



10-480

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Monday, November 29, 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 **Tuesday, November 30, 2010.**

Current rates as of:

**Monday, November 29, 2010.**

In this current advisory there are changes to the Short Option Minimum. 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 method for calculating SOM charge for the following NYMEX and COMEX products will change based on the following

	<b>Current</b>	<b>New</b>
<b>SOM Charge Calculation</b>	Max (Short Calls, Short Puts) * SOM Rate	(Short Calls + Short Puts) * SOM Rate

This change will apply to the following NYMEX and COMEX products. Additionally, the following SOM rates will apply:

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>COAL - Short Option Minimum (SOM) Rate</b>					
<b>CAPP COAL COMBO ON CALENDAR STRIP (NY-8Y) - SOM</b>					
Clearing Member Rate	Decrease	792.00	720.00	660.00	600.00
<b>CAPP COAL QUARTERLY SWAPTION (NY-61) - SOM</b>					
Clearing Member Rate	Decrease	198.00	180.00	165.00	150.00
<b>CENTRAL APPALACHIAN COAL FUTURES (NY-QL) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>COAL (API 2) CIF ARA (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MTF) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	55.00	50.00
<b>COAL (API 4) FOB RICHARDS BAY (ARGUS/MCCLOSKEY) SWAP FUTURES (NY-MFF) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	55.00	50.00
<b>CRUDE OIL - Short Option Minimum (SOM) Rate</b>					
<b>BRENT (ICE) CALENDAR SWAP FUTURES (NY-CY) - SOM</b>					
Clearing Member Rate	Decrease	81.00	60.00	40.50	30.00
<b>BRENT 1 MONTH CALENDAR COMBO (NY-BD) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>BRENT 12 MONTH CALENDAR COMBO (NY-BQ) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>BRENT 2 MONTH CALENDAR COMBO (NY-BF) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>BRENT 3 MONTH CALENDAR COMBO (NY-BJ) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>BRENT 6 MONTH CALENDAR COMBO (NY-BM) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>BRENT CRUDE OIL 1 MONTH CSO (NY-2A) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	44.00	40.00
<b>BRENT CRUDE OIL 12 MONTH CSO (NY-3B) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	44.00	40.00
<b>BRENT CRUDE OIL 2 MONTH CSO (NY-6B) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	44.00	40.00
<b>BRENT CRUDE OIL 3 MONTH CSO (NY-5B) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	44.00	40.00
<b>BRENT CRUDE OIL 6 MONTH CSO (NY-4B) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	44.00	40.00
<b>BRENT CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-BZ) - SOM</b>					
Clearing Member Rate	Decrease	81.00	60.00	40.50	30.00
<b>CRUDE OIL COMBO ON CALENDAR STRIP (NY-8S) - SOM</b>					
Clearing Member Rate	Decrease	792.00	720.00	396.00	360.00

