



11-170

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, May 13, 2011

***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 **Saturday, May 14, 2011.**

Current rates as of:

**Friday, May 13, 2011.**

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								
ELECTRICITY - Outright Rates								
ISO NE CAL FUT STRP SYNTH (NES)								
NES	Spec		New	USD			85,800	78,000
NES	Hedge/Member		New	USD			78,000	78,000
MDWST ISO IND. HUB 5MW PK CAL-MO RT (PTM)								
PTM	Spec	Tier 1	New	USD			385	350
PTM	Hedge/Member	Tier 1	New	USD			350	350
PTM	Spec	Tier 2	New	USD			385	350
PTM	Hedge/Member	Tier 2	New	USD			350	350
PTM	Spec	Tier 3	New	USD			385	350
PTM	Hedge/Member	Tier 3	New	USD			350	350
PTM	Spec	Tier 4	New	USD			385	350
PTM	Hedge/Member	Tier 4	New	USD			350	350
MDWST ISO INDIANA HUB 5MWPK CAL MO (PDM)								
PDM	Spec	Tier 1	New	USD			385	350
PDM	Hedge/Member	Tier 1	New	USD			350	350
PDM	Spec	Tier 2	New	USD			385	350
PDM	Hedge/Member	Tier 2	New	USD			350	350
PDM	Spec	Tier 3	New	USD			385	350
PDM	Hedge/Member	Tier 3	New	USD			350	350
PDM	Spec	Tier 4	New	USD			385	350
PDM	Hedge/Member	Tier 4	New	USD			350	350
MISO IND. HUB 5MW OFPK CAL MTH DA (FDM)								
FDM	Spec	Tier 1	New	USD			17	15
FDM	Hedge/Member	Tier 1	New	USD			15	15
FDM	Spec	Tier 2	New	USD			17	15
FDM	Hedge/Member	Tier 2	New	USD			15	15
FDM	Spec	Tier 3	New	USD			17	15
FDM	Hedge/Member	Tier 3	New	USD			15	15
FDM	Spec	Tier 4	New	USD			17	15
FDM	Hedge/Member	Tier 4	New	USD			15	15
MISO INDIANA HUB 5MW OFPK CAL MO RT (FTM)								
FTM	Spec	Tier 1	New	USD			17	15
FTM	Hedge/Member	Tier 1	New	USD			15	15
FTM	Spec	Tier 2	New	USD			17	15
FTM	Hedge/Member	Tier 2	New	USD			15	15
FTM	Spec	Tier 3	New	USD			17	15
FTM	Hedge/Member	Tier 3	New	USD			15	15
FTM	Spec	Tier 4	New	USD			17	15

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## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
FTM	Hedge/Member	Tier 4	New	USD			15	15
MISO INDIANA HUB 5MW OFPK CALDAY DA (FAD)								
FAD	Spec		New	USD			440	400
FAD	Hedge/Member		New	USD			400	400
MISO INDIANA HUB 5MW OFPK CALDAY RT (FTD)								
FTD	Spec		New	USD			440	400
FTD	Hedge/Member		New	USD			400	400
MISO INDIANA HUB 5MW PK CAL DAYHD (PDD)								
PDD	Spec		New	USD			7,040	6,400
PDD	Hedge/Member		New	USD			6,400	6,400
MISO INDIANA HUB 5MW PK CAL-DAY RT (PTD)								
PTD	Spec		New	USD			7,040	6,400
PTD	Hedge/Member		New	USD			6,400	6,400
FREIGHT - Outright Rates								
FREIGHT ROUTE TC12 (BALTIC) FORWARD (FRB)								
FRB	Spec	Tier 1	New	USD			2,200	2,000
FRB	Hedge/Member	Tier 1	New	USD			2,000	2,000
FRB	Spec	Tier 2	New	USD			2,200	2,000
FRB	Hedge/Member	Tier 2	New	USD			2,000	2,000
FRB	Spec	Tier 3	New	USD			2,200	2,000
FRB	Hedge/Member	Tier 3	New	USD			2,000	2,000
FREIGHT ROUTE TC12 (BALTIC) SWAP (FRS)								
FRS	Spec		New	USD			2,200	2,000
FRS	Hedge/Member		New	USD			2,000	2,000
REFINED PRODUCTS - Outright Rates								
MINI JAPAN NAPHTHA BALMO SWAP FUT (E6M)								
E6M	Spec		New	USD			7,700	7,000
E6M	Hedge/Member		New	USD			7,000	7,000

