16-103

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, March 03, 2016

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

Friday, March 04, 2016.

Current rates as of:

Thursday, March 03, 2016.

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.

The advisory includes changes to certain products' splitting methodology from Split to Modified Split. The specific products can be found on the last page of the advisory.

Please refer to Advisory #12-259 for more detail regarding the Modified Split methodology.

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
CRUDE OIL SPREADS - Outright Rates								
ICE BRENT DUBAI FUT (DB)								
DB	Spec	Mnths 4-8	Increase	USD	385	350	495	450
DB	Hedge/Member	Mnths 4-8	Increase	USD	350	350	450	450
DB	Spec	Mnths 9+	Increase	USD	330	300	440	400
DB	Hedge/Member	Mnths 9+	Increase	USD	300	300	400	400
EQUITY INDEX - Outright Rates								
BTIC ON E-MINI IPOX 100 U.S. INDEX (IPT)								
IPT	Spec		New	USD			1,430	1,300
IPT	Hedge/Member		New	USD			1,300	1,300
E-MINI IPOX 100 U.S. INDEX FUTURES (IPO)								
IPO	Spec		New	USD			1,430	1,300
IPO	Hedge/Member		New	USD			1,300	1,300
E-MINI NIKKEI 225 YEN DENOMINATED (ENY)								
ENY	Spec		Increase	JPY	121,000	110,000	143,000	130,000
ENY	Hedge/Member		Increase	JPY	110,000	110,000	130,000	130,000
NIKKEI 225 DOLLAR FUTURES (NK)								
NK	Spec		Increase	USD	6,050	5,500	7,150	6,500
NK	Hedge/Member		Increase	USD	5,500	5,500	6,500	6,500
NIKKEI 225 YEN FUT (N1)								
N1	Spec		Increase	JPY	605,000	550,000	715,000	650,000
N1	Hedge/Member		Increase	JPY	550,000	550,000	650,000	650,000
USD-DENOMINATED IBOVESPA INDEX (IBV)								
IBV	Spec		Decrease	USD	8,404	7,640	8,008	7,280
IBV	Hedge/Member		Decrease	USD	7,640	7,640	7,280	7,280
ERIS Flex - Outright Rates								
ERIS 15-YR INT RATE SWAP SEC COUPON (ZD9215)								
ZD9215	Spec	Months 20 +	Decrease	USD	4,620	4,200	3,300	3,000
ZD9215	Hedge/Member	Months 20 +	Decrease	USD	4,200	4,200	3,000	3,000
FX - Outright Rates								
AD/CD FUTURES (AC)								
AC	Spec		Increase	CAD	3,520	3,200	3,960	3,600
AC	Hedge/Member		Increase	CAD	3,200	3,200	3,600	3,600

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
			METALS - Outright Rates					
IRON ORE(PLATTS) FUT (PIO)								
PIO	Spec		Increase	USD	2,200	2,000	2,475	2,250
PIO	Hedge/Member		Increase	USD	2,000	2,000	2,250	2,250
			NATURAL GAS - Outright Rates					
EL PASO, PERMIAN INDEX FUT (IL)								
IL	Spec	Mnth 2	Increase	USD	83	75	165	150
IL	Hedge/Member	Mnth 2	Increase	USD	75	75	150	150
IL	Spec	Mnth3+	New	USD			83	75
IL	Hedge/Member	Mnth3+	New	USD			75	75
HENRY HUB INDEX FUT (IN)								
IN	Spec	Mnth 2	Increase	USD	110	100	165	150
IN	Hedge/Member	Mnth 2	Increase	USD	100	100	150	150
TCO NG INDEX FUT (Q1)								
Q1	Spec	Mnth 2	Increase	USD	138	125	149	135
Q1	Hedge/Member	Mnth 2	Increase	USD	125	125	135	135
TETCO M-3 INDEX (IX)								
IX	Spec	Mnth 2	Increase	USD	187	170	204	185
IX	Hedge/Member	Mnth 2	Increase	USD	170	170	185	185
WAHA INDEX FUT (IY)								
IY	Spec	Mth 2	Increase	USD	165	150	220	200
IY	Hedge/Member	Mth 2	Increase	USD	150	150	200	200

