



23-163

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, June 1, 2023

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

Friday, June 2, 2023.

Current rates as of:

Thursday, June 1, 2023.

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								

ENVIRONMENTAL - Outright Rates

EURO UNION ALLOW EUA (ECF)

ECF	Non-HRP	Mth 1	New	EUR			6,500	6,500
ECF	HRP	Mth 1	New	EUR			7,150	6,500
ECF	Non-HRP	Mths 2+	New	EUR			6,500	6,500
ECF	HRP	Mths 2+	New	EUR			7,150	6,500

FREIGHT - Outright Rates

FREIGHT ROUTE LIQUID PETROLEUM GAS (FLP)

FLP	Non-HRP	Mth 1	Decrease	USD	12,500	12,500	11,000	11,000
FLP	HRP	Mth 1	Decrease	USD	13,750	12,500	12,100	11,000
FLP	Non-HRP	Mths 2	Decrease	USD	12,500	12,500	11,000	11,000
FLP	HRP	Mths 2	Decrease	USD	13,750	12,500	12,100	11,000
FLP	Non-HRP	Mnths 3-5	Decrease	USD	11,000	11,000	9,000	9,000
FLP	HRP	Mnths 3-5	Decrease	USD	12,100	11,000	9,900	9,000
FLP	Non-HRP	Months 6+	Decrease	USD	8,000	8,000	7,000	7,000
FLP	HRP	Months 6+	Decrease	USD	8,800	8,000	7,700	7,000

FREIGHT ROUTE TC14 (BALTIC) FUTURES (FRC)

FRC	Non-HRP	Mnth 1	Decrease	USD	10,000	10,000	8,000	8,000
FRC	HRP	Mnth 1	Decrease	USD	11,000	10,000	8,800	8,000
FRC	Non-HRP	Mnths 2	Decrease	USD	10,000	10,000	8,000	8,000
FRC	HRP	Mnths 2	Decrease	USD	11,000	10,000	8,800	8,000
FRC	Non-HRP	Mnths 3+	Decrease	USD	7,000	7,000	5,500	5,500
FRC	HRP	Mnths 3+	Decrease	USD	7,700	7,000	6,050	5,500

FREIGHT ROUTE TC15 (BALTIC) FUTURES (T5C)

T5C	Non-HRP	Mth 1	Decrease	USD	7,000	7,000	6,000	6,000
T5C	HRP	Mth 1	Decrease	USD	7,700	7,000	6,600	6,000
T5C	Non-HRP	Mths 2	Decrease	USD	6,000	6,000	5,000	5,000
T5C	HRP	Mths 2	Decrease	USD	6,600	6,000	5,500	5,000
T5C	Non-HRP	Mnths 3-5	Decrease	USD	5,000	5,000	4,200	4,200
T5C	HRP	Mnths 3-5	Decrease	USD	5,500	5,000	4,620	4,200
T5C	Non-HRP	Months 6+	Decrease	USD	4,500	4,500	3,800	3,800
T5C	HRP	Months 6+	Decrease	USD	4,950	4,500	4,180	3,800

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

FREIGHT ROUTE TC9 (BALTIC) FUTURES (TC9)

TC9	Non-HRP	Mth 1	Decrease	USD	4,000	4,000	3,200	3,200
TC9	HRP	Mth 1	Decrease	USD	4,400	4,000	3,520	3,200
TC9	Non-HRP	Mths 2	Decrease	USD	3,800	3,800	3,000	3,000
TC9	HRP	Mths 2	Decrease	USD	4,180	3,800	3,300	3,000
TC9	Non-HRP	Mnths 3-5	Decrease	USD	2,600	2,600	2,300	2,300
TC9	HRP	Mnths 3-5	Decrease	USD	2,860	2,600	2,530	2,300
TC9	Non-HRP	Months 6+	Decrease	USD	2,200	2,200	2,000	2,000
TC9	HRP	Months 6+	Decrease	USD	2,420	2,200	2,200	2,000

FREIGHT ROUTE TD20 (BALTIC) FUTURES (T2D)