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ELECTRICITY - Intra Spreads								
ISO New England Internal Hub Peak LMP Option on Calendar Futures Strip - All Months (ISO NE CAL FUT STRP SYNTH)								
NES	Spec		New	USD			10,560	9,600
NES	Hedge/Member		New	USD			9,600	9,600
Midwest ISO Indiana Hub 5 MW Off-Peak Calendar-Day Day-Ahead Swap Futures - All Months (MISO INDIANA HUB 5MW OFPK CALDAY DA)								
FAD	Spec		New	USD			220	200
FAD	Hedge/Member		New	USD			200	200
Midwest ISO Indiana Hub 5 MW Off-Peak Calendar-Day Real-Time Swap Futures - All Months (MISO INDIANA HUB 5MW OFPK CALDAY RT)								
FTD	Spec		New	USD			220	200
FTD	Hedge/Member		New	USD			200	200
Midwest ISO Indiana Hub 5 MW Off-Peak Calendar-Month Day-Ahead Swap Futures - All Months (MISO IND. HUB 5MW OFPK CAL MTH DA)								
FDM	Spec		New	USD			11	10
FDM	Hedge/Member		New	USD			10	10
Midwest ISO Indiana Hub 5 MW Off-Peak Calendar-Month Real-Time Swap Futures - All Months (MISO INDIANA HUB 5MW OFPK CAL MO RT)								
FTM	Spec		New	USD			11	10
FTM	Hedge/Member		New	USD			10	10
Midwest ISO Indiana Hub 5 MW Peak Calendar-Day Day-Ahead Swap Futures - All Months (MISO INDIANA HUB 5MW PK CAL DAYHD)								
PDD	Spec		New	USD			3,520	3,200
PDD	Hedge/Member		New	USD			3,200	3,200
Midwest ISO Indiana Hub 5 MW Peak Calendar-Day Real-Time Swap Futures - All Months (MISO INDIANA HUB 5MW PK CAL-DAY RT)								
PTD	Spec		New	USD			3,520	3,200
PTD	Hedge/Member		New	USD			3,200	3,200
Midwest ISO Indiana Hub 5 MW Peak Calendar-Month Day-Ahead Swap Futures - All Months (MDWST ISO INDIANA HUB 5MWPK CAL MO)								
PDM	Spec		New	USD			110	100
PDM	Hedge/Member		New	USD			100	100
Midwest ISO Indiana Hub 5 MW Peak Calendar-Month Real-Time Swap Futures - All Months (MDWST ISO IND. HUB 5MW PK CAL-MO RT)								
PTM	Spec		New	USD			110	100
PTM	Hedge/Member		New	USD			100	100

