10-280

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Thursday, July 01, 2010

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, July 02, 2010.

Current rates as of:

Thursday, July 01, 2010.

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								
CBOT AGRICULTURAL FUTURES - Outright Rates								
CORN CALENDAR SWAP (CCS)								
CCS	Spec		Decrease	USD	1,350	1,000	1,148	850
CCS	Hedge/Member		Decrease	USD	1,000	1,000	850	850
CCS	Spec		Decrease	USD	1,350	1,000	1,148	850
CCS	Hedge/Member		Decrease	USD	1,000	1,000	850	850
DJ/UBS EXCESS RETURN INDEX FUTURES (70)								
70	Spec		Decrease	USD	1,215	900	945	700
70	Hedge/Member		Decrease	USD	900	900	700	700
MINI-SIZED SOYBEANS FUTURES (YK)								
YK	Spec	New Crop	Decrease	USD	608	450	540	400
YK	Hedge/Member	New Crop	Decrease	USD	450	450	400	400
YK	Spec	Old Crop	Decrease	USD	608	450	540	400
YK	Hedge/Member	Old Crop	Decrease	USD	450	450	400	400
MINI-SIZED WHEAT FUTURES (YW)								
YW	Spec	Old Crop	Decrease	USD	324	240	270	200
YW	Hedge/Member	Old Crop	Decrease	USD	240	240	200	200
YW	Spec	New Crop	Decrease	USD	324	240	270	200
YW	Hedge/Member	New Crop	Decrease	USD	240	240	200	200
OATS FUTURES (O)								
O	Spec		Increase	USD	810	600	1,148	850
O	Hedge/Member		Increase	USD	600	600	850	850
ROUGH RICE FUTURES (14)								
14	Spec		Increase	USD	878	650	1,080	800
14	Hedge/Member		Increase	USD	650	650	800	800
SOYBEAN CALENDAR SWAP (SNS)								
SNS	Spec	Old Crop	Decrease	USD	2,025	1,500	675	500
SNS	Hedge/Member	Old Crop	Decrease	USD	1,500	1,500	500	500
SNS	Spec	New Crop	Decrease	USD	2,025	1,500	675	500
SNS	Hedge/Member	New Crop	Decrease	USD	1,500	1,500	500	500
SOYBEAN FUTURES (S)								
S	Spec	New Crop	Decrease	USD	3,038	2,250	2,700	2,000
S	Hedge/Member	New Crop	Decrease	USD	2,250	2,250	2,000	2,000
S	Spec	Old Crop	Decrease	USD	3,038	2,250	2,700	2,000
S	Hedge/Member	Old Crop	Decrease	USD	2,250	2,250	2,000	2,000
WHEAT CALENDAR SWAP (WCS)								
WCS	Spec		Decrease	USD	2,025	1,500	1,350	1,000
WCS	Hedge/Member		Decrease	USD	1,500	1,500	1,000	1,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
WCS	Spec		Decrease	USD	2,025	1,500	1,350	1,000
WCS	Hedge/Member		Decrease	USD	1,500	1,500	1,000	1,000
WHEAT FUTURES (W)								
W	Spec	Old Crop	Decrease	USD	1,620	1,200	1,350	1,000
W	Hedge/Member	Old Crop	Decrease	USD	1,200	1,200	1,000	1,000
W	Spec	New Crop	Decrease	USD	1,620	1,200	1,350	1,000
W	Hedge/Member	New Crop	Decrease	USD	1,200	1,200	1,000	1,000
CBOT ENERGY PRODUCTS - Outright Rates								
DENATURED FUEL ETHANOL NY BASIS (73)								
73	Spec		Decrease	USD	2,025	1,500	1,620	1,200
73	Hedge/Member		Decrease	USD	1,500	1,500	1,200	1,200
73	Spec		Decrease	USD	2,025	1,500	1,620	1,200
73	Hedge/Member		Decrease	USD	1,500	1,500	1,200	1,200
ETHANOL FUTURES (EH)								
EH	Spec		Decrease	USD	3,375	2,500	2,363	1,750
EH	Hedge/Member		Decrease	USD	2,500	2,500	1,750	1,750
EH	Spec		Decrease	USD	3,375	2,500	2,363	1,750
EH	Hedge/Member		Decrease	USD	2,500	2,500	1,750	1,750
GC BASIS SWAP (75)								
75	Spec		Decrease	USD	2,025	1,500	1,620	1,200
75	Hedge/Member		Decrease	USD	1,500	1,500	1,200	1,200
OTC ETHANOL FOWARD MONTH SWAP (71)								
71	Spec		Decrease	USD	2,025	1,500	1,620	1,200
71	Hedge/Member		Decrease	USD	1,500	1,500	1,200	1,200
71	Spec		Decrease	USD	2,025	1,500	1,620	1,200
71	Hedge/Member		Decrease	USD	1,500	1,500	1,200	1,200
OTC LA BASIS SWAP (74)								
74	Spec		Decrease	USD	2,025	1,500	1,620	1,200
74	Hedge/Member		Decrease	USD	1,500	1,500	1,200	1,200

