20-184

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

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

The rates will be effective after the close of business on

Friday, May 1, 2020.

Current rates as of:

Thursday, April 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
Outright Rates								
				AGRICULTURE - Outright Rates				
ROUGH RICE FUTURES (14)								
14	Spec	Month 1	Increase	USD	1,540	1,400	1,694	1,540
14	Hedge/Member	Month 1	Increase	USD	1,400	1,400	1,540	1,540
				CRUDE OIL - Outright Rates				
LOOP CRUDE OIL STORAGE FUTURES (LPS)								
LPS	Spec	Mth 1	Increase	USD	242	220	330	300
LPS	Hedge/Member	Mth 1	Increase	USD	220	220	300	300
LPS	Spec	Mths 2-3	Increase	USD	154	140	220	200
LPS	Hedge/Member	Mths 2-3	Increase	USD	140	140	200	200
LPS	Spec	Mths 4+	Increase	USD	132	120	176	160
LPS	Hedge/Member	Mths 4+	Increase	USD	120	120	160	160
				CRUDE OIL SPREADS - Outright Rates				
CLEARBROOK BAKKEN SWEET MONTHLY IND (CSW)								
CSW	Spec	Mnth 1	Increase	USD	3,300	3,000	4,950	4,500
CSW	Hedge/Member	Mnth 1	Increase	USD	3,000	3,000	4,500	4,500
CSW	Spec	Mnth 2	Increase	USD	2,860	2,600	3,850	3,500
CSW	Hedge/Member	Mnth 2	Increase	USD	2,600	2,600	3,500	3,500
CSW	Spec	Mnths 3+	Increase	USD	1,980	1,800	2,750	2,500
CSW	Hedge/Member	Mnths 3+	Increase	USD	1,800	1,800	2,500	2,500
EDMONTON C5+ CONDENSATE MONTHLY INX (CC5)								
CC5	Spec	Mnths 1-2	Increase	USD	4,400	4,000	5,500	5,000
CC5	Hedge/Member	Mnths 1-2	Increase	USD	4,000	4,000	5,000	5,000
CC5	Spec	Mnths 3-6	Increase	USD	3,300	3,000	4,400	4,000
CC5	Hedge/Member	Mnths 3-6	Increase	USD	3,000	3,000	4,000	4,000
HARDISTY W CANADIAN SELECT MONTHLY (WCW)								
WCW	Spec	Mnth 2	Increase	USD	4,125	3,750	4,400	4,000
WCW	Hedge/Member	Mnth 2	Increase	USD	3,750	3,750	4,000	4,000
WCW	Spec	Mnths 3+	Increase	USD	3,850	3,500	4,400	4,000
WCW	Hedge/Member	Mnths 3+	Increase	USD	3,500	3,500	4,000	4,000

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	Mnths 3+	Increase	USD	6,600	6,000	7,700	7,000
FRC	Hedge/Member	Mnths 3+	Increase	USD	6,000	6,000	7,000	7,000
FREIGHT ROUTE TC15 (BALTIC) FUTURES (T5C)								
T5C	Spec	Mth 1	Increase	USD	8,250	7,500	11,000	10,000
T5C	Hedge/Member	Mth 1	Increase	USD	7,500	7,500	10,000	10,000
T5C	Spec	Mths 2	Increase	USD	8,250	7,500	11,000	10,000
T5C	Hedge/Member	Mths 2	Increase	USD	7,500	7,500	10,000	10,000
TC2 ROTTERDAM TO USAC 37K MT (TM)								
TM	Spec	Mnth 1	Increase	USD	9,900	9,000	11,000	10,000
TM	Hedge/Member	Mnth 1	Increase	USD	9,000	9,000	10,000	10,000
TM	Spec	Mnths 3	Increase	USD	6,600	6,000	8,800	8,000
TM	Hedge/Member	Mnths 3	Increase	USD	6,000	6,000	8,000	8,000
TM	Spec	Mnth 2	Increase	USD	9,570	8,700	10,450	9,500
TM	Hedge/Member	Mnth 2	Increase	USD	8,700	8,700	9,500	9,500
TC5 RAS TANURA TO YOKOHAMA 55K MT (TH)								
TH	Spec	Mnths 4-6	Increase	USD	6,050	5,500	8,250	7,500
TH	Hedge/Member	Mnths 4-6	Increase	USD	5,500	5,500	7,500	7,500
TH	Spec	7+	Increase	USD	6,050	5,500	8,250	7,500
TH	Hedge/Member	7+	Increase	USD	5,500	5,500	7,500	7,500
			METALS - Outright Rates					
ALUMINIUM EURO PREM DUTY-PAID FUT (EDP)								
EDP	Spec	Mth 1	Increase	USD	495	450	594	540
EDP	Hedge/Member	Mth 1	Increase	USD	450	450	540	540
EDP	Spec	Mths 2-9	Increase	USD	644	585	770	700
EDP	Hedge/Member	Mths 2-9	Increase	USD	585	585	700	700
EDP	Spec	Mths 10+	Increase	USD	644	585	770	700
EDP	Hedge/Member	Mths 10+	Increase	USD	585	585	700	700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								