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>CRUDE OIL COMBO ON QUARTERLY STRIP (NY-8T) - SOM</b>					
Clearing Member Rate	Decrease	198.00	180.00	99.00	90.00
<b>DUBAI CRUDE OIL (PLATTS) CALENDAR SWAP FUTURES (NY-DC) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>ELECTRICITY - Short Option Minimum (SOM) Rate</b>					
<b>ISO NEW ENGLAND INTERNAL HUB PEAK LMP SWAP FUTURES (NY-NI) - SOM</b>					
Clearing Member Rate	Decrease	88.00	80.00	55.00	50.00
<b>MIDWEST ISO CINERGY HUB PEAK CALENDAR-MONTH LMP SWAP FUTURES (NY-EM) - SOM</b>					
Clearing Member Rate	Decrease	99.00	90.00	55.00	50.00
<b>NYISO ZONE A PEAK LBMP SWAP FUTURES (NY-KA) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	55.00	50.00
<b>NYISO ZONE G PEAK LBMP SWAP FUTURES (NY-KG) - SOM</b>					
Clearing Member Rate	Decrease	88.00	80.00	55.00	50.00
<b>NYISO ZONE J PEAK LBMP SWAP FUTURES (NY-KJ) - SOM</b>					
Clearing Member Rate	Decrease	88.00	80.00	55.00	50.00
<b>PJM AEP DAYTON HUB PEAK CALENDAR-MONTH LMP SWAP FUTURES (NY-VM) - SOM</b>					
Clearing Member Rate	Increase	44.00	40.00	55.00	50.00
<b>PJM COMBO ON CALENDAR STRIP (NY-28) - SOM</b>					
Clearing Member Rate	Decrease	792.00	720.00	660.00	600.00
<b>PJM JCPL ZONE PEAK CALENDAR-MONTH DAY-AHEAD LMP SWAP FUTURES (NY-J2) - SOM</b>					
Clearing Member Rate	Increase	11.00	10.00	55.00	50.00
<b>PJM NORTHERN ILLINOIS HUB PEAK CALENDAR-MONTH LMP SWAP FUTURES (NY-UM) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>PJM PEAK CALENDAR-MONTH LMP SWAP FUTURES (NY-JM) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>PJM PEPSCO ZONE PEAK CALENDAR-MONTH DAY-AHEAD LMP SWAP FUTURES (NY-R8) - SOM</b>					
Clearing Member Rate	Increase	11.00	10.00	55.00	50.00
<b>METALS - Short Option Minimum (SOM) Rate</b>					
<b>COPPER FUTURES (CX-HG) - SOM</b>					
Clearing Member Rate	Decrease	60.75	45.00	40.50	30.00
<b>GOLD FUTURES (CX-GC) - SOM</b>					
Clearing Member Rate	Decrease	60.75	45.00	40.50	30.00
<b>PALLADIUM FUTURES (NY-PA) - SOM</b>					
Clearing Member Rate	Increase	33.00	30.00	49.50	45.00
<b>PLATINUM FUTURES (NY-PL) - SOM</b>					
Clearing Member Rate	Decrease	55.00	50.00	49.50	45.00
<b>SILVER FUTURES (CX-SI) - SOM</b>					
Clearing Member Rate	Decrease	60.75	45.00	40.50	30.00

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>NATURAL GAS - Short Option Minimum (SOM) Rate</b>					
<b>ALBERTA PIPE SWAP (NY-XI) - SOM</b>					
Clearing Member Rate	Increase	44.00	40.00	55.00	50.00
<b>CHICAGO CITY GATE PIPE SWAP (NY-XO) - SOM</b>					
Clearing Member Rate	Increase	44.00	40.00	55.00	50.00
<b>COLUMBIA GAS TCO BASIS SWAP (PLATTS IFERC) FUTURES (NY-TC) - SOM</b>					
Clearing Member Rate	Increase	11.00	10.00	55.00	50.00
<b>HENRY HUB BASIS SWAP (PLATTS IFERC) FUTURES (NY-HB) - SOM</b>					
Clearing Member Rate	Increase	11.00	10.00	55.00	50.00
<b>HENRY HUB NATURAL GAS FUTURES (NY-NG) - SOM</b>					
Clearing Member Rate	Decrease	108.00	80.00	54.00	40.00
<b>HENRY HUB NATURAL GAS PENULTIMATE FINANCIAL FUTURES (NY-HP) - SOM</b>					
Clearing Member Rate	Decrease	135.00	100.00	54.00	40.00
<b>HOUSTON SHIP CHANNEL BASIS SWAP (PLATTS IFERC) FUTURES (NY-NH) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>HOUSTON SHIP CHANNEL PIPE SWAP (NY-XJ) - SOM</b>					
Clearing Member Rate	Increase	44.00	40.00	55.00	50.00
<b>MICHCON BASIS SWAP (PLATTS IFERC) FUTURES (NY-NF) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	55.00	50.00
<b>NAT GAS 1 MONTH CALENDAR SPREAD (NY-DG) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	49.50	45.00
<b>NAT GAS 12 MONTH CALENDAR SPREAD (NY-DZ) - SOM</b>					
Clearing Member Rate	Decrease	77.00	70.00	49.50	45.00
<b>NAT GAS 2 MONTH CALENDAR SPREAD (NY-DJ) - SOM</b>					
Clearing Member Rate	Decrease	77.00	70.00	49.50	45.00
<b>NAT GAS 3 MONTH CALENDAR SPREAD (NY-DS) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	49.50	45.00
<b>NAT GAS 5 MONTH CALENDAR SPREAD (NY-DE) - SOM</b>					
Clearing Member Rate	Decrease	77.00	70.00	49.50	45.00
<b>NAT GAS 6 MONTH CALENDAR SPREAD (NY-DM) - SOM</b>					
Clearing Member Rate	Decrease	77.00	70.00	49.50	45.00
<b>NATIONAL BALANCING POINT (NBP) HENRY HUB BASIS SWAP FUTURES (NY-E2) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	55.00	50.00
<b>NATURAL GAS 1 MONTH CSO (NY-G8) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	49.50	45.00
<b>NATURAL GAS 12 MONTH CSO (NY-H6) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	49.50	45.00
<b>NATURAL GAS 2 MONTH CSO (NY-G9) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	49.50	45.00