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
CME AGRICULTURAL FUTURES - Outright Rates								
CLASS IV MILK FUTURE (DK)								
DK	Spec	Delivery Month	Decrease	USD	1,350	1,000	810	600
DK	Hedge/Member	Delivery Month	Decrease	USD	1,000	1,000	600	600
DK	Spec	Months 2-5	Decrease	USD	1,350	1,000	810	600
DK	Hedge/Member	Months 2-5	Decrease	USD	1,000	1,000	600	600
DELIVERABLE NONFAT DRY MILK FUTURES (GNP)								
GNP	Spec		Decrease	USD	1,485	1,100	1,080	800
GNP	Hedge/Member		Decrease	USD	1,100	1,100	800	800
GOLDMAN SACHS FUTURES (GI)								
GI	Spec		Decrease	USD	11,250	7,500	9,000	6,000
GI	Hedge/Member		Decrease	USD	7,500	7,500	6,000	6,000
GSCI ER FUTURES (GA)								
GA	Spec		Decrease	USD	4,500	3,000	3,000	2,000
GA	Hedge/Member		Decrease	USD	3,000	3,000	2,000	2,000
GSCI-ER 3 MTH FOWARD INX SWPS (SE3)								
SE3	Spec		Decrease	USD	5,400	3,600	3,600	2,400
SE3	Hedge/Member		Decrease	USD	3,600	3,600	2,400	2,400
LEAN HOG FUTURES (LN)								
LN	Spec		Decrease	USD	1,418	1,050	1,283	950
LN	Hedge/Member		Decrease	USD	1,050	1,050	950	950
LIVE CATTLE FUTURES (LC)								
LC	Spec		Decrease	USD	1,080	800	945	700
LC	Hedge/Member		Decrease	USD	800	800	700	700
NONFAT DRY MILK FUTURES (NF)								
NF	Spec		Decrease	USD	1,485	1,100	1,080	800
NF	Hedge/Member		Decrease	USD	1,100	1,100	800	800
SP GSCI SWAP FUTURES (SES)								
SES	Spec		Decrease	USD	5,400	3,600	3,600	2,400
SES	Hedge/Member		Decrease	USD	3,600	3,600	2,400	2,400
SP GSCI-ER 2 MTH FOWARD INX SWP (SE2)								
SE2	Spec		Decrease	USD	5,400	3,600	3,600	2,400
SE2	Hedge/Member		Decrease	USD	3,600	3,600	2,400	2,400

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance

Outright Rates

NYMEX PETROLEUM PRODUCTS - Outright Rates

NEW YORK ETHANOL SWAP (EZ)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
EZ	Spec		Decrease	USD	5,500	5,000	4,400	4,000
EZ	Hedge/Member		Decrease	USD	5,000	5,000	4,000	4,000

NYMEX ETHANOL PHYSICAL (QE)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
QE	Spec	Tier 1	Decrease	USD	6,050	5,500	4,400	4,000
QE	Hedge/Member	Tier 1	Decrease	USD	5,500	5,500	4,000	4,000
QE	Spec	Tier 2	Decrease	USD	6,050	5,500	4,400	4,000
QE	Hedge/Member	Tier 2	Decrease	USD	5,500	5,500	4,000	4,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance

Intra Spreads

CBOT AGRICULTURAL FUTURES - Intra Spreads

Eastern Nebraska Corn Basis Swap (ENE) - Same Crop Year (EASTERN NEBRASKA CORN BASIS SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
ENE	Spec		Increase	USD	270	200	338	250
ENE	Hedge/Member		Increase	USD	200	200	250	250

