CME Group

20-169

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, April 21, 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. Please email any questions to Clearing.RiskManagement@cmegroup.com.

The rates will be effective after the close of business on

Wednesday, April 22, 2020.

Current rates as of:

Tuesday, April 21, 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								
BLACK SEA WHEAT FIN STL PLATTS FUT (BWF)								
BWF	Spec		Increase	USD	363	330	402	365
BWF	Hedge/Member		Increase	USD	330	330	365	365
CRUDE OIL - Outright Rates								
WTI HOUSTON CRUDE OIL FUTURES (HCL)								
HCL	Spec	Mnth1	Increase	USD	6,820	6,200	7,700	7,000
HCL	Hedge/Member	Mnth1	Increase	USD	6,200	6,200	7,000	7,000
CRUDE OIL SPREADS - Outright Rates								
ARGUS V NYMEX WTI TRD MO FUT (ANT)								
ANT	Spec	Mnth 1	Increase	USD	1,925	1,750	3,850	3,500
ANT	Hedge/Member	Mnth 1	Increase	USD	1,750	1,750	3,500	3,500
ANT	Spec	Mnths 2-3	Increase	USD	1,540	1,400	3,080	2,800
ANT	Hedge/Member	Mnths 2-3	Increase	USD	1,400	1,400	2,800	2,800
ANT	Spec	Mnths 4-7	Increase	USD	1,320	1,200	2,200	2,000
ANT	Hedge/Member	Mnths 4-7	Increase	USD	1,200	1,200	2,000	2,000
WTI HOUSTON ARGUS V. WTI FINANCIAL (HIL)								
HIL	Spec	Mnth1	Increase	USD	2,475	2,250	4,400	4,000
HIL	Hedge/Member	Mnth1	Increase	USD	2,250	2,250	4,000	4,000
HIL	Spec	Mnth 2	Increase	USD	1,980	1,800	2,750	2,500
HIL	Hedge/Member	Mnth 2	Increase	USD	1,800	1,800	2,500	2,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
NGL/PETROCHEMICALS - Outright Rates								
CONWAY PROPANE 5 DEC. FUT (8K)								
8K	Spec	Mth 1	Increase	USD	2,530	2,300	2,640	2,400
8K	Hedge/Member	Mth 1	Increase	USD	2,300	2,300	2,400	2,400
8K	Spec	Mth 2	Increase	USD	2,420	2,200	2,640	2,400
8K	Hedge/Member	Mth 2	Increase	USD	2,200	2,200	2,400	2,400
8K	Spec	Mth 3	Increase	USD	2,420	2,200	2,530	2,300
8K	Hedge/Member	Mth 3	Increase	USD	2,200	2,200	2,300	2,300
8K	Spec	Mths 4-11	Increase	USD	2,310	2,100	2,530	2,300
8K	Hedge/Member	Mths 4-11	Increase	USD	2,100	2,100	2,300	2,300
8K	Spec	Mths 12-24	Increase	USD	2,200	2,000	2,310	2,100
8K	Hedge/Member	Mths 12-24	Increase	USD	2,000	2,000	2,100	2,100
CONWAY PROPNE (OPIS) BALMO FUT (CPB)								
CPB	Spec	Tier 3	Increase	USD	3,163	2,875	3,300	3,000
CPB	Hedge/Member	Tier 3	Increase	USD	2,875	2,875	3,000	3,000
CPB	Spec	Tier 1	Increase	USD	3,163	2,875	3,300	3,000
CPB	Hedge/Member	Tier 1	Increase	USD	2,875	2,875	3,000	3,000
CPB	Spec	Tier 2	Increase	USD	3,163	2,875	3,300	3,000
CPB	Hedge/Member	Tier 2	Increase	USD	2,875	2,875	3,000	3,000
MT BELIVIEU LDH PROPANE BALMO (8O)								
8O	Spec		Increase	USD	2,475	2,250	3,300	3,000
8O	Hedge/Member		Increase	USD	2,250	2,250	3,000	3,000
MT. BELVIEU PROPANE (OPIS) BLM (V6)								
V6	Spec		Increase	USD	2,475	2,250	3,300	3,000
V6	Hedge/Member		Increase	USD	2,250	2,250	3,000	3,000
PROPANE NON LDH MT BELVIEU (1R)								
1R	Spec	Mth 1	Increase	USD	2,420	2,200	2,640	2,400
1R	Hedge/Member	Mth 1	Increase	USD	2,200	2,200	2,400	2,400
1R	Spec	Mth 2	Increase	USD	2,420	2,200	2,640	2,400
1R	Hedge/Member	Mth 2	Increase	USD	2,200	2,200	2,400	2,400
1R	Spec	Mnth 3-9	Increase	USD	2,310	2,100	2,530	2,300
1R	Hedge/Member	Mnth 3-9	Increase	USD	2,100	2,100	2,300	2,300
1R	Spec	Mnth 10+	Increase	USD	2,090	1,900	2,310	2,100
1R	Hedge/Member	Mnth 10+	Increase	USD	1,900	1,900	2,100	2,100
PROPANE NON LDH MT BLV BALMO (1S)								
1S	Spec		Increase	USD	3,025	2,750	3,300	3,000
1S	Hedge/Member		Increase	USD	2,750	2,750	3,000	3,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			AGRICULTURE - Intra Spreads					
Lean Hog Butterfly 1/2/3 (LEAN HOG FUTURES)								
LN	Spec		Increase	USD	1,815	1,650	2,585	2,350
LN	Hedge/Member		Increase	USD	1,650	1,650	2,350	2,350
Lean Hog Butterfly 1/2/3 (LEAN HOGS TRADE AT SETTLE)								
HET	Spec		Increase	USD	1,815	1,650	2,585	2,350
HET	Hedge/Member		Increase	USD	1,650	1,650	2,350	2,350
			CRUDE OIL - Intra Spreads					
Dubai Crude Butterfly - Distance 1 (DUBAI CRUDE OIL CALENDAR FUT)								
DC	Spec		Increase	USD	297	270	484	440
DC	Hedge/Member		Increase	USD	270	270	440	440
Dubai Crude Butterfly - Distance 1 (MINI DUBAI CRUDE OIL (PLATTS) FUT)								
DBL	Spec		Increase	USD	30	27	48	44
DBL	Hedge/Member		Increase	USD	27	27	44	44
Dubai Crude Butterfly - Distance 2 (DUBAI CRUDE OIL CALENDAR FUT)								
DC	Spec		Increase	USD	495	450	902	820
DC	Hedge/Member		Increase	USD	450	450	820	820
Dubai Crude Butterfly - Distance 2 (MINI DUBAI CRUDE OIL (PLATTS) FUT)								
DBL	Spec		Increase	USD	50	45	90	82
DBL	Hedge/Member		Increase	USD	45	45	82	82