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PETROLEUM CRACKS AND SPREADS - Outright Rates								
3.5% F OIL(PLTS) BRGES FOB RDM CRCK (BOB)								
BOB	Spec	Mnths 8+	Increase	USD	5,518	5,017	6,636	6,033
BOB	Hedge/Member	Mnths 8+	Increase	USD	5,017	5,017	6,033	6,033
EAST-WST GASOLINE SPREAD PLATTS/ARG (EWG)								
EWG	Spec	Mnth 1	Decrease	USD	22,000	20,000	2,750	2,500
EWG	Hedge/Member	Mnth 1	Decrease	USD	20,000	20,000	2,500	2,500
EWG	Spec	Mnths 2+	Decrease	USD	11,000	10,000	1,375	1,250
EWG	Hedge/Member	Mnths 2+	Decrease	USD	10,000	10,000	1,250	1,250
FUEL OIL CRACK VS. ICE (FO)								
FO	Spec	Mnths 8+	Increase	USD	869	790	1,045	950
FO	Hedge/Member	Mnths 8+	Increase	USD	790	790	950	950
MINI 3.5% FUEL OIL FOB CRK SPD FUT (MFR)								
MFR	Spec	Mnths 8+	Increase	USD	552	502	664	603
MFR	Hedge/Member	Mnths 8+	Increase	USD	502	502	603	603
REFINED PRODUCTS - Outright Rates								
EIA FLAT TAX US RETAIL GASOLINE FUT (JE)								
JE	Spec	Month 1	Increase	USD	6,325	5,750	6,875	6,250
JE	Hedge/Member	Month 1	Increase	USD	5,750	5,750	6,250	6,250
WEATHER - Outright Rates								
ATLANTA HDD FUTURE (H1)								
H1	Spec		Increase	USD	15%	14%	19%	17%
H1	Hedge/Member		Increase	USD	14%	14%	17%	17%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
			AGRICULTURE - Intra Spreads					
(MALAYSIAN CRUDE PALM OIL CAL SWAP)								
CPC	Spec		Increase	USD	550	500	715	650
CPC	Hedge/Member		Increase	USD	500	500	650	650
NYMEX Sugar - All Months (SUGAR 11 FUTURES NYMEX)								
YO	Spec		Increase	USD	385	350	495	450
YO	Hedge/Member		Increase	USD	350	350	450	450
			ELECTRICITY - Intra Spreads					
NYISO Zone A LBMP Swap - Peak - All Months (NYISO A)								
KA	Spec		Increase	USD	1,650	1,500	1,815	1,650
KA	Hedge/Member		Increase	USD	1,500	1,500	1,650	1,650
NYISO Zone A LBMP Swap - Peak - All Months (NYISO ZONE A 5MW D AH PK)								
K3	Spec		Increase	USD	330	300	363	330
K3	Hedge/Member		Increase	USD	300	300	330	330
			EQUITY INDEX - Intra Spreads					
(BTIC ON E-MINI IPOX 100 U.S. INDEX)								
IPT	Spec		New	USD			286	260
IPT	Hedge/Member		New	USD			260	260
(E-MINI IPOX 100 U.S. INDEX FUTURES)								
IPO	Spec		New	USD			286	260
IPO	Hedge/Member		New	USD			260	260
			NATURAL GAS - Intra Spreads					
Waha Natural Gas Index Swap (Platts Gas Daily) - All Months (WAHA INDEX FUT)								
IY	Spec		Increase	USD	110	100	127	115
IY	Hedge/Member		Increase	USD	100	100	115	115
			PETROLEUM CRACKS AND SPREADS - Intra Spreads					
East-West Gasoline Spread (Platts-Argus) Swap Futures - All Months (EAST-WST GASOLINE SPREAD PLATTS/ARG)								
EWG	Spec		Decrease	USD	4,950	4,500	605	550
EWG	Hedge/Member		Decrease	USD	4,500	4,500	550	550
RBOB (Platts) vs. NYMEX RBOB Spread Swap - All Months (RBOB SPREAD (PLATTS) FUT)								
RI	Spec		Increase	USD	880	800	990	900
RI	Hedge/Member		Increase	USD	800	800	900	900

