATES - Inter-commodity Spread Rates						
4 YR INTEREST RATE SWAP FUTURE ERIS LD- CME) Contracts 1-12 vs EURODOLLAR (ED - CME) Contracts 41+						
Spread Credit Rate	Decrease	-5:+8	75%	75%	70%	70%
4 YR INTEREST RATE SWAP FUTURE ERIS LID- CME) Contracts 1-12 vs EURODOLLAR (ED - CME) Contracts 37-40						
Spread Credit Rate	Decrease	-5:+8	75%	75%	70%	70%
REFINED PRODUCTS - Inter-commodity Spread Rates						
JAPAN C&F NAPHTHA (PLATTS) SWAP FUTURES (NY-JA - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME)						
Spread Credit Rate	Decrease	+1:-9	55%	55%	40%	40%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
AGRICULTURE - Short Option Minimum (SOM) Rate						
CASH SETTLED BUTTER (9R, CB, CB, DB, DB) - SOM						
Clearing Member Rate		Increase	6.600	6.000	7.700	7.000
CASH SETTLED CHEESE (CSC, CSC) - SOM						
Clearing Member Rate		Increase	5.500	5.000	6.600	6.000
DRY WHEY (DY, DY) - SOM						
Clearing Member Rate		Increase	6.600	6.000	7.700	7.000
MILK CLASS III (9M1, DA, DA, JQ, JQ) - SOM						
Clearing Member Rate		Increase	4.400	4.000	5.500	5.000
MILK CLASS IV (9X1, DK, DK) - SOM						
Clearing Member Rate		Increase	4.400	4.000	5.500	5.000
NONFAT DRY MILK (NF, NF) - SOM						
Clearing Member Rate		Increase	5.500	5.000	6.600	6.000
OATS (O, O) - SOM						
Clearing Member Rate		Increase	7.700	7.000	8.800	8.000
INTEREST RATES - Short Option Minimum (SOM) Rate						
10-YEAR T-NOTE (21, 21, 551, WYW) - SOM						
Clearing Member Rate		Increase	16.500	15.000	18.700	17.000
FED FUNDS (41, 41) - SOM						
Clearing Member Rate		Increase	9.900	9.000	11.000	10.000
ULTRA 10-YEAR U.S. TREASURY NOTE FUTURES (TN, TN, TNW, WXW) - SOM						
Clearing Member Rate		Increase	16.500	15.000	18.700	17.000
METALS - Short Option Minimum (SOM) Rate						
U.S. MIDWEST DOMESTIC HOT-ROLLED COIL STEEL INDEX FUTURES (HR, HRO) - SOM						
Clearing Member Rate		Increase	5.500	5.000	6.600	6.000