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
DME Products - Intra Spreads								
Oman Crude Butterfly - Distance 2 (DME OMAN CRUDE OIL)								
OQ	Spec		Increase	USD	484	440	792	720
OQ	Hedge/Member		Increase	USD	440	440	720	720
Oman Crude Butterfly - Distance 2 (OMAN CRUDE FINANCIAL)								
ZG	Spec		Increase	USD	484	440	792	720
ZG	Hedge/Member		Increase	USD	440	440	720	720
Oman Crude Butterfly - Distance 2 (OMAN CRUDE OIL TAM FUT)								
OQB	Spec		Increase	USD	484	440	792	720
OQB	Hedge/Member		Increase	USD	440	440	720	720
Oman Crude Butterfly - Distance 2 (OMAN CRUDE OIL TAM MARKER SYN)								
OQ1	Spec		Increase	USD	484	440	792	720
OQ1	Hedge/Member		Increase	USD	440	440	720	720
Oman Crude Butterfly- Distance 1 (DME OMAN CRUDE OIL)								
OQ	Spec		Increase	USD	204	185	385	350
OQ	Hedge/Member		Increase	USD	185	185	350	350
Oman Crude Butterfly- Distance 1 (OMAN CRUDE FINANCIAL)								
ZG	Spec		Increase	USD	204	185	385	350
ZG	Hedge/Member		Increase	USD	185	185	350	350
Oman Crude Butterfly- Distance 1 (OMAN CRUDE OIL TAM FUT)								
OQB	Spec		Increase	USD	204	185	385	350
OQB	Hedge/Member		Increase	USD	185	185	350	350
Oman Crude Butterfly- Distance 1 (OMAN CRUDE OIL TAM MARKER SYN)								
OQ1	Spec		Increase	USD	204	185	385	350
OQ1	Hedge/Member		Increase	USD	185	185	350	350
PETROLEUM CRACKS AND SPREADS - Intra Spreads								
East-West Naphtha: Japan C&F vs. Cargoes CIF NWE Spread (Platts) Swap Futures - Tier 2 vs. Tier 2 (E/W NAPHTHA JAPAN CF VS CRGOES CIF)								
EWN	Spec		Increase	USD	1,870	1,700	2,805	2,550
EWN	Hedge/Member		Increase	USD	1,700	1,700	2,550	2,550