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
COAL - Inter-commodity Spread Rates						
AUSTRALIAN COKING COAL (PLATTS) LOW VOL SWAP FUTURES (NY-ALW - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+1:-1	25%	25%	20%	20%
COAL (API 5) FOB NEWCASTLE (ARGUS/MCCLOSKEY) FUTURES (NY-ACM - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+2:-1	45%	45%	25%	25%
COAL (API 6) FOB NEWCASTLE (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-NCL - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+2:-1	40%	40%	35%	35%
INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS 6,000 KCAL BASIS) SWAP FUTURES (NY-MC6 - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+2:-1	25%	25%	20%	20%
INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) SWAP FUTURES (NY-MCC - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+2:-1	25%	25%	20%	20%
ELECTRICITY - Inter-commodity Spread Rates						
CHINESE RENMINBI (RMB - CME) vs NYISO ZONE J 5 MW PEAK CALENDAR-MONTH DAY-AHEAD LBMP SWAP ($BLANK - CME)						
Spread Credit Rate	New	+2:-3			30%	30%
NYISO ZONE A PEAK LBMP SWAP FUT (NY-KA- CME) vs PJM COMED ZONE 5 MW PEAK CAL DA LMP SWAP FUT (NY-D8- CME)						
Spread Credit Rate	Decrease	+1:-5	60%	60%	45%	45%
NYISO ZONE A PEAK LBMP SWAP FUT (NY-KA-CME) vs PJM APS ZONE PEAK CALENDAR-MONTH DA LMP SWAP FUT (NY-S4-CME)						
Spread Credit Rate	Decrease	+1:-5	65%	65%	55%	55%
NYISO ZONE A PEAK LBMP SWAP FUT (NY-KA-CME) vs PJM BGE ZONE PEAK CALENDAR-MONTH DA LMP SWAP FUT (NY-E3-CME)						
Spread Credit Rate	Decrease	+1:-5	70%	70%	50%	50%
NYISO ZONE A PEAK LBMP SWAP FUT (NY-KA-CME) vs PJM JCPL ZONE PEAK CALENDAR-MONTH DA LMP SWAP FUT (NY-J2-CME)						
Spread Credit Rate	Decrease	+1:-5	65%	65%	50%	50%
PJM AECO ZONE PEAK CALENDAR-MONTH DA LMP SWAP FUT (NY-Y1-CME) vs NYISO ZONE A PEAK LBMP SWAP FUT (NY-KA-CME)						
Spread Credit Rate	Decrease	+5:-1	70%	70%	50%	50%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
EQUITY INDEX - Inter-commodity Spread Rates						
BTIC ON E-MINI IPOX US INDEX FUTURES (IPT - CME) vs E-MINI DOW ($5) FUTURES (YM - CME)						
Spread Credit Rate	New	+5:-1			50%	50%
BTIC ON E-MINI IPOX US INDEX FUTURES (IPT - CME) vs E-MINI NASDAQ-100 FUTURES (NQ - CME)						
Spread Credit Rate	New	+4:-1			50%	50%
BTIC ON E-MINI IPOX US INDEX FUTURES (IPT - CME) vs S&P 500 (SP - CME)						
Spread Credit Rate	New	+25:-1			55%	55%
E-MINI IPOX US INDEX FUTURES (IPO - CME) vs E-MINI DOW ($5) FUTURES (YM - CME)						
Spread Credit Rate	New	+5:-1			50%	50%
E-MINI IPOX US INDEX FUTURES (IPO - CME) vs E-MINI NASDAQ-100 FUTURES (NQ - CME)						
Spread Credit Rate	New	+4:-1			50%	50%
E-MINI IPOX US INDEX FUTURES (IPO - CME) vs S&P 500 (SP - CME)						
Spread Credit Rate	New	+25:-1			55%	55%
FX - Inter-commodity Spread Rates						
AUSTRALIAN DOLLAR (AD - CME) vs CHINESE RENMINBI (RMB - CME)						
Spread Credit Rate	Increase	+5:-3	0%	0%	35%	35%
CHINESE RENMINBI (RMB - CME) vs NYISO ZONE J 5 MW PEAK CALENDAR-MONTH DAY-AHEAD LBMP SWAP ($BLANK - CME)						
Spread Credit Rate	New	+2:-3			30%	30%
USD/OFFSHORE RMB (CNH) FUTURES (CNH - CME) vs AUSTRALIAN DOLLAR (AD - CME)						
Spread Credit Rate	New	+2:-3			35%	35%
USD/OFFSHORE RMB (CNH) FUTURES (CNH - CME) vs INRUSD FUTURES (SIR - CME)						
Spread Credit Rate	New	+2:-3			30%	30%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
			METALS - Inter-commodity Spread Rates			
AUSTRALIAN COKING COAL (PLATTS) LOW VOL SWAP FUTURES (NY-ALW - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+1:-1	25%	25%	20%	20%
COAL (API 5) FOB NEWCASTLE (ARGUS/MCCLOSKEY) FUTURES (NY-ACM - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+2:-1	45%	45%	25%	25%
COAL (API 6) FOB NEWCASTLE (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-NCL - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+2:-1	40%	40%	35%	35%
INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS 6,000 KCAL BASIS) SWAP FUTURES (NY-MC6 - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+2:-1	25%	25%	20%	20%
INDONESIAN COAL (MCCLOSKEY SUB-BITUMINOUS) SWAP FUTURES (NY-MCC - CME) vs IRON ORE(PLATTS) SWAP FUTURE (NY-PIO - CME)						
Spread Credit Rate	Decrease	+2:-1	25%	25%	20%	20%
			REFINED PRODUCTS - Inter-commodity Spread Rates			
JAPAN C&F NAPHTHA (PLATTS) SWAP FUTURES (NY-UV - CME) vs GULF COAST NO. 6 FUEL OIL 3.0% (PLATTS) SWAP FUTURES (NY-KS - CME)						
Spread Credit Rate	Decrease	+2:-15	55%	55%	35%	35%
SINGAPORE GASOIL (PLATTS) SWAP FUTURES (NY-SG - CME) vs GULF COAST NO. 6 FUEL OIL 3.0% (PLATTS) SWAP FUTURES (NY-MF - CME)						
Spread Credit Rate	Decrease	+1:-1	55%	55%	40%	40%
SINGAPORE JET KEROSENE (PLATTS) SWAP FUTURES (NY-KS - CME) vs GULF COAST NO. 6 FUEL OIL 3.0% (PLATTS) SWAP FUTURES (NY-MF - CME)						
Spread Credit Rate	Decrease	+1:-1	60%	60%	40%	40%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
EQUITY INDEX - Short Option Minimum (SOM) Rate						
BTIC ON E-MINI IPOX US INDEX FUTURES (IPT) - SOM						
Clearing Member Rate		New			1.100%	1.000%
E-MINI IPOX US INDEX FUTURES (IPO) - SOM						
Clearing Member Rate		New			1.100%	1.000%