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>NATURAL GAS 3 MONTH CSO (NY-H9) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	49.50	45.00
<b>NATURAL GAS 5 MONTH CSO (NY-H8) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	49.50	45.00
<b>NATURAL GAS 6 MONTH CSO (NY-H7) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	49.50	45.00
<b>NATURAL GAS COMBO ON CALENDAR STRIP (NY-8P) - SOM</b>					
Clearing Member Rate	Increase	231.00	210.00	528.00	480.00
<b>NATURAL GAS COMBO ON SUMMER STRIP (NY-8R) - SOM</b>					
Clearing Member Rate	Increase	137.50	125.00	308.00	280.00
<b>NATURAL GAS COMBO ON WINTER STRIP (NY-8U) - SOM</b>					
Clearing Member Rate	Increase	99.00	90.00	220.00	200.00
<b>NGPL MID-CON BASIS SWAP (PLATTS IFERC) FUTURES (NY-NL) - SOM</b>					
Clearing Member Rate	Increase	33.00	30.00	55.00	50.00
<b>NGPL TEXOK BASIS SWAP (PLATTS IFERC) FUTURES (NY-PD) - SOM</b>					
Clearing Member Rate	Increase	33.00	30.00	55.00	50.00
<b>NORTHERN ROCKIES PIPE SWAP (NY-XR) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>PANHANDLE BASIS SWAP (PLATTS IFERC) FUTURES (NY-PH) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>PANHANDLE PIPE SWAP (NY-XH) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>PGE CITYGATE PIPE SWAP (NY-XQ) - SOM</b>					
Clearing Member Rate	Increase	44.00	40.00	55.00	50.00
<b>ROCKIES BASIS SWAP (PLATTS IFERC) FUTURES (NY-NR) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>SAN JUAN PIPE SWAP (NY-XX) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>SOCAL BASIS SWAP (PLATTS IFERC) FUTURES (NY-NS) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>SOCAL PIPE SWAP (NY-XN) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	55.00	50.00
<b>TEXAS EASTERN ZONE M-3 BASIS SWAP (PLATTS IFERC) FUTURES (NY-NX) - SOM</b>					
Clearing Member Rate	Increase	33.00	30.00	55.00	50.00
<b>TRANSCO ZONE 6 PIPE SWAP (NY-XZ) - SOM</b>					
Clearing Member Rate	Increase	44.00	40.00	55.00	50.00
<b>WAHA BASIS SWAP (PLATTS IFERC) FUTURES (NY-NW) - SOM</b>					
Clearing Member Rate	Increase	33.00	30.00	55.00	50.00

