



20-035

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, January 30, 2020

***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, January 31, 2020.**

Current rates as of:

**Thursday, January 30, 2020.**

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>MALAYSIAN CRUDE PALM OIL CAL SWAP (CPC)</b>								
CPC	Spec	Month 1	Increase	USD	1,430	1,300	1,760	1,600
CPC	Hedge/Member	Month 1	Increase	USD	1,300	1,300	1,600	1,600
CPC	Spec	Month 2+	Increase	USD	908	825	1,100	1,000
CPC	Hedge/Member	Month 2+	Increase	USD	825	825	1,000	1,000
<b>USD MALAYSIAN CRUDE PALM CAL FUT (CPO)</b>								
CPO	Spec	Mnth 1	Increase	USD	1,430	1,300	1,760	1,600
CPO	Hedge/Member	Mnth 1	Increase	USD	1,300	1,300	1,600	1,600
CPO	Spec	Mnth 2+	Increase	USD	908	825	1,100	1,000
CPO	Hedge/Member	Mnth 2+	Increase	USD	825	825	1,000	1,000
<b>EQUITY INDEX - Outright Rates</b>								
<b>BITCOIN FUTURES (BTC)</b>								
BTC	Spec		Decrease	USD	41%	37%	36%	33%
BTC	Hedge/Member		Decrease	USD	37%	37%	33%	33%
<b>METALS - Outright Rates</b>								
<b>COPPER PREMIUM GRADE A CIF SHANGHAI (CUP)</b>								
CUP	Spec		Increase	USD	198	180	220	200
CUP	Hedge/Member		Increase	USD	180	180	200	200
<b>MICRO PALLADIUM FUTURES (PAM)</b>								
PAM	Spec	Mnth 1	Increase	USD	1,870	1,700	2,090	1,900
PAM	Hedge/Member	Mnth 1	Increase	USD	1,700	1,700	1,900	1,900
PAM	Spec	Mnth 2	Increase	USD	1,815	1,650	2,035	1,850
PAM	Hedge/Member	Mnth 2	Increase	USD	1,650	1,650	1,850	1,850
PAM	Spec	Mnth 3	Increase	USD	1,650	1,500	1,870	1,700
PAM	Hedge/Member	Mnth 3	Increase	USD	1,500	1,500	1,700	1,700
PAM	Spec	Mnth 4+	Increase	USD	1,650	1,500	1,870	1,700
PAM	Hedge/Member	Mnth 4+	Increase	USD	1,500	1,500	1,700	1,700
<b>PALLADIUM FUTURES NYMEX (PA)</b>								
PA	Spec	Mnth 1	Increase	USD	18,700	17,000	20,900	19,000
PA	Hedge/Member	Mnth 1	Increase	USD	17,000	17,000	19,000	19,000
PA	Spec	Mnth 2	Increase	USD	18,150	16,500	20,350	18,500
PA	Hedge/Member	Mnth 2	Increase	USD	16,500	16,500	18,500	18,500
PA	Spec	Mnth 3	Increase	USD	16,500	15,000	18,700	17,000
PA	Hedge/Member	Mnth 3	Increase	USD	15,000	15,000	17,000	17,000
PA	Spec	Mnth 4+	Increase	USD	16,500	15,000	18,700	17,000

## **SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS**

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Outright Rates</b>								
PA	Hedge/Member	Mnth 4+	Increase	USD	15,000	15,000	17,000	17,000
<b>PALLADIUM TAS (PAT)</b>								
PAT	Spec	Mnth 1	Increase	USD	18,700	17,000	20,900	19,000
PAT	Hedge/Member	Mnth 1	Increase	USD	17,000	17,000	19,000	19,000
PAT	Spec	Mnth 2	Increase	USD	18,150	16,500	20,350	18,500
PAT	Hedge/Member	Mnth 2	Increase	USD	16,500	16,500	18,500	18,500
PAT	Spec	Mnth 3	Increase	USD	16,500	15,000	18,700	17,000
PAT	Hedge/Member	Mnth 3	Increase	USD	15,000	15,000	17,000	17,000
PAT	Spec	Mnth 4+	Increase	USD	16,500	15,000	18,700	17,000
PAT	Hedge/Member	Mnth 4+	Increase	USD	15,000	15,000	17,000	17,000

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>METALS - Intra Spreads</b>								
<b>(COPPER PREMIUM GRADE A CIF SHANGHAI)</b>								
CUP	Spec		Increase	USD	99	90	149	135
CUP	Hedge/Member		Increase	USD	90	90	135	135
<b>Inter-commodity Spread Rates</b>								
<b>CRUDE OIL - Inter-commodity Spread Rates</b>								
<b>LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs S&amp;P 500 (SP - CME)</b>								
Spread Credit Rate	Decrease	+10:-1			25%	25%	0%	0%
<b>LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs S&amp;P 500 TOTAL RETURN INDEX FUTURES (TRI - CME)</b>								
Spread Credit Rate	Decrease	+2:-1			25%	25%	0%	0%
<b>EQUITY INDEX - Inter-commodity Spread Rates</b>								
<b>LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs S&amp;P 500 (SP - CME)</b>								
Spread Credit Rate	Decrease	+10:-1			25%	25%	0%	0%
<b>LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs S&amp;P 500 TOTAL RETURN INDEX FUTURES (TRI - CME)</b>								
Spread Credit Rate	Decrease	+2:-1			25%	25%	0%	0%
<b>FX - Inter-commodity Spread Rates</b>								
<b>COPPER FUTURES (CX-HG - CME) vs USD/OFFSHORE RMB (CNH) FUTURES (CNH - CME)</b>								
Spread Credit Rate	Decrease	+2:+1			50%	50%	40%	40%
<b>METALS - Inter-commodity Spread Rates</b>								
<b>COPPER FUTURES (CX-HG - CME) vs USD/OFFSHORE RMB (CNH) FUTURES (CNH - CME)</b>								
Spread Credit Rate	Decrease	+2:+1			50%	50%	40%	40%
<b>REFINED PRODUCTS - Inter-commodity Spread Rates</b>								
<b>EUROPEAN FOB RDAM MARINE FUEL 0.5% BARGES (PLATTS) FUTURES (NY-R5F - CME) vs SINGAPORE FOB MARINE FUEL 0.5% (PLATTS) FUTURES (NY-S5F - CME)</b>								
Spread Credit Rate	Decrease	+1:-1			86%	86%	75%	75%

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>FX - Volatility Scan (volScan) Rate</b>						
<b>AUSTRALIAN DOLLAR (AD, AD, ADU, M6A, V6A, V6A, VXA, WAD, XA) - volScan</b>						
Clearing Member Rate		Increase		15.000%		20.000%
Clearing Member Rate		Increase		13.000%		15.000%
<b>CANADIAN DOLLAR (CAU, CD, CD, MCD, V6C, V6C, VXC, WCD, YD) - volScan</b>						
Clearing Member Rate	Months 1-4	Increase		15.000%		20.000%
Clearing Member Rate	Months 5+	Increase		10.000%		15.000%