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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, February 12, 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

Thursday, February 13, 2020.

Current rates as of:

Wednesday, February 12, 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
Outright Rates								
AGRICULTURE - Outright Rates								
MALAYSIAN CRUDE PALM OIL CAL SWAP (CPC)								
CPC	Spec	Month 1	Increase	USD	2,310	2,100	2,805	2,550
CPC	Hedge/Member	Month 1	Increase	USD	2,100	2,100	2,550	2,550
CPC	Spec	Month 2+	Increase	USD	1,430	1,300	1,705	1,550
CPC	Hedge/Member	Month 2+	Increase	USD	1,300	1,300	1,550	1,550
USD MALAYSIAN CRUDE PALM CAL FUT (CPO)								
CPO	Spec	Mnth 1	Increase	USD	2,310	2,100	2,805	2,550
CPO	Hedge/Member	Mnth 1	Increase	USD	2,100	2,100	2,550	2,550
CPO	Spec	Mnth 2+	Increase	USD	1,430	1,300	1,705	1,550
CPO	Hedge/Member	Mnth 2+	Increase	USD	1,300	1,300	1,550	1,550
INTEREST RATES - Outright Rates								
2 YEAR TREASURY NOTE FUTURES (26)								
26	Spec	Mnth 1	Decrease	USD	594	540	528	480
26	Hedge/Member	Mnth 1	Decrease	USD	540	540	480	480
26	Spec	Mnths 2+	Decrease	USD	627	570	561	510
26	Hedge/Member	Mnths 2+	Decrease	USD	570	570	510	510
3 YEAR TREASURY NOTE FUTURE (3YR)								
3YR	Spec		Decrease	USD	660	600	550	500
3YR	Hedge/Member		Decrease	USD	600	600	500	500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
CRUDE OIL - Intra Spreads								
Mnth 1 vs Mnths 3-5 (WTI HOUSTON CRUDE OIL FUTURES)								
HCL	Spec		Decrease	USD	825	750	550	500
HCL	Hedge/Member		Decrease	USD	750	750	500	500
Mnth 1 vs Mnths 6+ (WTI HOUSTON CRUDE OIL FUTURES)								
HCL	Spec		Decrease	USD	1,485	1,350	1,100	1,000
HCL	Hedge/Member		Decrease	USD	1,350	1,350	1,000	1,000
Mnths 3-5 vs Mnths 3-5 (WTI HOUSTON CRUDE OIL FUTURES)								
HCL	Spec		Increase	USD	495	450	605	550
HCL	Hedge/Member		Increase	USD	450	450	550	550
Mnths 3-5 vs Mnths 6+ (WTI HOUSTON CRUDE OIL FUTURES)								
HCL	Spec		Increase	USD	743	675	880	800
HCL	Hedge/Member		Increase	USD	675	675	800	800

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								
Month 2 vs 3+ (USGC MARINE FUEL 0.5% (PLATTS) FUT)								
H5F	Spec		Increase	USD	990	900	1,320	1,200
H5F	Hedge/Member		Increase	USD	900	900	1,200	1,200
Month 2 vs 3+ (USGC MARINE FUEL 0.5% BARGES (PLATT)								
UP5	Spec		Increase	USD	6,287	5,715	8,382	7,620
UP5	Hedge/Member		Increase	USD	5,715	5,715	7,620	7,620
Month 3 vs 3+ (USGC MARINE FUEL 0.5% (PLATTS) FUT)								
H5F	Spec		Increase	USD	990	900	1,320	1,200
H5F	Hedge/Member		Increase	USD	900	900	1,200	1,200
Month 3 vs 3+ (USGC MARINE FUEL 0.5% BARGES (PLATT)								
UP5	Spec		Increase	USD	6,287	5,715	8,382	7,620
UP5	Hedge/Member		Increase	USD	5,715	5,715	7,620	7,620
Months 3+ vs Months 3+ (USGC MARINE FUEL 0.5% (PLATTS) VS.)								
H5G	Spec		Increase	USD	1,650	1,500	2,090	1,900
H5G	Hedge/Member		Increase	USD	1,500	1,500	1,900	1,900