PETROLEUM CRACKS AND SPREADS - Outright Rates

GRP3 ULSD VS NY HRBR ULSD FUT (A6)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
A6	Spec	Mnth 1	Increase	USD	1,034	940	1,265	1,150
A6	Hedge/Member	Mnth 1	Increase	USD	940	940	1,150	1,150
A6	Spec	Mnth 2	Increase	USD	935	850	1,210	1,100
A6	Hedge/Member	Mnth 2	Increase	USD	850	850	1,100	1,100
A6	Spec	Mnths 3-5	Increase	USD	836	760	1,100	1,000
A6	Hedge/Member	Mnths 3-5	Increase	USD	760	760	1,000	1,000
A6	Spec	Mnths 6+	Increase	USD	814	740	990	900
A6	Hedge/Member	Mnths 6+	Increase	USD	740	740	900	900

NY ULSD (PLATTS) VS NY HRBR FUT (UY)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
UY	Spec		Increase	USD	682	620	990	900
UY	Hedge/Member		Increase	USD	620	620	900	900

NY ULSD VS. NY HRBR ULSD FUT (7Y)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
7Y	Spec	Mnth 1	Increase	USD	748	680	1,100	1,000
7Y	Hedge/Member	Mnth 1	Increase	USD	680	680	1,000	1,000
7Y	Spec	Mnth 2	Increase	USD	748	680	1,100	1,000
7Y	Hedge/Member	Mnth 2	Increase	USD	680	680	1,000	1,000
7Y	Spec	Mnths 3+	Increase	USD	726	660	1,067	970
7Y	Hedge/Member	Mnths 3+	Increase	USD	660	660	970	970

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
CRUDE OIL SPREADS - Intra Spreads								
ARGUS LLS VS. WTI (ARGUS) TRADE MONTH SWAP FUTURES - All Months (ARGUS LLS VS. WTI (ARG) TRD M)								
E5	Spec		Increase	USD	1,320	1,200	2,200	2,000
E5	Hedge/Member		Increase	USD	1,200	1,200	2,000	2,000
Canadian C5+ Condensate Index (Net Energy) Futures - All Months (EDMONTON C5+ CONDENSATE MONTHLY INX)								
CC5	Spec		Increase	USD	2,310	2,100	3,300	3,000
CC5	Hedge/Member		Increase	USD	2,100	2,100	3,000	3,000
Mars (Argus) vs. WTI Spread Calendar Swap - All Months (MARS (ARGUS) V WTI FUT)								
YX	Spec		Increase	USD	1,650	1,500	2,640	2,400
YX	Hedge/Member		Increase	USD	1,500	1,500	2,400	2,400
Mars (Argus) vs. WTI Spread Trade Month Swap - All Months (MARS (ARGUS) V WTI TRD MTH FUT)								
YV	Spec		Increase	USD	1,650	1,500	2,640	2,400
YV	Hedge/Member		Increase	USD	1,500	1,500	2,400	2,400
Western Canadian Select Oil (Net Energy) Monthly Index Futures - All Months (HARDISTY W CANADIAN SELECT MONTHLY)								
WCW	Spec		Increase	USD	1,540	1,400	2,420	2,200
WCW	Hedge/Member		Increase	USD	1,400	1,400	2,200	2,200