T2D	Non-HRP	Mth 1	Decrease	USD	2,500	2,500	2,000	2,000
T2D	HRP	Mth 1	Decrease	USD	2,750	2,500	2,200	2,000
T2D	Non-HRP	Mths 2-3	Decrease	USD	2,500	2,500	2,000	2,000
T2D	HRP	Mths 2-3	Decrease	USD	2,750	2,500	2,200	2,000
T2D	Non-HRP	Mnths 4-5	Decrease	USD	2,200	2,200	1,700	1,700
T2D	HRP	Mnths 4-5	Decrease	USD	2,420	2,200	1,870	1,700
T2D	Non-HRP	Months 6+	Decrease	USD	2,200	2,200	1,700	1,700
T2D	HRP	Months 6+	Decrease	USD	2,420	2,200	1,870	1,700

LNG FREIGHT ROUTE BLNG2G (LNG FUEL) (BL2)

BL2	Non-HRP	Mnths 1	Decrease	USD	20,000	20,000	15,000	15,000
BL2	HRP	Mnths 1	Decrease	USD	22,000	20,000	16,500	15,000
BL2	Non-HRP	Mnths 2	Decrease	USD	20,000	20,000	15,000	15,000
BL2	HRP	Mnths 2	Decrease	USD	22,000	20,000	16,500	15,000
BL2	Non-HRP	Mnths 3	Decrease	USD	15,500	15,500	13,000	13,000
BL2	HRP	Mnths 3	Decrease	USD	17,050	15,500	14,300	13,000
BL2	Non-HRP	Mnths 4-7	Decrease	USD	14,000	14,000	12,000	12,000
BL2	HRP	Mnths 4-7	Decrease	USD	15,400	14,000	13,200	12,000
BL2	Non-HRP	Mnths 8+	Decrease	USD	14,000	14,000	12,000	12,000
BL2	HRP	Mnths 8+	Decrease	USD	15,400	14,000	13,200	12,000

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

METALS - Outright Rates

LITHIUM HYDROXIDE (FASTMARKETS) FUT (LTH)

LTH	Non-HRP	Mth 1	Increase	USD	5,500	5,500	6,000	6,000
LTH	HRP	Mth 1	Increase	USD	6,050	5,500	6,600	6,000
LTH	Non-HRP	Mths 2-3	Increase	USD	7,000	7,000	8,500	8,500
LTH	HRP	Mths 2-3	Increase	USD	7,700	7,000	9,350	8,500
LTH	Non-HRP	Mths 4-6	Increase	USD	7,000	7,000	8,500	8,500
LTH	HRP	Mths 4-6	Increase	USD	7,700	7,000	9,350	8,500
LTH	Non-HRP	Mths 7+	Increase	USD	7,000	7,000	8,500	8,500
LTH	HRP	Mths 7+	Increase	USD	7,700	7,000	9,350	8,500

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

Month 1 vs Month 2 (LUMBER FUTURES)

LBR	Non-HRP		Decrease	USD	1,300	1,300	1,100	1,100
LBR	HRP		Decrease	USD	1,430	1,300	1,210	1,100

Month 2 vs Months 2+ (LUMBER FUTURES)

LBR	Non-HRP		Decrease	USD	1,250	1,250	900	900
LBR	HRP		Decrease	USD	1,375	1,250	990	900

ENVIRONMENTAL - Intra Spreads

Mnth 1 vs 2+ (EURO UNION ALLOW EUA)

ECF	Non-HRP		New	EUR			750	750
ECF	HRP		New	EUR			825	750

Mnths 2+ vs 2+ (EURO UNION ALLOW EUA)

