



20-493

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Monday, December 28, 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, December 29, 2020.

Current rates as of:

Monday, December 28, 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 CHEESE FUTURES (CSC)								
CSC	Spec	Months 7-11	Increase	USD	1,342	1,220	1,606	1,460
CSC	Hedge/Member	Months 7-11	Increase	USD	1,220	1,220	1,460	1,460
CLASS III MILK FUTURES (DA)								
DA	Spec	Months 6-11	Increase	USD	1,430	1,300	1,672	1,520
DA	Hedge/Member	Months 6-11	Increase	USD	1,300	1,300	1,520	1,520
DA	Spec	Months 12-15	Increase	USD	924	840	1,100	1,000
DA	Hedge/Member	Months 12-15	Increase	USD	840	840	1,000	1,000
MLK MID FUTURES (JQ)								
JQ	Spec	Months 6-11	Increase	USD	715	650	836	760
JQ	Hedge/Member	Months 6-11	Increase	USD	650	650	760	760
JQ	Spec	Months 12-15	Increase	USD	462	420	550	500
JQ	Hedge/Member	Months 12-15	Increase	USD	420	420	500	500
METALS - Outright Rates								
ALUMINIUM EURO PREM METAL BULLETIN (AEP)								
AEP	Spec	Mths 2-9	Increase	USD	369	335	385	350
AEP	Hedge/Member	Mths 2-9	Increase	USD	335	335	350	350
AEP	Spec	Mths 10+	Increase	USD	297	270	330	300
AEP	Hedge/Member	Mths 10+	Increase	USD	270	270	300	300
ALUMINUM FUTURES (ALI)								
ALI	Spec	Mths 1-4	Increase	USD	1,595	1,450	1,760	1,600
ALI	Hedge/Member	Mths 1-4	Increase	USD	1,450	1,450	1,600	1,600
ALI	Spec	Mths 5+	Increase	USD	1,595	1,450	1,760	1,600
ALI	Hedge/Member	Mths 5+	Increase	USD	1,450	1,450	1,600	1,600
IRON ORE 62% FE- CFR CHINA FUTURES (TIO)								
TIO	Spec	Mnth 1	Increase	USD	5,500	5,000	6,490	5,900
TIO	Hedge/Member	Mnth 1	Increase	USD	5,000	5,000	5,900	5,900
TIO	Spec	Mnth 2-4	Increase	USD	4,950	4,500	5,940	5,400
TIO	Hedge/Member	Mnth 2-4	Increase	USD	4,500	4,500	5,400	5,400
TIO	Spec	Mnth 5-9	Increase	USD	4,290	3,900	5,170	4,700
TIO	Hedge/Member	Mnth 5-9	Increase	USD	3,900	3,900	4,700	4,700
TIO	Spec	Mnth 10+	Increase	USD	3,960	3,600	4,730	4,300
TIO	Hedge/Member	Mnth 10+	Increase	USD	3,600	3,600	4,300	4,300
NORTH EURO HOT-ROLLED COIL STEEL (EHR)								
EHR	Spec	Mths 1-4	Increase	EUR	660	600	715	650

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
EHR	Hedge/Member	Mths 1-4	Increase	EUR	600	600	650	650
EHR	Spec	Mths 5+	Increase	EUR	660	600	715	650
EHR	Hedge/Member	Mths 5+	Increase	EUR	600	600	650	650
U.S. MIDWEST #1 BUSHELING FERROUS S (BUS)								
BUS	Spec	Mth 1	Increase	USD	523	475	578	525
BUS	Hedge/Member	Mth 1	Increase	USD	475	475	525	525
BUS	Spec	Mths 2-4	Increase	USD	523	475	578	525
BUS	Hedge/Member	Mths 2-4	Increase	USD	475	475	525	525
BUS	Spec	Mths 6+	Increase	USD	523	475	578	525
BUS	Hedge/Member	Mths 6+	Increase	USD	475	475	525	525
U.S. MIDWEST DOMESTIC HOT-ROLLED CO (HR)								
HR	Spec	Mnths 2 - 7	Increase	USD	963	875	1,045	950
HR	Hedge/Member	Mnths 2 - 7	Increase	USD	875	875	950	950
HR	Spec	Mnths 8+	Increase	USD	715	650	798	725
HR	Hedge/Member	Mnths 8+	Increase	USD	650	650	725	725
HR	Spec	Mnth 1	Increase	USD	605	550	688	625
HR	Hedge/Member	Mnth 1	Increase	USD	550	550	625	625
NATURAL GAS - Outright Rates								
LNG JAPAN KOREA MARKER PLATTS FUT (JKM)								
JKM	Spec	Month 1	Increase	USD	8,800	8,000	11,000	10,000
JKM	Hedge/Member	Month 1	Increase	USD	8,000	8,000	10,000	10,000
JKM	Spec	Month 2	Increase	USD	7,700	7,000	9,240	8,400
JKM	Hedge/Member	Month 2	Increase	USD	7,000	7,000	8,400	8,400
NGL/PETROCHEMICALS - Outright Rates								
PGP POLYMER GRD PROPYLENE CAL FUT (PGP)								
PGP	Spec	Mth 1	Increase	USD	3,520	3,200	4,620	4,200
PGP	Hedge/Member	Mth 1	Increase	USD	3,200	3,200	4,200	4,200
PGP	Spec	Mth 2+	Increase	USD	3,300	3,000	4,400	4,000
PGP	Hedge/Member	Mth 2+	Increase	USD	3,000	3,000	4,000	4,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
AGRICULTURE - Volatility Scan (volScan) Rate						
CASH SETTLED CHEESE (CSC, CSC) - volScan						
Clearing Member Rate	Mnth 2	Increase		50.000%		62.000%
MILK CLASS III (9M1, DA, DA, JQ, JQ) - volScan						
Clearing Member Rate	Month 2	Increase		54.000%		66.000%
Clearing Member Rate	Months 3-5	Increase		47.000%		58.000%