20-196

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, May 14, 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, May 15, 2020.

Current rates as of:

Thursday, May 14, 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								
GSCI-ER 3 MTH FOWARD INX SWPS (SE3)								
SE3	Spec		Increase	USD	1,430	1,300	1,760	1,600
SE3	Hedge/Member		Increase	USD	1,300	1,300	1,600	1,600
SP GSCI-ER 2 MTH FOWARD INX SWP (SE2)								
SE2	Spec		Increase	USD	1,430	1,300	1,760	1,600
SE2	Hedge/Member		Increase	USD	1,300	1,300	1,600	1,600
EQUITY INDEX - Outright Rates								
BTIC EMINI FTSE 100 INDEX FUTURE (FTT)								
FTT	Spec		Increase	GBP	3,685	3,350	4,950	4,500
FTT	Hedge/Member		Increase	GBP	3,350	3,350	4,500	4,500
BTIC ON DOW JONES TOT RTURN FUT (DTT)								
DTT	Spec		Increase	USD	6,600	6,000	9,900	9,000
DTT	Hedge/Member		Increase	USD	6,000	6,000	9,000	9,000
DTT	Spec		Increase	USD	6,600	6,000	9,900	9,000
DTT	Hedge/Member		Increase	USD	6,000	6,000	9,000	9,000
BTIC ON EMINI RUSSELL 2000 VALUE IN (2VT)								
2VT	Spec		Increase	USD	2,200	2,000	4,400	4,000
2VT	Hedge/Member		Increase	USD	2,000	2,000	4,000	4,000
BTIC ON NASDAQ-100 TOT RETRN INDEX (N1T)								
N1T	Spec		Increase	USD	6,050	5,500	9,350	8,500
N1T	Hedge/Member		Increase	USD	5,500	5,500	8,500	8,500
N1T	Spec	Months 2+	Increase	USD	6,050	5,500	9,350	8,500
N1T	Hedge/Member	Months 2+	Increase	USD	5,500	5,500	8,500	8,500
BTIC ON RUSS 2000 TOT RETURN FUT (R2T)								
R2T	Spec	Month 1	Increase	USD	5,060	4,600	7,810	7,100
R2T	Hedge/Member	Month 1	Increase	USD	4,600	4,600	7,100	7,100
R2T	Spec	Months 2+	Increase	USD	5,060	4,600	7,810	7,100
R2T	Hedge/Member	Months 2+	Increase	USD	4,600	4,600	7,100	7,100
BTIC ON RUSSL 1000 TOT RETURN FUT (R1B)								
R1B	Spec		Increase	USD	5,005	4,550	8,580	7,800
R1B	Hedge/Member		Increase	USD	4,550	4,550	7,800	7,800
DOW JONES TOT RTURN FUT (DTR)								
DTR	Spec		Increase	USD	6,600	6,000	9,900	9,000
DTR	Hedge/Member		Increase	USD	6,000	6,000	9,000	9,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
DTR	Spec		Increase	USD	6,600	6,000	9,900	9,000
DTR	Hedge/Member		Increase	USD	6,000	6,000	9,000	9,000
DOW JONES TOT RTURN MARKER (DRM)								
DRM	Spec		Increase	USD	6,600	6,000	9,900	9,000
DRM	Hedge/Member		Increase	USD	6,000	6,000	9,000	9,000
DRM	Spec		Increase	USD	6,600	6,000	9,900	9,000
DRM	Hedge/Member		Increase	USD	6,000	6,000	9,000	9,000
E-MINI FTSE 100 INDEX FUTURES (FT1)								
FT1	Spec		Increase	GBP	3,685	3,350	4,950	4,500
FT1	Hedge/Member		Increase	GBP	3,350	3,350	4,500	4,500
EMINI FTSE 100 VALUE SYN MARKER (FTI)								
FTI	Spec		Increase	GBP	3,685	3,350	4,950	4,500
FTI	Hedge/Member		Increase	GBP	3,350	3,350	4,500	4,500
EMINI RUSSELL 2000 SYN MARKER (RTI)								
RTI	Spec		Increase	USD	2,200	2,000	4,400	4,000
RTI	Hedge/Member		Increase	USD	2,000	2,000	4,000	4,000
EMINI RUSSELL 2000 VALUE IND MARKER (2VI)								
2VI	Spec		Increase	USD	2,200	2,000	4,400	4,000
2VI	Hedge/Member		Increase	USD	2,000	2,000	4,000	4,000
EMINI RUSSELL 2000 VALUE INDEX FUTU (R2V)								
R2V	Spec		Increase	USD	2,200	2,000	4,400	4,000
R2V	Hedge/Member		Increase	USD	2,000	2,000	4,000	4,000
NASDAQ COMPOSITE FUTURES (QN)								
QN	Spec		Increase	USD	9,515	8,650	11,000	10,000
QN	Hedge/Member		Increase	USD	8,650	8,650	10,000	10,000
NASDAQ-100 TOT RETN INDEX MARKER (N1M)								
N1M	Spec		Increase	USD	6,050	5,500	9,350	8,500
N1M	Hedge/Member		Increase	USD	5,500	5,500	8,500	8,500
N1M	Spec	Months 2+	Increase	USD	6,050	5,500	9,350	8,500
N1M	Hedge/Member	Months 2+	Increase	USD	5,500	5,500	8,500	8,500
NASDAQ-100 TOTAL RETURN INDEX FUT (N1R)								
N1R	Spec		Increase	USD	6,050	5,500	9,350	8,500
N1R	Hedge/Member		Increase	USD	5,500	5,500	8,500	8,500
N1R	Spec	Months 2+	Increase	USD	6,050	5,500	9,350	8,500
N1R	Hedge/Member	Months 2+	Increase	USD	5,500	5,500	8,500	8,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
RUSS 1000 TOT RETURN INDEX MARKER (R1M)								
R1M	Spec		Increase	USD	5,005	4,550	8,580	7,800
R1M	Hedge/Member		Increase	USD	4,550	4,550	7,800	7,800
RUSS 2000 TOT RETURN INDEX MARKER (R2M)								
R2M	Spec	Month 1	Increase	USD	5,060	4,600	7,810	7,100
R2M	Hedge/Member	Month 1	Increase	USD	4,600	4,600	7,100	7,100
R2M	Spec	Months 2+	Increase	USD	5,060	4,600	7,810	7,100
R2M	Hedge/Member	Months 2+	Increase	USD	4,600	4,600	7,100	7,100
RUSSELL 1000 TOTAL RETURN INDEX FUT (R1R)								
R1R	Spec		Increase	USD	5,005	4,550	8,580	7,800
R1R	Hedge/Member		Increase	USD	4,550	4,550	7,800	7,800
RUSSELL 2000 TOTAL RETURN INDEX FUT (R2R)								
R2R	Spec	Month 1	Increase	USD	5,060	4,600	7,810	7,100
R2R	Hedge/Member	Month 1	Increase	USD	4,600	4,600	7,100	7,100
R2R	Spec	Months 2+	Increase	USD	5,060	4,600	7,810	7,100
R2R	Hedge/Member	Months 2+	Increase	USD	4,600	4,600	7,100	7,100