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			METALS - Intra Spreads					
(GOLD/PLATINUM SPREAD FUTURE)								
GPS	Spec		Increase	USD	138	125	193	175
GPS	Hedge/Member		Increase	USD	125	125	175	175
(GOLD/SILVER RATIO FUTURES)								
GSR	Spec		Increase	USD	550	500	825	750
GSR	Hedge/Member		Increase	USD	500	500	750	750
(PLATINUM/PALLADIUM SPREAD FUTURES)								
PPS	Spec		Increase	USD	330	300	495	450
PPS	Hedge/Member		Increase	USD	300	300	450	450
All Months (ALUMINIUM EURO PREM DUTY-PAID FUT)								
EDP	Spec		Increase	USD	644	585	770	700
EDP	Hedge/Member		Increase	USD	585	585	700	700
Consecutive Spread - Months 2+ (ALUMINIUM EURO PREM DUTY-PAID FUT)								
EDP	Spec		Increase	USD	644	585	770	700
EDP	Hedge/Member		Increase	USD	585	585	700	700
Month 1 vs. Months 2-10 (NYMEX HOT ROLLED STEEL FUTURES)								
HR	Spec		Increase	USD	605	550	715	650
HR	Hedge/Member		Increase	USD	550	550	650	650
Mths 1-4 vs Mths 1-4 (ALUMINUM FUTURES)								
ALI	Spec		Increase	USD	825	750	990	900
ALI	Hedge/Member		Increase	USD	750	750	900	900
Mths 1-4 vs Mths 5+ (ALUMINUM FUTURES)								
ALI	Spec		Increase	USD	825	750	990	900
ALI	Hedge/Member		Increase	USD	750	750	900	900
Mths 5+ vs Mths 5+ (ALUMINUM FUTURES)								
ALI	Spec		Increase	USD	825	750	990	900
ALI	Hedge/Member		Increase	USD	750	750	900	900
			PETROLEUM CRACKS AND SPREADS - Intra Spreads					
GROUP THREE ULSD (PLATTS) VS. HEATING OIL SPREAD S - 6+ vs 6+ (GRP3 ULSD VS NY HRBR ULSD FUT)								
A6	Spec		Increase	USD	836	760	1,045	950
A6	Hedge/Member		Increase	USD	760	760	950	950

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 ULSD Swap- Consecutive Month 2+ (GULF COAST ULSD CALENDAR FUT)								
LY	Spec		Increase	USD	550	500	693	630
LY	Hedge/Member		Increase	USD	500	500	630	630
Gulf Coast Ultra Low Sulfur Diesel (ULSD) Swap - Mth 2 vs Mth 2+ (GULF COAST ULSD CALENDAR FUT)								
LY	Spec		Increase	USD	1,980	1,800	2,420	2,200
LY	Hedge/Member		Increase	USD	1,800	1,800	2,200	2,200
Month 2 vs 3+ (USGC MARINE FUEL 0.5% (PLATTS) FUT)								
H5F	Spec		Increase	USD	1,320	1,200	1,760	1,600
H5F	Hedge/Member		Increase	USD	1,200	1,200	1,600	1,600
Month 2 vs 3+ (USGC MARINE FUEL 0.5% BARGES (PLATT)								
UP5	Spec		Increase	USD	8,382	7,620	11,176	10,160
UP5	Hedge/Member		Increase	USD	7,620	7,620	10,160	10,160
Month 3 vs 3+ (USGC MARINE FUEL 0.5% (PLATTS) FUT)								
H5F	Spec		Increase	USD	1,320	1,200	1,760	1,600
H5F	Hedge/Member		Increase	USD	1,200	1,200	1,600	1,600
Month 3 vs 3+ (USGC MARINE FUEL 0.5% BARGES (PLATT)								
UP5	Spec		Increase	USD	8,382	7,620	11,176	10,160
UP5	Hedge/Member		Increase	USD	7,620	7,620	10,160	10,160

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
AGRICULTURE - Inter-commodity Spread Rates						
Block Cheese vs Class III Milk "BLK vs DA"						
Spread Credit Rate	Decrease	+1:-1	70%	70%	50%	50%
Spread Credit Rate	Decrease	+1:-1	40%	40%	30%	30%
Class IV Milk vs Non Fat Milk "DK vs NF"						
Spread Credit Rate	Decrease	+1:-1	25%	25%	0%	0%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
INTEREST RATES - Volatility Scan (volScan) Rate						
1M SOFR FUTURES (SR1, SR1) - volScan						
Clearing Member Rate	Month 2	Increase		35.000%		40.000%
Clearing Member Rate	Month 3	Increase		25.000%		35.000%
Clearing Member Rate	Month 4	Increase		25.000%		30.000%
Clearing Member Rate	Month 5	Increase		25.000%		30.000%
Clearing Member Rate	Month 6	Increase		25.000%		30.000%
Clearing Member Rate	Month 7	Increase		25.000%		30.000%
EURODOLLAR (E2W, E3W, E5, ED, ED, EED, ET, TE2, TE3, TE4, TF) - volScan						
Clearing Member Rate	Mnth1	Decrease		40.000%		35.000%
Clearing Member Rate	Mnth2	Decrease		40.000%		35.000%
Clearing Member Rate	Mnth3	Decrease		40.000%		35.000%
Clearing Member Rate	Mnth4	Decrease		35.000%		30.000%
Clearing Member Rate	Mnth5	Decrease		35.000%		30.000%
Clearing Member Rate	Mnth6	Decrease		35.000%		30.000%