



20-427

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, November 5, 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](mailto:Clearing.RiskManagement@cmegroup.com)

The rates will be effective after the close of business on

**Friday, November 6, 2020.**

Current rates as of:

**Thursday, November 5, 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
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**Outright Rates**

**AGRICULTURE - Outright Rates**

**PORK CUTOFF FUTURE (PRK)**

PRK	Spec	Mnth 1	New	USD			3,245	2,950
PRK	Hedge/Member	Mnth 1	New	USD			2,950	2,950
PRK	Spec	Mnth 2	New	USD			3,245	2,950
PRK	Hedge/Member	Mnth 2	New	USD			2,950	2,950
PRK	Spec	Mnth 3	New	USD			3,245	2,950
PRK	Hedge/Member	Mnth 3	New	USD			2,950	2,950
PRK	Spec	Mnth 4	New	USD			2,860	2,600
PRK	Hedge/Member	Mnth 4	New	USD			2,600	2,600
PRK	Spec	Mnth 5	New	USD			2,860	2,600
PRK	Hedge/Member	Mnth 5	New	USD			2,600	2,600
PRK	Spec	Mnth 6	New	USD			2,530	2,300
PRK	Hedge/Member	Mnth 6	New	USD			2,300	2,300
PRK	Spec	Mnth 7	New	USD			2,090	1,900
PRK	Hedge/Member	Mnth 7	New	USD			1,900	1,900
PRK	Spec	Mnths 8+	New	USD			2,090	1,900
PRK	Hedge/Member	Mnths 8+	New	USD			1,900	1,900

## **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**

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>AGRICULTURE - Intra Spreads</b>								
<b>Month 1 vs Month 2 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,650	1,500
PRK	Hedge/Member		New	USD			1,500	1,500
<b>Month 1 vs Month 3 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			2,145	1,950
PRK	Hedge/Member		New	USD			1,950	1,950
<b>Month 1 vs Month 4 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			2,068	1,880
PRK	Hedge/Member		New	USD			1,880	1,880
<b>Month 1 vs Month 5 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			2,068	1,880
PRK	Hedge/Member		New	USD			1,880	1,880
<b>Month 1 vs Month 6 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,760	1,600
PRK	Hedge/Member		New	USD			1,600	1,600
<b>Month 1 vs Month 7 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,540	1,400
PRK	Hedge/Member		New	USD			1,400	1,400
<b>Month 1 vs Months 8+ (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,870	1,700
PRK	Hedge/Member		New	USD			1,700	1,700
<b>Month 2 vs Month 3 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,320	1,200
PRK	Hedge/Member		New	USD			1,200	1,200
<b>Month 2 vs Month 4 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,210	1,100
PRK	Hedge/Member		New	USD			1,100	1,100
<b>Month 2 vs Month 5 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,320	1,200
PRK	Hedge/Member		New	USD			1,200	1,200
<b>Month 2 vs Month 6 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,595	1,450
PRK	Hedge/Member		New	USD			1,450	1,450

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>Month 2 vs Month 7 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,210	1,100
PRK	Hedge/Member		New	USD			1,100	1,100
<b>Month 2 vs Months 8+ (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,980	1,800
PRK	Hedge/Member		New	USD			1,800	1,800
<b>Month 3 vs Month 4 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			638	580
PRK	Hedge/Member		New	USD			580	580
<b>Month 3 vs Month 5 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,018	925
PRK	Hedge/Member		New	USD			925	925
<b>Month 3 vs Month 6 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,210	1,100
PRK	Hedge/Member		New	USD			1,100	1,100
<b>Month 3 vs Month 7 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,155	1,050
PRK	Hedge/Member		New	USD			1,050	1,050
<b>Month 3 vs Months 8+ (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,595	1,450
PRK	Hedge/Member		New	USD			1,450	1,450
<b>Month 4 vs Month 5 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			605	550
PRK	Hedge/Member		New	USD			550	550
<b>Month 4 vs Month 6 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,045	950
PRK	Hedge/Member		New	USD			950	950
<b>Month 4 vs Month 7 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			770	700
PRK	Hedge/Member		New	USD			700	700
<b>Month 4 vs Months 8+ (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,265	1,150
PRK	Hedge/Member		New	USD			1,150	1,150