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>NGL/PETROCHEMICALS - Short Option Minimum (SOM) Rate</b>					
<b>CONWAY PROPANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-8K) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	55.00	50.00
<b>MONT BELVIEU ETHANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-C0) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	55.00	50.00
<b>MONT BELVIEU NORMAL BUTANE 5 DECIMALS (OPIS) SWAP FUTURES (NY-D0) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	55.00	50.00
<b>PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate</b>					
<b>EUROPEAN GASOIL CRACK SPREAD SWAP FUTURES (NY-GZ) - SOM</b>					
Clearing Member Rate	Decrease	220.00	200.00	44.00	40.00
<b>HEATING OIL CRACK SPREAD SWAP FUTURES (NY-HK) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>RBOB CRACK SPREAD (NY-ZX) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>RBOB GASOLINE CRACK SPREAD SWAP FUTURES (NY-RM) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>WTI-BRENT (ICE) BULLET SWAP FUTURES (NY-BY) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>REFINED PRODUCTS - Short Option Minimum (SOM) Rate</b>					
<b>EIA FLAT TAX ON-HIGHWAY DIESEL SWAP FUTURES (NY-A5) - SOM</b>					
Clearing Member Rate	Increase	11.00	10.00	55.00	50.00
<b>EUROPEAN 3.5% FUEL OIL (PLATTS) BARGES FOB RDAM CALENDAR SWAP FUTURES (NY-UV) - SOM</b>					
Clearing Member Rate	Decrease	440.00	400.00	275.00	250.00
<b>EUROPEAN GASOIL (ICE) SWAP FUTURES (NY-GX) - SOM</b>					
Clearing Member Rate	Decrease	540.00	400.00	337.50	250.00
<b>EUROPEAN GASOIL BULLET SWAP FUTURES (NY-BG) - SOM</b>					
Clearing Member Rate	Increase	270.00	200.00	337.50	250.00
<b>EUROPEAN JET KEROSENE (PLATTS) CARGOES CIF NWE CALENDAR SWAP FUTURES (NY-UJ) - SOM</b>					
Clearing Member Rate	Decrease	440.00	400.00	275.00	250.00
<b>GASOIL 1 MONTH CSO (NY-GUS) - SOM</b>					
Clearing Member Rate	Decrease	1,100.00	1,000.00	49.50	45.00
<b>GASOIL 12 MONTH CSO (NY-GLS) - SOM</b>					
Clearing Member Rate	Decrease	1,100.00	1,000.00	49.50	45.00
<b>GASOIL 2 MONTH CSO (NY-GWS) - SOM</b>					
Clearing Member Rate	Decrease	1,100.00	1,000.00	49.50	45.00
<b>GASOIL 3 MONTH CSO (NY-GYS) - SOM</b>					
Clearing Member Rate	Decrease	1,100.00	1,000.00	49.50	45.00
<b>GASOIL 6 MONTH CSO (NY-GVS) - SOM</b>					
Clearing Member Rate	Decrease	1,100.00	1,000.00	49.50	45.00
<b>GULF COAST NO. 6 FUEL OIL 3.0% (PLATTS) SWAP FUTURES (NY-MF) - SOM</b>					
Clearing Member Rate	Increase	11.00	10.00	55.00	50.00
<b>HEATING OIL 1 MONTH CSO (NY-GH) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	49.50	45.00
<b>HEATING OIL 12 MONTH CSO (NY-AK) - SOM</b>					
Clearing Member Rate	Decrease	55.00	50.00	49.50	45.00
<b>HEATING OIL 2 MONTH CSO (NY-GK) - SOM</b>					
Clearing Member Rate	Decrease	55.00	50.00	49.50	45.00
<b>HEATING OIL 3 MONTH CSO (NY-GM) - SOM</b>					
Clearing Member Rate	Decrease	55.00	50.00	49.50	45.00
<b>HEATING OIL 6 MONTH CSO (NY-GF) - SOM</b>					
Clearing Member Rate	Decrease	55.00	50.00	49.50	45.00
<b>HEATING OIL CALENDAR SWAP FUTURES (NY-MP) - SOM</b>					
Clearing Member Rate	Decrease	81.00	60.00	54.00	40.00
<b>HEATING/CRUDE SPREAD COMBO (NY-HC) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	44.00	40.00
<b>NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO) - SOM</b>					
Clearing Member Rate	Decrease	108.00	80.00	54.00	40.00

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>RBOB 1 MONTH CSO (NY-ZI) - SOM</b>					
Clearing Member Rate	Decrease	110.00	100.00	49.50	45.00
<b>RBOB 2 MONTH CSO (NY-ZJ) - SOM</b>					
Clearing Member Rate	Decrease	55.00	50.00	49.50	45.00
<b>RBOB 3 MONTH CSO (NY-ZK) - SOM</b>					
Clearing Member Rate	Decrease	55.00	50.00	49.50	45.00
<b>RBOB 6 MONTH CSO (NY-ZL) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	49.50	45.00
<b>RBOB GASOLINE CALENDAR SWAP FUTURES (NY-RL) - SOM</b>					
Clearing Member Rate	Decrease	81.00	60.00	54.00	40.00
<b>RBOB GASOLINE FUTURES (NY-RB) - SOM</b>					
Clearing Member Rate	Decrease	108.00	80.00	54.00	40.00
<b>SINGAPORE FUEL OIL 180 CST (PLATTS) CALENDAR SWAP FUTURES (NY-UA) - SOM</b>					
Clearing Member Rate	Decrease	440.00	400.00	275.00	250.00
<b>SINGAPORE GASOIL (PLATTS) SWAP FUTURES (NY-SG) - SOM</b>					
Clearing Member Rate	Increase	22.00	20.00	49.50	45.00
<b>SINGAPORE JET KEROSENE (PLATTS) SWAP FUTURES (NY-KS) - SOM</b>					
Clearing Member Rate	Decrease	66.00	60.00	55.00	50.00