



20-343

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Wednesday, September 2, 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, September 3, 2020.

Current rates as of:

Wednesday, September 2, 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								
EQUITY INDEX - Outright Rates								
USD-DENOMINATED IBOVESPA INDEX (IBV)								
IBV	Spec		Increase	USD	18,293	16,630	19,129	17,390
IBV	Hedge/Member		Increase	USD	16,630	16,630	17,390	17,390
ETHANOL - Outright Rates								
CHICAGO ETHANOL FUT (CU)								
CU	Spec	Mth 1	Decrease	USD	5,225	4,750	4,400	4,000
CU	Hedge/Member	Mth 1	Decrease	USD	4,750	4,750	4,000	4,000
CU	Spec	Mths 2	Decrease	USD	4,675	4,250	3,960	3,600
CU	Hedge/Member	Mths 2	Decrease	USD	4,250	4,250	3,600	3,600
CU	Spec	Mth 3-7	Decrease	USD	3,850	3,500	3,135	2,850
CU	Hedge/Member	Mth 3-7	Decrease	USD	3,500	3,500	2,850	2,850
CU	Spec	Mnth 8+	Decrease	USD	3,575	3,250	2,860	2,600
CU	Hedge/Member	Mnth 8+	Decrease	USD	3,250	3,250	2,600	2,600
ETHANOL FUTURES (EH)								
EH	Spec	Month 1	Decrease	USD	3,850	3,500	3,300	3,000
EH	Hedge/Member	Month 1	Decrease	USD	3,500	3,500	3,000	3,000
EH	Spec	Month 2	Decrease	USD	3,575	3,250	3,025	2,750
EH	Hedge/Member	Month 2	Decrease	USD	3,250	3,250	2,750	2,750
EH	Spec	Month 3+	Decrease	USD	3,575	3,250	3,025	2,750
EH	Hedge/Member	Month 3+	Decrease	USD	3,250	3,250	2,750	2,750
NEW YORK ETHANOL FUT (EZ)								
EZ	Spec	Mth 1	Decrease	USD	5,225	4,750	4,400	4,000
EZ	Hedge/Member	Mth 1	Decrease	USD	4,750	4,750	4,000	4,000
EZ	Spec	Mth 2	Decrease	USD	4,675	4,250	4,125	3,750
EZ	Hedge/Member	Mth 2	Decrease	USD	4,250	4,250	3,750	3,750
EZ	Spec	Mths 3-7	Decrease	USD	4,675	4,250	4,125	3,750
EZ	Hedge/Member	Mths 3-7	Decrease	USD	4,250	4,250	3,750	3,750
EZ	Spec	Mnths 8+	Decrease	USD	4,675	4,250	4,125	3,750
EZ	Hedge/Member	Mnths 8+	Decrease	USD	4,250	4,250	3,750	3,750

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 NAT GASOLINE FUT (8L)								
8L	Spec		Decrease	USD	6,600	6,000	5,500	5,000
8L	Hedge/Member		Decrease	USD	6,000	6,000	5,000	5,000
CONWAY NAT GSOLINE (OPIS) BALMO (CGB)								
CGB	Spec		Decrease	USD	8,250	7,500	6,875	6,250
CGB	Hedge/Member		Decrease	USD	7,500	7,500	6,250	6,250
CONWAY PROPANE 5 DEC. FUT (8K)								
8K	Spec	Mth 1	Decrease	USD	2,310	2,100	2,090	1,900
8K	Hedge/Member	Mth 1	Decrease	USD	2,100	2,100	1,900	1,900
8K	Spec	Mth 2	Decrease	USD	2,310	2,100	2,090	1,900
8K	Hedge/Member	Mth 2	Decrease	USD	2,100	2,100	1,900	1,900
8K	Spec	Mth 3	Decrease	USD	2,200	2,000	1,980	1,800
8K	Hedge/Member	Mth 3	Decrease	USD	2,000	2,000	1,800	1,800
8K	Spec	Mths 4-11	Decrease	USD	2,200	2,000	1,980	1,800
8K	Hedge/Member	Mths 4-11	Decrease	USD	2,000	2,000	1,800	1,800
8K	Spec	Mths 12-24	Decrease	USD	1,760	1,600	1,540	1,400
8K	Hedge/Member	Mths 12-24	Decrease	USD	1,600	1,600	1,400	1,400
8K	Spec	Mnths 25+	Decrease	USD	1,650	1,500	1,430	1,300
8K	Hedge/Member	Mnths 25+	Decrease	USD	1,500	1,500	1,300	1,300
CONWAY PROPNE (OPIS) BALMO FUT (CPB)								
CPB	Spec	Tier 3	Decrease	USD	2,888	2,625	2,613	2,375
CPB	Hedge/Member	Tier 3	Decrease	USD	2,625	2,625	2,375	2,375
CPB	Spec	Tier 1	Decrease	USD	2,888	2,625	2,613	2,375
CPB	Hedge/Member	Tier 1	Decrease	USD	2,625	2,625	2,375	2,375
CPB	Spec	Tier 2	Decrease	USD	2,888	2,625	2,613	2,375
CPB	Hedge/Member	Tier 2	Decrease	USD	2,625	2,625	2,375	2,375
MONT BELVIEU NAT GAS (OPIS) FUT (W3)								
W3	Spec	Mnth 1	Decrease	USD	5,500	5,000	4,620	4,200
W3	Hedge/Member	Mnth 1	Decrease	USD	5,000	5,000	4,200	4,200
W3	Spec	Mnths 2	Decrease	USD	5,280	4,800	4,400	4,000
W3	Hedge/Member	Mnths 2	Decrease	USD	4,800	4,800	4,000	4,000
W3	Spec	Mnth 3+	Decrease	USD	4,400	4,000	3,520	3,200
W3	Hedge/Member	Mnth 3+	Decrease	USD	4,000	4,000	3,200	3,200
MT BELVIEU ETHANE BALMO FUT (8C)								
8C	Spec		Decrease	USD	1,375	1,250	1,238	1,125
8C	Hedge/Member		Decrease	USD	1,250	1,250	1,125	1,125

