CME Group

20-241

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Monday, June 15, 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

Tuesday, June 16, 2020.

Current rates as of:

Monday, June 15, 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					
CASH BUTTER FUTURES (CB)								
CB	Spec	Month 1	Increase	USD	1,452	1,320	1,744	1,585
CB	Hedge/Member	Month 1	Increase	USD	1,320	1,320	1,585	1,585
CLASS IV MILK FUTURE (DK)								
DK	Spec	Month 1	Increase	USD	880	800	1,034	940
DK	Hedge/Member	Month 1	Increase	USD	800	800	940	940
ROUGH RICE FUTURES (14)								
14	Spec	Month 1	Increase	USD	3,300	3,000	3,685	3,350
14	Hedge/Member	Month 1	Increase	USD	3,000	3,000	3,350	3,350
14	Spec	Months 2+	Increase	USD	1,430	1,300	1,815	1,650
14	Hedge/Member	Months 2+	Increase	USD	1,300	1,300	1,650	1,650
			ETHANOL - Outright Rates					
CHICAGO ETHANOL FUT (CU)								
CU	Spec	Mth 1	Decrease	USD	6,600	6,000	5,225	4,750
CU	Hedge/Member	Mth 1	Decrease	USD	6,000	6,000	4,750	4,750
CU	Spec	Mths 2	Decrease	USD	6,050	5,500	4,675	4,250
CU	Hedge/Member	Mths 2	Decrease	USD	5,500	5,500	4,250	4,250
CU	Spec	Mth 3-7	Decrease	USD	4,785	4,350	3,850	3,500
CU	Hedge/Member	Mth 3-7	Decrease	USD	4,350	4,350	3,500	3,500
CU	Spec	Mnth 8+	Decrease	USD	4,455	4,050	3,575	3,250
CU	Hedge/Member	Mnth 8+	Decrease	USD	4,050	4,050	3,250	3,250
ETHANOL FUTURES (EH)								
EH	Spec	Month 1	Decrease	USD	4,785	4,350	3,850	3,500
EH	Hedge/Member	Month 1	Decrease	USD	4,350	4,350	3,500	3,500
EH	Spec	Month 2	Decrease	USD	4,455	4,050	3,575	3,250
EH	Hedge/Member	Month 2	Decrease	USD	4,050	4,050	3,250	3,250
EH	Spec	Month 3+	Decrease	USD	4,455	4,050	3,575	3,250
EH	Hedge/Member	Month 3+	Decrease	USD	4,050	4,050	3,250	3,250
NEW YORK ETHANOL FUT (EZ)								
EZ	Spec	Mth 1	Decrease	USD	6,600	6,000	5,225	4,750
EZ	Hedge/Member	Mth 1	Decrease	USD	6,000	6,000	4,750	4,750
EZ	Spec	Mth 2	Decrease	USD	6,050	5,500	4,675	4,250
EZ	Hedge/Member	Mth 2	Decrease	USD	5,500	5,500	4,250	4,250
EZ	Spec	Mths 3-7	Decrease	USD	6,050	5,500	4,675	4,250
EZ	Hedge/Member	Mths 3-7	Decrease	USD	5,500	5,500	4,250	4,250
EZ	Spec	Mnths 8+	Decrease	USD	6,050	5,500	4,675	4,250

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
EZ	Hedge/Member	Mnths 8+	Decrease	USD	5,500	5,500	4,250	4,250