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
CRUDE OIL - Inter-commodity Spread Rates						
MIDDLE EAST GASOIL FOB ARAB GULF (PLATTS) FUTURES (NY-MPE - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	New	+1:-1			30%	30%
MINI MIDDLE EAST HSFO 180 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MHE - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	New	+30:-19			50%	50%
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	Decrease	+1:-1	80%	80%	73%	73%
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs DUBAI CRUDE OIL (PLATTS) CALENDAR SWAP FUTURES (NY-DC - CME)						
Spread Credit Rate	Decrease	+1:-1	80%	80%	75%	75%
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	72%	72%	68%	68%
DME Products - Inter-commodity Spread Rates						
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs OMAN CRUDE OIL (NY-OQ - CME)						
Spread Credit Rate	Decrease	+1:-1	80%	80%	73%	73%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance

Inter-commodity Spread Rates

REFINED PRODUCTS - Inter-commodity Spread Rates

MIDDLE EAST GASOIL FOB ARAB GULF (PLATTS) FUTURES (NY-MPE - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+1:-1			30%	30%

MIDDLE EAST GASOIL FOB ARAB GULF (PLATTS) FUTURES (NY-MPE - CME) vs SINGAPORE GASOIL (PLATTS) SWAP FUTURES (NY-SG - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+1:-1			40%	40%
Spread Credit Rate	New	+1:-1			65%	65%

MINI MIDDLE EAST HSFO 180 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MHE - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+30:-19			50%	50%

MINI MIDDLE EAST HSFO 180 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MHE - CME) vs EUROPEAN 3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CALENDAR SWAP FUTURES (NY-UV - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+10:-1			45%	45%
Spread Credit Rate	New	+10:-1			65%	65%

MINI MIDDLE EAST HSFO 180 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MHE - CME) vs MINI MIDDLE EAST HSFO 380 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MSE - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+1:-1			88%	88%
Spread Credit Rate	New	+1:-1			90%	90%

MINI MIDDLE EAST HSFO 180 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MHE - CME) vs SINGAPORE FUEL OIL 180 CST (PLATTS) CALENDAR SWAP FUTURES (NY-UA - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+10:-1			50%	50%
Spread Credit Rate	New	+10:-1			65%	65%

MINI MIDDLE EAST HSFO 180 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MHE - CME) vs SINGAPORE FUEL OIL 380 CST (PLATTS) SWAP FUTURES (NY-SE - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+10:-1			45%	45%
Spread Credit Rate	New	+10:-1			65%	65%

MINI MIDDLE EAST HSFO 380 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MSE - CME) vs EUROPEAN 3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CALENDAR SWAP FUTURES (NY-UV - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+10:-1			45%	45%
Spread Credit Rate	New	+10:-1			50%	50%

MINI MIDDLE EAST HSFO 380 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MSE - CME) vs SINGAPORE FUEL OIL 180 CST (PLATTS) CALENDAR SWAP FUTURES (NY-UA - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+10:-1			45%	45%
Spread Credit Rate	New	+10:-1			60%	60%

MINI MIDDLE EAST HSFO 380 CST FOB ARAB GULF (PLATTS) FUTURES (NY-MSE - CME) vs SINGAPORE FUEL OIL 380 CST (PLATTS) SWAP FUTURES (NY-SE - CME)

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+10:-1			50%	50%
Spread Credit Rate	New	+10:-1			60%	60%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ - CME)						
Spread Credit Rate	Decrease	+1:-1	80%	80%	73%	73%
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs DUBAI CRUDE OIL (PLATTS) CALENDAR SWAP FUTURES (NY-DC - CME)						
Spread Credit Rate	Decrease	+1:-1	80%	80%	75%	75%
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs GULF COAST ULSD (PLATTS) SWAP FUTURES (NY-LY - CME)						
Spread Credit Rate	Decrease	+1:-1	82%	82%	78%	78%
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME)						
Spread Credit Rate	Decrease	+1:-1	72%	72%	68%	68%
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO - CME)						
Spread Credit Rate	Decrease	+1:-1	80%	80%	75%	75%
USGC MARINE FUEL 0.5% (PLATTS) FUTURES (NY-H5F - CME) vs OMAN CRUDE OIL (NY-OQ - CME)						
Spread Credit Rate	Decrease	+1:-1	80%	80%	73%	73%

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
AGRICULTURE - Volatility Scan (volScan) Rate						
CORN (C, C, CDF, YC, ZCT) - volScan						
Clearing Member Rate	Months 2-5	Decrease		24.000%		22.000%
Clearing Member Rate	Month 1	Decrease		33.000%		30.000%
SOYBEAN OIL (07, 07, LDF, ZLT) - volScan						
Clearing Member Rate	Months 2-6	Increase		10.000%		12.000%