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>Month 5 vs Month 6 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			792	720
PRK	Hedge/Member		New	USD			720	720
<b>Month 5 vs Month 7 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			715	650
PRK	Hedge/Member		New	USD			650	650
<b>Month 5 vs Months 8+ (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,265	1,150
PRK	Hedge/Member		New	USD			1,150	1,150
<b>Month 6 vs Month 7 (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			385	350
PRK	Hedge/Member		New	USD			350	350
<b>Month 6 vs Months 8+ (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			990	900
PRK	Hedge/Member		New	USD			900	900
<b>Month 7 vs Months 8+ (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,045	950
PRK	Hedge/Member		New	USD			950	950
<b>Months 8+ vs Months 8+ (PORK CUTOUT FUTURE)</b>								
PRK	Spec		New	USD			1,012	920
PRK	Hedge/Member		New	USD			920	920
<b>METALS - Intra Spreads</b>								
<b>CX-SGC Months 01-03 vs CX-SGC Months 01-03 (SHANGHAI GOLD (CNH) FUTURES)</b>								
SGC	Spec		Increase	CNH	3,465	3,150	5,198	4,725
SGC	Hedge/Member		Increase	CNH	3,150	3,150	4,725	4,725
<b>CX-SGC Months 01-03 vs CX-SGC Months 04+ (SHANGHAI GOLD (CNH) FUTURES)</b>								
SGC	Spec		Increase	CNH	4,620	4,200	5,198	4,725
SGC	Hedge/Member		Increase	CNH	4,200	4,200	4,725	4,725
<b>CX-SGU Months 01-03 vs CX-SGU Months 01-03 (SHANGHAI GOLD (USD) FUTURES)</b>								
SGU	Spec		Increase	USD	495	450	743	675
SGU	Hedge/Member		Increase	USD	450	450	675	675
<b>CX-SGU Months 01-03 vs CX-SGU Months 04+ (SHANGHAI GOLD (USD) FUTURES)</b>								
SGU	Spec		Increase	USD	660	600	743	675
SGU	Hedge/Member		Increase	USD	600	600	675	675

# SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						
<b>AGRICULTURE - Inter-commodity Spread Rates</b>						
<b>Lean Hogs vs Pork Cutout</b>						
Spread Credit Rate	New	+1:-1			35%	35%
<b>COAL - Inter-commodity Spread Rates</b>						
<b>COAL (ICI 4) INDONESIA COAL INDEX (ARGUS/COALINDO) FUTURE (NY-ICI - CME) vs COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MFF - CME)</b>						
Spread Credit Rate	Decrease	+1:-1	40%	40%	20%	20%
<b>COAL API4 RCH BAY ARGS MCCLOSKEY FUT (NY-MTF - CME) vs COAL API2 CIF ARA ARG-MCCLOSKEY FUT (NY-MFF - CME): MTF Months 6+ vs MFF Months 6+</b>						
Spread Credit Rate	Decrease	+1:-1	40%	40%	30%	30%
<b>CRUDE OIL - Inter-commodity Spread Rates</b>						
<b>Super Scan: Oman Crude Oil (NY-OQ) vs. DME Oman Crude Oil Swap Futures (NY-D00)</b>						
Spread Credit Rate	Decrease	-1:-1	98.8%	98.8%	98.2%	98.2%
<b>Super Scan: WTI Houston</b>						
Spread Credit Rate	Decrease	-1:-1:-1	98.8%	98.8%	98.2%	98.2%
<b>DME Products - Inter-commodity Spread Rates</b>						
<b>Super Scan: Oman Crude Oil (NY-OQ) vs. DME Oman Crude Oil Swap Futures (NY-D00)</b>						
Spread Credit Rate	Decrease	-1:-1	98.8%	98.8%	98.2%	98.2%
<b>EQUITY INDEX - Inter-commodity Spread Rates</b>						
<b>E-MINI NASDAQ-100 FUTURES (NQ - CME) vs 10-YEAR T-NOTE (21 - CME)</b>						
Spread Credit Rate	Decrease	+1:+3	40%	40%	30%	30%
<b>E-MINI NASDAQ-100 FUTURES (NQ - CME) vs ULTRA 10-YEAR U.S. TREASURY NOTE FUTURES (TN - CME)</b>						
Spread Credit Rate	Decrease	+1:+2	40%	40%	30%	30%
<b>E-MINI RUSSELL 1000 VALUE INDEX FUTURES (RSV - CME) vs E-MINI RUSSELL 1000 GROWTH INDEX FUTURES (RSG - CME)</b>						
Spread Credit Rate	Decrease	+1:-1	70%	70%	50%	50%
<b>E-MINI S&amp;P MIDCAP 400 (ME - CME) vs E-MINI NASDAQ-100 FUTURES (NQ - CME)</b>						
Spread Credit Rate	Decrease	+2:-3	70%	70%	50%	50%
<b>EMINI SP500 MATERIALS SECTOR INDEX (XAB) vs EMINI SP500- HEALTH CARE SECT INDEX (XAV)</b>						
Spread Credit Rate	Decrease	+1:-1	55%	55%	45%	45%
<b>S&amp;P SELECT SECTOR - INDUSTRIAL (XAI - CME) vs E-MINI NASDAQ-100 FUTURES (NQ - CME)</b>						
Spread Credit Rate	Decrease	+6:-5	55%	55%	45%	45%

