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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, November 22, 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, November 22, 2019.

Current rates as of:

Friday, November 22, 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								
WEATHER - Outright Rates								
CME-PORTLAND CDD JUL STRIP FUTURE (K7N)								
K7N	Spec		New	USD			4%	4%
K7N	Hedge/Member		New	USD			4%	4%
CME-PORTLAND CDD MAY STRIP FUTURE (K7K)								
K7K	Spec		New	USD			4%	4%
K7K	Hedge/Member		New	USD			4%	4%
CME-PORTLAND HDD DEC STRIP (H7Z)								
H7Z	Spec		New	USD			4%	4%
H7Z	Hedge/Member		New	USD			4%	4%
CME-PORTLAND HDD FUTURE (H7)								
H7	Spec		New	USD			17%	15%
H7	Hedge/Member		New	USD			15%	15%
CME-PORTLAND HDD NOV STRIP (H7X)								
H7X	Spec		New	USD			4%	4%
H7X	Hedge/Member		New	USD			4%	4%
TOKYO CAT DEC-PACIFIC RIM SEASONAL (G6Z)								
G6Z	Spec		New	JPY			4%	4%
G6Z	Hedge/Member		New	JPY			4%	4%
TOKYO CAT JUL-PACIFIC RIM SEASONAL (G6N)								
G6N	Spec		New	JPY			4%	4%
G6N	Hedge/Member		New	JPY			4%	4%
TOKYO CAT MAY-PACIFIC RIM SEASONAL (G6K)								
G6K	Spec		New	JPY			4%	4%
G6K	Hedge/Member		New	JPY			4%	4%
TOKYO CAT NOV-PACIFIC RIM SEASONAL (G6X)								
G6X	Spec		New	JPY			4%	4%
G6X	Hedge/Member		New	JPY			4%	4%
TOKYO PACIFIC RIM INDEX FUT CAT (G6)								
G6	Spec		New	JPY			17%	15%
G6	Hedge/Member		New	JPY			15%	15%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
WEATHER - Short Option Minimum (SOM) Rate						
PORTLAND CDD MAY STRIP OPTIONS (K7K, K7K, K7N, K7N) - SOM						
Clearing Member Rate		New			1.650%	1.500%
PORTLAND HDD NOV STRIP FUTURES (H7X, H7X, H7Z, H7Z) - SOM						
Clearing Member Rate		New			1.650%	1.500%
TOKYO CAT STRIP FUTURES (G6K, G6K, G6N, G6N, G6X, G6X, G6Z, G6Z) - SOM						
Clearing Member Rate		New			1.650%	1.500%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						

WEATHER - Volatility Scan (volScan) Rate

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
PACIFIC RIM INDEX FUTURES - TOKYO CAT (G6, G6, G6, G6) - volScan						
Clearing Member Rate		New				25.000%
PORTLAND CDD MAY STRIP OPTIONS (K7K, K7K, K7N, K7N) - volScan						
Clearing Member Rate		New				25.000%
PORTLAND HDD NOV STRIP FUTURES (H7X, H7X, H7Z, H7Z) - volScan						
Clearing Member Rate		New				25.000%
PORTLAND MONTHLY HDD (H7, H7, H7, H7) - volScan						
Clearing Member Rate		New				25.000%
TOKYO CAT STRIP FUTURES (G6K, G6K, G6N, G6N, G6X, G6X, G6Z, G6Z) - volScan						
Clearing Member Rate		New				25.000%