Eastern South Dakota Corn Basis Swap (ENE) - Same Crop Year (EASTERN SOUTH DAK CORN BASIS SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
ESC	Spec		Increase	USD	270	200	473	350
ESC	Hedge/Member		Increase	USD	200	200	350	350

Oats (CBOT) (O) - Same Crop Year (OATS FUTURES)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
O	Spec		Increase	USD	135	100	203	150
O	Hedge/Member		Increase	USD	100	100	150	150

Rough Rice (CBOT) (14) - Old Crop vs New Crop (November through September) (ROUGH RICE FUTURES)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
14	Spec		Decrease	USD	1,013	750	675	500
14	Hedge/Member		Decrease	USD	750	750	500	500

Southern Iowa Corn Basis Swap (SIC) - Same Crop Year (SOUTHERN IOWA CORN BASIS SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
SIC	Spec		Increase	USD	304	225	405	300
SIC	Hedge/Member		Increase	USD	225	225	300	300

Soybean (CBOT) (S) - Old Crop vs. New Crop (Nov through Sept) (MINI-SIZED SOYBEANS FUTURES)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
YK	Spec		Decrease	USD	243	180	135	100
YK	Hedge/Member		Decrease	USD	180	180	100	100

Soybean (CBOT) (S) - Old Crop vs. New Crop (Nov through Sept) (SOYBEAN FUTURES)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
S	Spec		Decrease	USD	1,215	900	675	500
S	Hedge/Member		Decrease	USD	900	900	500	500

Soybean Calendar Swap (SNS) - Same Crop Year (SOYBEAN CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
SNS	Spec		Increase	USD	540	400	675	500
SNS	Hedge/Member		Increase	USD	400	400	500	500

Soymeal (CBOT) (06) - Old Crop vs. New Crop (Oct through Sept) (SOYBEAN MEAL FUTURES)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
06	Spec		Decrease	USD	1,080	800	675	500
06	Hedge/Member		Decrease	USD	800	800	500	500

Wheat (CBOT) (W) - Old Crop vs. New Crop (July through May) (MINI-SIZED WHEAT FUTURES)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
YW	Spec		Decrease	USD	54	40	27	20
YW	Hedge/Member		Decrease	USD	40	40	20	20

Wheat (CBOT) (W) - Old Crop vs. New Crop (July through May) (WHEAT FUTURES)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
W	Spec		Decrease	USD	270	200	135	100
W	Hedge/Member		Decrease	USD	200	200	100	100

Wheat Calendar Swap (WCS) - Old Crop vs. New Crop (July through May) (WHEAT CALENDAR SWAP)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
WCS	Spec		Decrease	USD	270	200	135	100
WCS	Hedge/Member		Decrease	USD	200	200	100	100

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
CME AGRICULTURAL FUTURES - Intra Spreads								
Class IV Milk (DK) - All Months (CLASS IV MILK FUTURE)								
DK	Spec		Decrease	USD	1,350	1,000	945	700
DK	Hedge/Member		Decrease	USD	1,000	1,000	700	700
Frozen Pork Bellies (PB) - All Months (PORK BELLY FUTURES)								
PB	Spec		Increase	USD	911	675	1,013	750
PB	Hedge/Member		Increase	USD	675	675	750	750
Goldman Sachs Commodity Index (GI) - All Months (GOLDMAN SACHS FUTURES)								
GI	Spec		Decrease	USD	1,500	1,000	1,200	800
GI	Hedge/Member		Decrease	USD	1,000	1,000	800	800
CME FOREST PRODUCT FUTURES - Intra Spreads								
Lumber (LB) - All Months (LUMBER110 FUTURES)								
LB	Spec		Increase	USD	1,050	700	1,200	800
LB	Hedge/Member		Increase	USD	700	700	800	800

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
CBOT AGRICULTURAL FUTURES - Volatility Scan (volScan) Rate					
OATS (O) - volScan					
Clearing Member Rate	Increase		0.04		0.07
ROUGH RICE (14) - volScan					
Clearing Member Rate	Increase		0.04		0.07
CME AGRICULTURAL FUTURES - Volatility Scan (volScan) Rate					
LEAN HOG (LN) - volScan					
Clearing Member Rate	Increase		0.03		0.05
CME FOREST PRODUCT FUTURES - Volatility Scan (volScan) Rate					
RANDOM LENGTH LUMBER (LB) - volScan					
Clearing Member Rate	Increase		0.04		0.07