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								
Gulf Coast Jet Fuel Calendar Swap - All Months (GULF COAST JET FUEL CLNDR FUT)								
GE	Spec		Increase	USD	2,860	2,600	3,520	3,200
GE	Hedge/Member		Increase	USD	2,600	2,600	3,200	3,200
Gulf Coast Ultra Low Sulfur Diesel (ULSD) Swap - Mth 2 vs Mth 2+ (GULF COAST ULSD CALENDAR FUT)								
LY	Spec		Increase	USD	1,100	1,000	1,540	1,400
LY	Hedge/Member		Increase	USD	1,000	1,000	1,400	1,400
Singapore Jet Kerosene Swap - Tier 2 vs Tier 2 (SINGAPORE JET KEROSENE FUT)								
KS	Spec		Increase	USD	1,045	950	1,485	1,350
KS	Hedge/Member		Increase	USD	950	950	1,350	1,350
Singapore Jet Kerosene Swap - Tier 2 vs Tier 2 (SYNTHETI SINGAPORE JET KEROSENE FUT)								
SKS	Spec		Increase	USD	1,045	950	1,485	1,350
SKS	Hedge/Member		Increase	USD	950	950	1,350	1,350

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

(NY-HCL - CME) vs (NY-DC - CME)

Spread Credit Rate	Decrease	+1:-1	79%	79%	72%	72%

(NY-HCL - CME) vs (NY-OQ - CME)

Spread Credit Rate	Decrease	+1:-1	79%	79%	72%	72%

CANADIAN HEAVY CRUDE OIL (NET ENERGY) INDEX FUTURES (NY-WCC - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs CANADIAN DOLLAR (CD - CME)

Spread Credit Rate	Decrease	+1:+1:-1	45%	45%	0%	0%

DUBAI CRUDE OIL CALENDAR SWAP (NYM-DC - CME) vs LIGHT, SWEET CRUDE OIL FUTURES (NYM-CL, CS, WS)

Spread Credit Rate	Decrease	+1:-1	81%	81%	78%	78%

LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs CANADIAN DOLLAR (CD - CME)

Spread Credit Rate	Decrease	+1:-1	20%	20%	0%	0%

LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs E-MINI DOW JONES (YM - CME)

Spread Credit Rate	Decrease	+2:-1	40%	40%	0%	0%

LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs E-MINI RUSSELL 2000 INDEX FUTURES (RTY - CME)

Spread Credit Rate	Decrease	+1:-1	40%	40%	0%	0%

LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs E-MINI S&P MIDCAP 400 (ME - CME)

Spread Credit Rate	Decrease	+2:-1	30%	30%	0%	0%

LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs NORWEGIAN KRONE (UN - CME)

Spread Credit Rate	Decrease	+3:-1	20%	20%	0%	0%

LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs S&P SELECT SECTOR - ENERGY (XAE - CME)

Spread Credit Rate	Decrease	+1:-1	55%	55%	0%	0%

WESTERN CANADIAN SELECT OIL (NET ENERGY) MONTHLY INDEX FUTURES (NY-WCW - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs CANADIAN DOLLAR (CD - CME)