ECF	Non-HRP		New	EUR			725	725
ECF	HRP		New	EUR			798	725

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
METALS - Intra Spreads								
CX-LTH Month(s) 01 vs Month(s) 04-06 (LITHIUM HYDROXIDE (FASTMARKETS) FUT)								
LTH	Non-HRP		Increase	USD	5,000	5,000	6,000	6,000
LTH	HRP		Increase	USD	5,500	5,000	6,600	6,000
CX-LTH Month(s) 01 vs Month(s) 07+ (LITHIUM HYDROXIDE (FASTMARKETS) FUT)								
LTH	Non-HRP		Increase	USD	5,500	5,500	6,500	6,500
LTH	HRP		Increase	USD	6,050	5,500	7,150	6,500
CX-LTH Month(s) 02-03 vs Month(s) 04-06 (LITHIUM HYDROXIDE (FASTMARKETS) FUT)								
LTH	Non-HRP		Increase	USD	5,000	5,000	6,000	6,000
LTH	HRP		Increase	USD	5,500	5,000	6,600	6,000
CX-LTH Month(s) 02-03 vs Month(s) 07+ (LITHIUM HYDROXIDE (FASTMARKETS) FUT)								
LTH	Non-HRP		Increase	USD	5,500	5,500	6,500	6,500
LTH	HRP		Increase	USD	6,050	5,500	7,150	6,500
CX-LTH Month(s) 04-06 vs Month(s) 04-06 (LITHIUM HYDROXIDE (FASTMARKETS) FUT)								
LTH	Non-HRP		Increase	USD	5,000	5,000	6,000	6,000
LTH	HRP		Increase	USD	5,500	5,000	6,600	6,000
CX-LTH Month(s) 04-06 vs Month(s) 07+ (LITHIUM HYDROXIDE (FASTMARKETS) FUT)								
LTH	Non-HRP		Increase	USD	5,500	5,500	6,500	6,500
LTH	HRP		Increase	USD	6,050	5,500	7,150	6,500
CX-LTH Month(s) 07+ vs Month(s) 07+ (LITHIUM HYDROXIDE (FASTMARKETS) FUT)								
LTH	Non-HRP		Increase	USD	5,500	5,500	6,500	6,500
LTH	HRP		Increase	USD	6,050	5,500	7,150	6,500

