

Advisory Notice

Clearing House

09-367

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirement Changes

DATE: August 24, 2009

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 Notices 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 changes are effective at the close of business on **Tuesday, August 25, 2009**.

CBOT Agricultural Futures Super-Inter Scanning Rates

Super Scan: Corn (C) vs. Corn Calendar Swap (CCS)

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	New	N/A	98%
Clearing Member/Hedger/Member Initial & Maintenance Rate	New	N/A	98%

Super Scan: Soybeans (S) vs. Soybean Calendar Swap (SNS)

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	New	N/A	98%
Clearing Member/Hedger/Member Initial & Maintenance Rate	New	N/A	98%

Super Scan: Wheat (W) vs. Wheat Calendar Swap (WCS)

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	New	N/A	98%
Clearing Member/Hedger/Member Initial & Maintenance Rate	New	N/A	98%

CBOT Interest Rate Products

**** Fed Funds decaying scan range is changing.**

The current methodology for decaying the scan range is:

Tier 1 = Days 1-6 \$150
Tier 2 = Days 7-13 \$300
Tier 3 = Days 14-20 \$450
Tier 4 = Days 21-31 \$600

And the new methodology will be one tier deep with the formula being:

X = Outright Margin

Y = Remaining calendar days in the front month

Z = Total calendar days in the front month

Decay Margin = X * SQRT(Y/Z)

Fed Funds (41) – Tier 1 (Month 1)

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	Increase	\$203	\$810
Clearing Member/Hedger/Member Initial & Maintenance Rate	Increase	\$150	\$600

Fed Funds (41) – Tier 2 (Months 2-4)

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	Increase	\$405	\$810
Clearing Member/Hedger/Member Initial & Maintenance Rate	Increase	\$300	\$600

Fed Funds (41) – Tier 3 (Months 5+)

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	Increasing	\$608	\$1,215
Clearing Member/Hedger/Member Initial & Maintenance Rate	Increasing	\$450	\$900

Fed Funds (41) – Tier 4

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	Deletion	\$810	N/A
Clearing Member/Hedger/Member Initial & Maintenance Rate	Deletion	\$600	N/A

Fed Funds (41) – Tier 5

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	Deletion	\$810	N/A
Clearing Member/Hedger/Member Initial & Maintenance Rate	Deletion	\$600	N/A

Fed Funds (41) – Tier 6

Rate Type	Change	Current	New
Non-Member Customer Initial Rate	Deletion	\$1,215	N/A
Clearing Member/Hedger/Member Initial & Maintenance Rate	Deletion	\$900	N/A