Spread Credit Rate	Decrease	+1:+1:-1	45%	45%	0%	0%

CRUDE OIL SPREADS - Inter-commodity Spread Rates

CANADIAN HEAVY CRUDE OIL (NET ENERGY) INDEX FUTURES (NY-WCC - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs CANADIAN DOLLAR (CD - CME)

Spread Credit Rate	Decrease	+1:+1:-1	45%	45%	0%	0%

WESTERN CANADIAN SELECT OIL (NET ENERGY) MONTHLY INDEX FUTURES (NY-WCW - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs CANADIAN DOLLAR (CD - CME)

Spread Credit Rate	Decrease	+1:+1:-1	45%	45%	0%	0%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
DME Products - Inter-commodity Spread Rates						
(NY-HCL - CME) vs (NY-OQ - CME)						
Spread Credit Rate	Decrease	+1:-1	79%	79%	72%	72%
EQUITY INDEX - Inter-commodity Spread Rates						
LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs E-MINI DOW JONES (YM - CME)						
Spread Credit Rate	Decrease	+2:-1	40%	40%	0%	0%
LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs E-MINI RUSSELL 2000 INDEX FUTURES (RTY - CME)						
Spread Credit Rate	Decrease	+1:-1	40%	40%	0%	0%
LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs E-MINI S&P MIDCAP 400 (ME - CME)						
Spread Credit Rate	Decrease	+2:-1	30%	30%	0%	0%
LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs S&P SELECT SECTOR - ENERGY (XAE - CME)						
Spread Credit Rate	Decrease	+1:-1	55%	55%	0%	0%
FX - Inter-commodity Spread Rates						
CANADIAN HEAVY CRUDE OIL (NET ENERGY) INDEX FUTURES (NY-WCC - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs CANADIAN DOLLAR (CD - CME)						
Spread Credit Rate	Decrease	+1:+1:-1	45%	45%	0%	0%
LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs CANADIAN DOLLAR (CD - CME)						
Spread Credit Rate	Decrease	+1:-1	20%	20%	0%	0%
LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs NORWEGIAN KRONE (UN - CME)						
Spread Credit Rate	Decrease	+3:-1	20%	20%	0%	0%
WESTERN CANADIAN SELECT OIL (NET ENERGY) MONTHLY INDEX FUTURES (NY-WCW - CME) vs LIGHT SWEET CRUDE OIL FUTURES (NY-CL - CME) vs CANADIAN DOLLAR (CD - CME)						
Spread Credit Rate	Decrease	+1:+1:-1	45%	45%	0%	0%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
CRUDE OIL - Volatility Scan (volScan) Rate						
CRUDE OIL FINANCIAL FUTURES (MCL, QM, WS) - volScan						
Clearing Member Rate	Mnth1	Increase		40.000%		50.000%
Clearing Member Rate	Mnth2	Increase		38.000%		45.000%
CRUDE OIL LAST DAY FINANCIAL FUTURES (26, S26) - volScan						
Clearing Member Rate	Mnth1	Increase		40.000%		50.000%
Clearing Member Rate	Mnth2	Increase		38.000%		45.000%
LIGHT SWEET CRUDE OIL FUTURES (C01, C02, C03, C04, C05, C06, C07, C08, C09, C10, C11, C12, C13, C14, C15, C16, C17, C18, C19, C20, C21, C22, C23, C24, C25, C26, C27, C28, C29, C30, C31, CD, CL, CLL, CLS, CLT, LC, LM1, LM2, LM3, LM4, LM5, LO, LOW, XC, XCT) - volScan						
Clearing Member Rate	Mnth1	Increase		40.000%		50.000%
Clearing Member Rate	Mnth2	Increase		38.000%		45.000%
WTI CALENDAR SWAP FUTURES (AO, CS) - volScan						
Clearing Member Rate	Mnth1	Increase		40.000%		50.000%
Clearing Member Rate	Mnth2	Increase		38.000%		45.000%