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
MT BELVIEU LDH PROPANE BALMO (8O)								
8O	Spec		Decrease	USD	2,888	2,625	2,613	2,375
8O	Hedge/Member		Decrease	USD	2,625	2,625	2,375	2,375
MT BELVIEU NAT GASOLINE BALMO (R0)								
R0	Spec		Decrease	USD	6,875	6,250	5,775	5,250
R0	Hedge/Member		Decrease	USD	6,250	6,250	5,250	5,250
MT BELVIEU NORMAL BUTANE BALM (8J)								
8J	Spec		Decrease	USD	3,988	3,625	3,575	3,250
8J	Hedge/Member		Decrease	USD	3,625	3,625	3,250	3,250
MT BELVIEU NAT GAS 5 D. OPIS (7Q)								
7Q	Spec	Mnth 1	Decrease	USD	5,500	5,000	4,620	4,200
7Q	Hedge/Member	Mnth 1	Decrease	USD	5,000	5,000	4,200	4,200
7Q	Spec	Mnth 2	Decrease	USD	5,280	4,800	4,400	4,000
7Q	Hedge/Member	Mnth 2	Decrease	USD	4,800	4,800	4,000	4,000
7Q	Spec	Mnth 3+	Decrease	USD	4,400	4,000	3,520	3,200
7Q	Hedge/Member	Mnth 3+	Decrease	USD	4,000	4,000	3,200	3,200
MT BELVIEU NORMAL BUTANE LDH(OPIS) (MNB)								
MNB	Spec	Mnth 1	Decrease	USD	3,630	3,300	3,300	3,000
MNB	Hedge/Member	Mnth 1	Decrease	USD	3,300	3,300	3,000	3,000
MNB	Spec	Mnth 2	Decrease	USD	3,520	3,200	2,750	2,500
MNB	Hedge/Member	Mnth 2	Decrease	USD	3,200	3,200	2,500	2,500
MNB	Spec	Mnth 3+	Decrease	USD	2,750	2,500	2,200	2,000
MNB	Hedge/Member	Mnth 3+	Decrease	USD	2,500	2,500	2,000	2,000
MT. BELVIEU ETHANE (OPIS) BLM (V4)								
V4	Spec		Decrease	USD	1,375	1,250	1,238	1,125
V4	Hedge/Member		Decrease	USD	1,250	1,250	1,125	1,125
MT. BELVIEU NAT GAS (OPIS) BLM (V5)								
V5	Spec		Decrease	USD	6,875	6,250	5,775	5,250
V5	Hedge/Member		Decrease	USD	6,250	6,250	5,250	5,250
MT. BELVIEU PROPANE (OPIS) BLM (V6)								
V6	Spec		Decrease	USD	2,888	2,625	2,613	2,375
V6	Hedge/Member		Decrease	USD	2,625	2,625	2,375	2,375

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

PROPANE NON LDH MT BELVIEU (1R)

1R	Spec	Mth 1	Decrease	USD	2,310	2,100	2,090	1,900
1R	Hedge/Member	Mth 1	Decrease	USD	2,100	2,100	1,900	1,900
1R	Spec	Mth 2	Decrease	USD	2,310	2,100	2,090	1,900
1R	Hedge/Member	Mth 2	Decrease	USD	2,100	2,100	1,900	1,900
1R	Spec	Mnth 3-9	Decrease	USD	2,200	2,000	1,980	1,800
1R	Hedge/Member	Mnth 3-9	Decrease	USD	2,000	2,000	1,800	1,800
1R	Spec	Mnth 10+	Decrease	USD	1,760	1,600	1,540	1,400
1R	Hedge/Member	Mnth 10+	Decrease	USD	1,600	1,600	1,400	1,400

PROPANE NON LDH MT BLV BALMO (1S)