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						
BTIC ON E-MINI IPOX US INDEX FUTURES (IPT) - volScan						
Clearing Member Rate		New				0.070
E-MINI IPOX US INDEX FUTURES (IPO) - volScan						
Clearing Member Rate		New				0.070
NATURAL GAS - Volatility Scan (volScan) Rate						
PERMIAN NATURAL GAS INDEX (PLATTS GAS DAILY / PLATTS IFERC) FUTURES (IL) - volScan						
Clearing Member Rate	Mnth3+	New				0.035

Splitting Methodology

CC	Name	Current Splitting	New Splitting
RLA	COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SYNTHETIC CALENDAR FUTURES STRIP	Split	Modified Split
RQA	COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SYTHENTIC QUARTERLY FUTURES STRIP	Split	Modified Split
CPF	CSX COAL (PLATTS OTC BROKER INDEX) SWAPTION QUARTERLY COMBO	Split	Modified Split
RPF	POWDER RIVER BASIN COAL (PLATTS OTC BROKER INDEX) SWAPTION QUARTERLY COMBO	Split	Modified Split
CLA	COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SYNTHETIC CALENDAR FUTURES STRIP	Split	Modified Split
CQA	COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SYNTHETIC QUARTERLY FUTURES STRIP	Split	Modified Split