20 South Wacker Drive Chicago, IL 60606 Ph.: (312) 648-3888 Fax: (312) 930-3187 cmegroup.com

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			EQUITY INDEX - Intra Spreads					
NIKKEI 225 Stock Index (NK) - All Months (BTIC ON NIKKEI STOCK AVERAGE FUT)								
NKT	Spec		Increase	USD	853	775	908	825
NKT	Hedge/Member		Increase	USD	775	775	825	825
NIKKEI 225 Stock Index (NK) - All Months (NIKKEI 225 DOLLAR FUTURES)								
NK	Spec		Increase	USD	853	775	908	825
NK	Hedge/Member		Increase	USD	775	775	825	825
NIKKEI 225 Stock Index (NK) - All Months (NIKKEI STOCK AVERAGE FUTURES MARKER)								
NKM	Spec		Increase	USD	853	775	908	825
NKM	Hedge/Member		Increase	USD	775	775	825	825
Yen-based Nikkei (N1) - All Months (BTIC ON YEN DENOMINATED NIKKEI FUT)								
NIT	Spec		Increase	JPY	77,000	70,000	88,000	80,000
NIT	Hedge/Member		Increase	JPY	70,000	70,000	80,000	80,000
E-Mini Yen-based Nikkei (ENY) - All Months (E-MINI NIKKEI 225 YEN DENOMINATED)								
ENY	Spec		Increase	JPY	15,400	14,000	17,600	16,000
ENY	Hedge/Member		Increase	JPY	14,000	14,000	16,000	16,000
Yen-based Nikkei (N1) - All Months (NIKKEI 225 YEN FUT)								
N1	Spec		Increase	JPY	77,000	70,000	88,000	80,000
N1	Hedge/Member		Increase	JPY	70,000	70,000	80,000	80,000
Yen-based Nikkei (N1) - All Months (YEN DENOMINATED NIKKEI MARKER)								
NIM	Spec		Increase	JPY	77,000	70,000	88,000	80,000
NIM	Hedge/Member		Increase	JPY	70,000	70,000	80,000	80,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
FX - Inter-commodity Spread Rates						
RUSSIAN RUBLE (RU - CME) vs CROSS RATE EURO FX/NORWEGIAN KRONE (CN - CME)						
Spread Credit Rate	Decrease	+4:+1	60%	60%	45%	45%
INTEREST RATES - Inter-commodity Spread Rates						
3M SOFR FUTURES (SR3 - CME) Months 13-16 vs 5-YEAR T-NOTE (25 - CME) All Months						
Spread Credit Rate	Decrease	+2:-1	75%	75%	70%	70%
3M SOFR FUTURES (SR3 - CME) Months 17+ vs 5-YEAR T-NOTE (25 - CME) All Months						
Spread Credit Rate	Decrease	+2:-1	75%	75%	70%	70%
3M SOFR FUTURES (SR3 - CME) Months 2 vs 5-YEAR T-NOTE (25 - CME) All Months						
Spread Credit Rate	Decrease	+2:-1	60%	60%	50%	50%
3M SOFR FUTURES (SR3 - CME) Months 3 vs 5-YEAR T-NOTE (25 - CME) All Months						
Spread Credit Rate	Decrease	+2:-1	70%	70%	60%	60%
3M SOFR FUTURES (SR3 - CME) Months 4-5 vs 5-YEAR T-NOTE (25 - CME) All Months						
Spread Credit Rate	Decrease	+2:-1	80%	80%	70%	70%
3M SOFR FUTURES (SR3 - CME) Months 6-8 vs 5-YEAR T-NOTE (25 - CME) All Months						
Spread Credit Rate	Decrease	+2:-1	80%	80%	70%	70%
3M SOFR FUTURES (SR3 - CME) Months 9-12 vs 5-YEAR T-NOTE (25 - CME) All Months						
Spread Credit Rate	Decrease	+2:-1	75%	75%	70%	70%
5 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (F1U - CME) vs 10-YEAR T-NOTE (21 - CME)						
Spread Credit Rate	Decrease	+3:-2	80%	80%	75%	75%
5 Year Note (25) vs. Eurodollar (ED) Tier 01						
Spread Credit Rate	Decrease	+2:-1	60%	60%	45%	45%
5 Year Note (25) vs. Eurodollar (ED) Tier 02						
Spread Credit Rate	Decrease	+2:-1	70%	70%	60%	60%
5 Year Note (25) vs. Eurodollar (ED) Tier 04 [contracts 13-16]						
Spread Credit Rate	Increase	+2:-1	70%	70%	75%	75%
5 Year Note (25) vs. Eurodollar (ED) Tier 07 [contracts 25-28]						
Spread Credit Rate	Decrease	+2:-1	75%	75%	65%	65%
5 Year Note (25) vs. Eurodollar (ED) Tier 08 [contracts 29-32]						
Spread Credit Rate	Decrease	+2:-1	70%	70%	65%	65%
5 Year Note (25) vs. Eurodollar (ED) Tier 09 [contracts 33-36]						
Spread Credit Rate	Decrease	+2:-1	70%	70%	65%	65%
5 Year Note (25) vs. Eurodollar (ED) Tier 10 [contracts 37-40]						

