



19-385:

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Monday, November 18, 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, November 19, 2019.

Current rates as of:

Monday, November 18, 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								
FREIGHT - Outright Rates								
FREIGHT ROUTE TC14 (BALTIC) FUTURES (FRC)								
FRC	Spec	Mnth 1	Decrease	USD	7,700	7,000	6,380	5,800
FRC	Hedge/Member	Mnth 1	Decrease	USD	7,000	7,000	5,800	5,800
FRC	Spec	Mnths 2	Decrease	USD	7,150	6,500	6,380	5,800
FRC	Hedge/Member	Mnths 2	Decrease	USD	6,500	6,500	5,800	5,800
FREIGHT ROUTE TD20 (BALTIC) FUTURES (T2D)								
T2D	Spec	Mth 1	Decrease	USD	10,450	9,500	6,050	5,500
T2D	Hedge/Member	Mth 1	Decrease	USD	9,500	9,500	5,500	5,500
T2D	Spec	Mths 2-3	Decrease	USD	9,350	8,500	5,720	5,200
T2D	Hedge/Member	Mths 2-3	Decrease	USD	8,500	8,500	5,200	5,200
T2D	Spec	Mnths 4-5	Decrease	USD	6,600	6,000	2,860	2,600
T2D	Hedge/Member	Mnths 4-5	Decrease	USD	6,000	6,000	2,600	2,600
T2D	Spec	Months 6+	Decrease	USD	4,400	4,000	1,100	1,000
T2D	Hedge/Member	Months 6+	Decrease	USD	4,000	4,000	1,000	1,000
FREIGHT ROUTE TD22 (BALTIC) FUTURE (ACB)								
ACB	Spec	Mnths 1	Decrease	USD	12,100	11,000	9,900	9,000
ACB	Hedge/Member	Mnths 1	Decrease	USD	11,000	11,000	9,000	9,000
ACB	Spec	Mnths 2	Decrease	USD	12,100	11,000	5,500	5,000
ACB	Hedge/Member	Mnths 2	Decrease	USD	11,000	11,000	5,000	5,000
ACB	Spec	Mnths 3	Decrease	USD	12,100	11,000	4,620	4,200
ACB	Hedge/Member	Mnths 3	Decrease	USD	11,000	11,000	4,200	4,200
ACB	Spec	Mnths 4-7	Decrease	USD	12,100	11,000	1,980	1,800
ACB	Hedge/Member	Mnths 4-7	Decrease	USD	11,000	11,000	1,800	1,800
ACB	Spec	Mnths 8+	Decrease	USD	12,100	11,000	1,980	1,800
ACB	Hedge/Member	Mnths 8+	Decrease	USD	11,000	11,000	1,800	1,800
FREIGHT ROUTE TD3C FUTURES (TL)								
TL	Spec	Mnth 2	Decrease	USD	9,350	8,500	5,500	5,000
TL	Hedge/Member	Mnth 2	Decrease	USD	8,500	8,500	5,000	5,000
TL	Spec	Mnths 3-6	Decrease	USD	4,400	4,000	2,750	2,500
TL	Hedge/Member	Mnths 3-6	Decrease	USD	4,000	4,000	2,500	2,500
TL	Spec	Mnths 7-25	Decrease	USD	1,925	1,750	1,320	1,200
TL	Hedge/Member	Mnths 7-25	Decrease	USD	1,750	1,750	1,200	1,200
TC2 ROTTERDAM TO USAC 37K MT (TM)								
TM	Spec	Mnth 1	Decrease	USD	9,900	9,000	7,260	6,600
TM	Hedge/Member	Mnth 1	Decrease	USD	9,000	9,000	6,600	6,600

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
TM	Spec	Mnth 2	Decrease	USD	7,700	7,000	6,600	6,000
TM	Hedge/Member	Mnth 2	Decrease	USD	7,000	7,000	6,000	6,000
TM	Spec	Mnths 4+	Decrease	USD	4,400	4,000	2,200	2,000
TM	Hedge/Member	Mnths 4+	Decrease	USD	4,000	4,000	2,000	2,000
TC5 RAS TANURA TO YOKOHAMA 55K MT (TH)								
TH	Spec	Mnths 4-6	Decrease	USD	9,020	8,000	3,850	3,500
TH	Hedge/Member	Mnths 4-6	Decrease	USD	8,000	8,000	3,500	3,500
TH	Spec	7+	Decrease	USD	4,400	4,000	2,200	2,000
TH	Hedge/Member	7+	Decrease	USD	4,000	4,000	2,000	2,000