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			AGRICULTURE - Intra Spreads					
Months 6+ vs Months 6+ (CLASS III MILK FUTURES)								
DA	Spec		Increase	USD	1,144	1,040	1,364	1,240
DA	Hedge/Member		Increase	USD	1,040	1,040	1,240	1,240
Months 6+ vs Months 6+ (MLK MID FUTURES)								
JQ	Spec		Increase	USD	572	520	682	620
JQ	Hedge/Member		Increase	USD	520	520	620	620
			EQUITY INDEX - Intra Spreads					
S&P 500 Annual Dividend Index Future: Months 1-3 vs Months 10-11 (S&P 500 ANNUAL DIVIDEND INDEX FUT)								
SDA	Spec		Increase	USD	1,980	1,800	2,200	2,000
SDA	Hedge/Member		Increase	USD	1,800	1,800	2,000	2,000
S&P 500 Annual Dividend Index Future: Months 1-3 vs Months 4-6 (S&P 500 ANNUAL DIVIDEND INDEX FUT)								
SDA	Spec		Increase	USD	1,100	1,000	1,375	1,250
SDA	Hedge/Member		Increase	USD	1,000	1,000	1,250	1,250

Splitting Logic

Product	Prior Split Logic	Current Split Logic	Underlying Leg 1	Underlying Leg 2
KWC	NONE	Modified Split	KW	W

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
AGRICULTURE - Inter-commodity Spread Rates						
Oats (CBOT) (O) vs. Soybean Oil (CBOT) (07)						
Spread Credit Rate	Increase	+1:-1	30%	30%	40%	40%
Soybean Oil (CBOT) (07) vs. Soybean (CBOT) (S)						
Spread Credit Rate	Increase	+2:-1	50%	50%	60%	60%
Soymeal (CBOT) (06) vs. Soybean (CBOT) (S)						
Spread Credit Rate	Increase	+1:-1	60%	60%	65%	65%
COAL - Inter-commodity Spread Rates						
DUTCH TTF NATURAL GAS CALENDAR MONTH FUTURES (NY-TTF - CME) vs COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MFF - CME)						
Spread Credit Rate	Decrease	+11:-1	45%	45%	0%	0%
UK NBP NATURAL GAS CALENDAR MONTH FUTURES (NY-UKG - CME) vs COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MFF - CME)						
Spread Credit Rate	Decrease	+10:-1	45%	45%	0%	0%
NATURAL GAS - Inter-commodity Spread Rates						
DUTCH TTF NATURAL GAS CALENDAR MONTH FUTURES (NY-TTF - CME) vs COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MFF - CME)						
Spread Credit Rate	Decrease	+11:-1	45%	45%	0%	0%
UK NBP NATURAL GAS CALENDAR MONTH FUTURES (NY-UKG - CME) vs COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MFF - CME)						
Spread Credit Rate	Decrease	+10:-1	45%	45%	0%	0%
REFINED PRODUCTS - Inter-commodity Spread Rates						
NY RBOB (ARGUS) GASOLINE FUTURES (NY-NYA - CME) vs RBOB GASOLINE FUTURES (NY-RB - CME)						
Spread Credit Rate	Decrease	+1:-1	85%	85%	75%	75%

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
AGRICULTURE - Volatility Scan (volScan) Rate						
MILK CLASS III (9M1, DA, DA, JQ, JQ) - volScan						
Clearing Member Rate	Months 6-11	Increase		24.000%		28.000%