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Inter-commodity Spread Rates</b>						
<b>INTEREST RATES - Inter-commodity Spread Rates</b>						
<b>E-MINI NASDAQ-100 FUTURES (NQ - CME) vs 10-YEAR T-NOTE (21 - CME)</b>						
Spread Credit Rate	Decrease	+1:+3	40%	40%	30%	30%
<b>E-MINI NASDAQ-100 FUTURES (NQ - CME) vs ULTRA 10-YEAR U.S. TREASURY NOTE FUTURES (TN - CME)</b>						
Spread Credit Rate	Decrease	+1:+2	40%	40%	30%	30%
<b>NATURAL GAS - Inter-commodity Spread Rates</b>						
<b>Super Scan: Natural Gas (NG) vs. Natural Gas Penultimate Financial (HP) vs. Natural Gas (NN) vs. Natural Gas Last Day Financial (HH)</b>						
Spread Credit Rate	Decrease	-1:-1:-1:-1	98.8%	98.8%	98.2%	98.2%
<b>REFINED PRODUCTS - Inter-commodity Spread Rates</b>						
<b>Super Scan: Heating Oil (HO) vs. Heating Oil Financial (BH) vs. Heating Oil Last Day (23)</b>						
Spread Credit Rate	Decrease	-1:-1:-1:-1	98.8%	98.8%	98.2%	98.2%
<b>Super Scan: RBOB (RB) vs. RBOB Financial (RT) vs. RBOB (RL) vs. RBOB Last Day (27)</b>						
Spread Credit Rate	Decrease	-1:-1:-1:-1	98.8%	98.8%	98.2%	98.2%

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
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**Short Option Minimum (SOM) Rate**

**AGRICULTURE - Short Option Minimum (SOM) Rate**

**PORK CUTOFF FUTURES (PRK, PRK) - SOM**

Clearing Member Rate		New			1.100%	1.000%
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## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>						
<b>AGRICULTURE - Volatility Scan (volScan) Rate</b>						
<b>PORK CUTOFF FUTURES (PRK, PRK) - volScan</b>						
Clearing Member Rate	Mnth 1	New				40.000%
Clearing Member Rate	Mnth 2	New				30.000%
Clearing Member Rate	Mnth 3	New				25.000%
Clearing Member Rate	Mnth 4	New				18.000%
Clearing Member Rate	Mnth 5	New				18.000%
Clearing Member Rate	Mnth 6	New				17.000%
Clearing Member Rate	Mnth 7	New				17.000%
Clearing Member Rate	Mnths 8+	New				17.000%
<b>CRUDE OIL - Volatility Scan (volScan) Rate</b>						
<b>CRUDE OIL FINANCIAL FUTURES (MCL, QM, WS) - volScan</b>						
Clearing Member Rate	Mnth1	Decrease		50.000%		42.000%
Clearing Member Rate	Mnth2	Decrease		45.000%		38.000%
Clearing Member Rate	Mnth4	Decrease		33.000%		30.000%
Clearing Member Rate	Mnth5	Decrease		30.000%		26.000%
Clearing Member Rate	Mnth6	Decrease		24.000%		18.000%
Clearing Member Rate	Mnth7	Decrease		24.000%		18.000%
<b>CRUDE OIL LAST DAY FINANCIAL FUTURES (26, S26) - volScan</b>						
Clearing Member Rate	Mnth1	Decrease		50.000%		42.000%
Clearing Member Rate	Mnth2	Decrease		45.000%		38.000%
Clearing Member Rate	Mnth3	New				36.000%
Clearing Member Rate	Mnth4	Decrease		33.000%		30.000%
Clearing Member Rate	Mnth5	Decrease		30.000%		26.000%
Clearing Member Rate	Mnth6	Decrease		24.000%		18.000%
Clearing Member Rate	Mnth7	Decrease		24.000%		18.000%
<b>WTI CALENDAR SWAP FUTURES (AO, CS) - volScan</b>						
Clearing Member Rate	Mnth1	Decrease		50.000%		42.000%
Clearing Member Rate	Mnth2	Decrease		45.000%		38.000%
Clearing Member Rate	Mnth4	Decrease		33.000%		30.000%
Clearing Member Rate	Mnth5	Decrease		30.000%		26.000%
Clearing Member Rate	Mnth6	Decrease		24.000%		18.000%
Clearing Member Rate	Mnth7	Decrease		24.000%		18.000%