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
Spread Credit Rate	Decrease	+2:-1	70%	70%	65%	65%
5 Year Note (25) vs. Eurodollar (ED) Tier 11 [contracts 41-44]						
Spread Credit Rate	Decrease	+2:-1	70%	70%	65%	65%
EURODOLLAR (ED - CME) Contracts 13-16 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	80%	80%	70%	70%
EURODOLLAR (ED - CME) Contracts 17-20 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	80%	80%	70%	70%
EURODOLLAR (ED - CME) Contracts 21-24 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	80%	80%	70%	70%
EURODOLLAR (ED - CME) Contracts 25-28 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	80%	80%	70%	70%
EURODOLLAR (ED - CME) Contracts 29-32 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	80%	80%	70%	70%
EURODOLLAR (ED - CME) Contracts 33-36 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	80%	80%	70%	70%
EURODOLLAR (ED - CME) Contracts 37-40 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	80%	80%	70%	70%
EURODOLLAR (ED - CME) Contracts 41-44 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	75%	75%	70%	70%
EURODOLLAR (ED - CME) Contracts 9-12 vs 10 YEAR INTEREST RATE SWAP DELIVERABLE FUTURE (N1U - CME)						
Spread Credit Rate	Decrease	+3:-1	75%	75%	70%	70%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
EQUITY INDEX - Volatility Scan (volScan) Rate						
E-MINI DOW ($5) FUTURES (11, 11, DO, EYM, EZD, MYM, YM, YM, YMI, YMT) - volScan						
Clearing Member Rate	Months 2+	Increase		30.000%		40.000%
E-MINI NASDAQ-100 FUTURES (7H, DN, MNQ, ND, ND, NQ, NQ, NQI, NQQ, NQT, QN, QQ1, YH) - volScan						
Clearing Member Rate	Months 2+	Increase		30.000%		40.000%
E-MINI RUSSELL 2000 INDEX FUTURES (M2K, RLT, RTM, RTO, RTQ, RTY, TQ1) - volScan						
Clearing Member Rate	Months 2+	Increase		30.000%		40.000%
S&P 500 (7S, 8A, 8B, ES, ES, ESI, ESQ, EST, EV, EW, MDV, MDW, MES, MMV, MMW, SP, SP, YP1, YPB) - volScan						
Clearing Member Rate	Month 2	Increase		30.000%		40.000%
Clearing Member Rate	Months 3+	Increase		25.000%		30.000%
INTEREST RATES - Volatility Scan (volScan) Rate						
EURODOLLAR (E2W, E3W, E5, ED, ED, EED, ET, TE2, TE3, TE4, TF) - volScan						
Clearing Member Rate	Mnth10	Increase		22.000%		23.000%
Clearing Member Rate	Mnth11	Increase		20.000%		23.000%
Clearing Member Rate	Mnth12	Increase		20.000%		23.000%
Clearing Member Rate	Mnth13	Increase		20.000%		23.000%
Clearing Member Rate	Mnth14	Increase		20.000%		23.000%
Clearing Member Rate	Mnth15	Increase		20.000%		23.000%
Clearing Member Rate	Mnth16	Increase		20.000%		23.000%
Clearing Member Rate	Mnth17	Increase		20.000%		23.000%
Clearing Member Rate	Mnth18	Increase		20.000%		23.000%