1S	Spec		Decrease	USD	2,888	2,625	2,613	2,375
1S	Hedge/Member		Decrease	USD	2,625	2,625	2,375	2,375

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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Intra Spreads

AGRICULTURE - Intra Spreads

Rough Rice (CBOT) (14) - Months 1 vs Months 2+ (ROUGH RICE FUTURES)

14	Spec		Decrease	USD	2,695	2,450	1,870	1,700
14	Hedge/Member		Decrease	USD	2,450	2,450	1,700	1,700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
ETHANOL - Inter-commodity Spread Rates						
CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME) vs MONT BELVIEU LDH PROPANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-B0 - CME)						
Spread Credit Rate	Increase	+1:-1	0%	0%	30%	30%
CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME) vs NY ETHANOL (PLATTS) SWAP FUTURES (NY-EZ - CME)						
Spread Credit Rate	Decrease	+1:-1	89%	89%	84%	84%
EUROPEAN GASOIL (ICE) SWAP FUTURES (NY-GX - CME) vs CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME)						
Spread Credit Rate	Increase	+2:-15	0%	0%	30%	30%
MONT BELVIEU LDH PROPANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-B0 - CME) vs CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME)						
Spread Credit Rate	Increase	-1:+1	0%	0%	30%	30%
MONT BELVIEU NORMAL BUTANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-D0 - CME) vs CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME)						
Spread Credit Rate	Increase	+1:-1	0%	0%	33%	33%
NY ETHANOL (PLATTS) SWAP FUTURES (NY-EZ - CME) vs GASOLINE EURO-BOB OXY (ARGUS) NWE BARGES SWAP FUTURES (NY-7H - CME)						
Spread Credit Rate	Decrease	+25:-3	30%	30%	0%	0%
NY ETHANOL (PLATTS) SWAP FUTURES (NY-EZ - CME) vs JAPAN C&F NAPHTHA (PLATTS) SWAP FUTURES (NY-JA - CME)						
Spread Credit Rate	Decrease	+15:-2	30%	30%	0%	0%
NY ETHANOL (PLATTS) SWAP FUTURES (NY-EZ - CME) vs MONT BELVIEU NATURAL GASOLINE 5 DECIMALS (OPIS) SWAP FUTURES (NY-7Q - CME)						
Spread Credit Rate	Increase	+1:-1	0%	0%	40%	40%
PROPANE NON-LDH MONT BELVIEU (OPIS) SWAP FUTURES (NY-1R - CME) vs CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME)						
Spread Credit Rate	Increase	-1:+1	0%	0%	30%	30%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						

NGL/PETROCHEMICALS - Inter-commodity Spread Rates

CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME) vs MONT BELVIEU LDH PROPANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-B0 - CME)

Spread Credit Rate	Increase	+1:-1	0%	0%	30%	30%
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MONT BELVIEU LDH PROPANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-B0 - CME) vs CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME)

Spread Credit Rate	Increase	-1:+1	0%	0%	30%	30%
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MONT BELVIEU NORMAL BUTANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-D0 - CME) vs CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME)

Spread Credit Rate	Increase	+1:-1	0%	0%	33%	33%
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NY ETHANOL (PLATTS) SWAP FUTURES (NY-EZ - CME) vs MONT BELVIEU NATURAL GASOLINE 5 DECIMALS (OPIS) SWAP FUTURES (NY-7Q - CME)

Spread Credit Rate	Increase	+1:-1	0%	0%	40%	40%
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PROPANE NON-LDH MONT BELVIEU (OPIS) SWAP FUTURES (NY-1R - CME) vs CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME)

Spread Credit Rate	Increase	-1:+1	0%	0%	30%	30%
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REFINED PRODUCTS - Inter-commodity Spread Rates

EUROPEAN GASOIL (ICE) SWAP FUTURES (NY-GX - CME) vs CHICAGO ETHANOL (PLATTS) SWAP FUTURES (NY-CU - CME)

Spread Credit Rate	Increase	+2:-15	0%	0%	30%	30%
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NY ETHANOL (PLATTS) SWAP FUTURES (NY-EZ - CME) vs GASOLINE EURO-BOB OXY (ARGUS) NWE BARGES SWAP FUTURES (NY-7H - CME)

Spread Credit Rate	Decrease	+25:-3	30%	30%	0%	0%
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NY ETHANOL (PLATTS) SWAP FUTURES (NY-EZ - CME) vs JAPAN C&F NAPHTHA (PLATTS) SWAP FUTURES (NY-JA - CME)

Spread Credit Rate	Decrease	+15:-2	30%	30%	0%	0%
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Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						

EQUITY INDEX - Volatility Scan (volScan) Rate

BITCOIN FUTURES (BTC, BTC) – VolScan UP

Clearing Member Rate	Decrease			70.000%		60.000%
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BITCOIN FUTURES (BTC, BTC) – Volscan Down

Clearing Member Rate	Decrease			35.000%		30.0000%
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