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						
Block Cheese vs Cash Settled Cheese "BLK vs CSC"						
Spread Credit Rate	Increase	+1:-1	50%	50%	55%	55%
Class III Milk vs Cash Settled Cheese "DA vs CSC"						
Spread Credit Rate	Increase	+1:-1	30%	30%	50%	50%
Spread Credit Rate	Increase	+1:-1	50%	50%	80%	80%
Lean Hogs vs Pork Cutout						
Spread Credit Rate	Increase	+1:-1	65%	65%	70%	70%
WHEAT (W - CME) vs OATS (O - CME)						
Spread Credit Rate	Increase	+1:-5	20%	20%	25%	25%
COAL - Inter-commodity Spread Rates						
COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MTF - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			20%	20%
Spread Credit Rate	New	+2:-3			40%	40%
ELECTRICITY - Inter-commodity Spread Rates						
GERMAN POWER BASELOAD CALENDAR MONTH FUTURES (NY-DEB - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			20%	20%
Spread Credit Rate	New	+2:-3			25%	25%
Spread Credit Rate	New	+2:-3			30%	30%
Spread Credit Rate	New	+2:-3			35%	35%
ITALIAN POWER BASELOAD (GME) CALENDAR MONTH FUTURES (NY-ITB - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			20%	20%
Spread Credit Rate	New	+2:-3			40%	40%
Spread Credit Rate	New	+2:-3			45%	45%
Spread Credit Rate	New	+2:-3			50%	50%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
ENVIRONMENTAL - Inter-commodity Spread Rates						
COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MTF - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			20%	20%
Spread Credit Rate	New	+2:-3			40%	40%
DUTCH TTF NATURAL GAS CALENDAR MONTH FUTURES (NY-TTF - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			15%	15%
Spread Credit Rate	New	+2:-3			25%	25%
Spread Credit Rate	New	+2:-3			30%	30%
GERMAN POWER BASELOAD CALENDAR MONTH FUTURES (NY-DEB - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			20%	20%
Spread Credit Rate	New	+2:-3			25%	25%
Spread Credit Rate	New	+2:-3			30%	30%
Spread Credit Rate	New	+2:-3			35%	35%
ITALIAN POWER BASELOAD (GME) CALENDAR MONTH FUTURES (NY-ITB - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			20%	20%
Spread Credit Rate	New	+2:-3			40%	40%
Spread Credit Rate	New	+2:-3			45%	45%
Spread Credit Rate	New	+2:-3			50%	50%
LNG JAPAN/KOREA MARKER (PLATTS) SWAP FUTURES (NY-JKM - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+1:-6			40%	40%
Spread Credit Rate	New	+1:-6			45%	45%
LNG JAPAN/KOREA MARKER (PLATTS) YEN DENOMINATED FUTURES (NY-JKY - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+1:-6			40%	40%
Spread Credit Rate	New	+1:-6			45%	45%
LNG NORTH WEST EUROPE MARKER (PLATTS) FUTURES (NY-NWM - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+1:-6			35%	35%
Spread Credit Rate	New	+1:-6			40%	40%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
UK NBP NATURAL GAS CALENDAR MONTH FUTURES (NY-UKG - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			20%	20%
Spread Credit Rate	New	+2:-3			25%	25%
Spread Credit Rate	New	+2:-3			30%	30%
Spread Credit Rate	New	+2:-3			35%	35%
NATURAL GAS - Inter-commodity Spread Rates						
DUTCH TTF NATURAL GAS CALENDAR MONTH FUTURES (NY-TTF - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			15%	15%
Spread Credit Rate	New	+2:-3			25%	25%
Spread Credit Rate	New	+2:-3			30%	30%
LNG JAPAN/KOREA MARKER (PLATTS) SWAP FUTURES (NY-JKM - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+1:-6			40%	40%
Spread Credit Rate	New	+1:-6			45%	45%
LNG JAPAN/KOREA MARKER (PLATTS) YEN DENOMINATED FUTURES (NY-JKY - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+1:-6			40%	40%
Spread Credit Rate	New	+1:-6			45%	45%
LNG NORTH WEST EUROPE MARKER (PLATTS) FUTURES (NY-NWM - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+1:-6			35%	35%
Spread Credit Rate	New	+1:-6			40%	40%
UK NBP NATURAL GAS CALENDAR MONTH FUTURES (NY-UKG - CME) vs EUROPEAN UNION ALLOWANCES (EUA) FUTURES (NY-ECF - CME)						
Spread Credit Rate	New	+2:-3			20%	20%
Spread Credit Rate	New	+2:-3			25%	25%
Spread Credit Rate	New	+2:-3			30%	30%
Spread Credit Rate	New	+2:-3			35%	35%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
ENVIRONMENTAL - Short Option Minimum (SOM) Rate						
EUROPEAN UNION ALLOWANCES (EUA) FUTURES (ECF, ECO) - SOM						
Clearing Member Rate		New			3.300%	3.000%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
ENVIRONMENTAL - Volatility Scan (volScan) Rate						
EUROPEAN UNION ALLOWANCES (EUA) FUTURES (ECF, ECO) - volScan						
Clearing Member Rate	Mth 1	New				35.000%
Clearing Member Rate	Mths 2+	New				15.000%
FX - Volatility Scan (volScan) Rate						
AUSTRALIAN DOLLAR (AD, AD, ADU, M6A, MAM, SAD, TAD, V6A, V6A, VXA, WAD, XA) - volScan						
Clearing Member Rate		Decrease		24.000%		20.000%
BRITISH POUND (BP, BP, GBU, M6B, MGM, SBP, TGB, V6B, V6B, VXB, WGB, YB) - volScan						
Clearing Member Rate	Month1-3	Decrease		30.000%		24.000%
Clearing Member Rate	Months 4+	Decrease		24.000%		20.000%
CANADIAN DOLLAR (CAU, CD, CD, MCD, MCM, SCD, TCD, V6C, V6C, VXC, WCD, YD) - volScan						
Clearing Member Rate	Months 5+	Decrease		20.000%		16.000%
Clearing Member Rate	Months 1-4	Decrease		25.000%		20.000%
EURO FX (6EB, 6EM, E7, EC, EC, EUU, M6E, MEM, SEC, TEC, V6E, V6E, VXT, WEC, YT) - volScan						
Clearing Member Rate	Month 1-3	Decrease		24.000%		19.000%
Clearing Member Rate	Months 4+	Decrease		20.000%		16.000%
JAPANESE YEN (J7, JPU, JY, JY, MJM, MJY, SJP, TJY, V6J, V6J, VXJ, WJY, YJ) - volScan						
Clearing Member Rate	Months 4+	Decrease		19.000%		15.000%
Clearing Member Rate	Month 1-3	Decrease		28.000%		22.000%
MEXICAN PESO (MP, MP) - volScan						
Clearing Member Rate	Months 1-5	Decrease		27.000%		22.000%