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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
FREIGHT - Intra Spreads								
Freight Route TC12 (Baltic) Forward - Tier 1 vs Tier 2 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)								
FRB	Spec		New	USD			440	400
FRB	Hedge/Member		New	USD			400	400
Freight Route TC12 (Baltic) Forward - Tier 1 vs Tier 3 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)								
FRB	Spec		New	USD			440	400
FRB	Hedge/Member		New	USD			400	400
Freight Route TC12 (Baltic) Forward - Tier 2 vs Tier 2 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)								
FRB	Spec		New	USD			385	350
FRB	Hedge/Member		New	USD			350	350
Freight Route TC12 (Baltic) Forward - Tier 2 vs Tier 3 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)								
FRB	Spec		New	USD			385	350
FRB	Hedge/Member		New	USD			350	350
Freight Route TC12 (Baltic) Forward - Tier 3 vs Tier 3 (FREIGHT ROUTE TC12 (BALTIC) FORWARD)								
FRB	Spec		New	USD			275	250
FRB	Hedge/Member		New	USD			250	250
Freight Route TC12 (Baltic) Swap Futures - All Months (FREIGHT ROUTE TC12 (BALTIC) SWAP)								
FRS	Spec		New	USD			220	200
FRS	Hedge/Member		New	USD			200	200
REFINED PRODUCTS - Intra Spreads								
Japan C&F Naphtha (Platts) Swap - All Months (MINI JAPAN NAPHTHA BALMO SWAP FUT)								
E6M	Spec		New	USD			418	380
E6M	Hedge/Member		New	USD			380	380

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate					
ELECTRICITY - Short Option Minimum (SOM) Rate					
ISO NEW ENGLAND INTERNAL HUB PEAK LMP OPTION ON CALENDAR FUTURES STRIP (NY-NES) - SOM					
Clearing Member Rate	New			660.00	600.00
MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (NY-FAD) - SOM					
Clearing Member Rate	New			55.00	50.00
MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY REAL-TIME SWAP FUTURES (NY-FTD) - SOM					
Clearing Member Rate	New			55.00	50.00
MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-FDM) - SOM					
Clearing Member Rate	New			55.00	50.00
MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-FTM) - SOM					
Clearing Member Rate	New			55.00	50.00
MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (NY-PDD) - SOM					
Clearing Member Rate	New			55.00	50.00
MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-DAY REAL-TIME SWAP FUTURES (NY-PTD) - SOM					
Clearing Member Rate	New			55.00	50.00
MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-PDM) - SOM					
Clearing Member Rate	New			55.00	50.00
MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-PTM) - SOM					
Clearing Member Rate	New			55.00	50.00
FREIGHT - Short Option Minimum (SOM) Rate					
FREIGHT ROUTE TC12 (BALTIC) FORWARD (NY-FRB) - SOM					
Clearing Member Rate	New			55.00	50.00
FREIGHT ROUTE TC12 (BALTIC) SWAP FUTURES (NY-FRS) - SOM					
Clearing Member Rate	New			55.00	50.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
ELECTRICITY - Volatility Scan (volScan) Rate					
ISO NEW ENGLAND INTERNAL HUB PEAK LMP OPTION ON CALENDAR FUTURES STRIP (NY-NES) - volScan					
Clearing Member Rate	New				0.08
MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (NY-FAD) - volScan					
Clearing Member Rate	New				0.08
MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-DAY REAL-TIME SWAP FUTURES (NY-FTD) - volScan					
Clearing Member Rate	New				0.08
MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-FDM) - volScan					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
MIDWEST ISO INDIANA HUB 5 MW OFF-PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-FTM) - volScan					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-DAY DAY-AHEAD SWAP FUTURES (NY-PDD) - volScan					
Clearing Member Rate	New				0.08
MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-DAY REAL-TIME SWAP FUTURES (NY-PTD) - volScan					
Clearing Member Rate	New				0.08
MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-MONTH DAY-AHEAD SWAP FUTURES (NY-PDM) - volScan					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
MIDWEST ISO INDIANA HUB 5 MW PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (NY-PTM) - volScan					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
FREIGHT - Volatility Scan (volScan) Rate					
FREIGHT ROUTE TC12 (BALTIC) FORWARD (NY-FRB) - volScan					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
FREIGHT ROUTE TC12 (BALTIC) SWAP FUTURES (NY-FRS) - volScan					
Clearing Member Rate	New				0.08
REFINED PRODUCTS - Volatility Scan (volScan) Rate					
MINI JAPAN NAPHTHA (PLATTS) BALMO SWAP FUTURES (NY-E6M) - volScan					
Clearing Member Rate	New				0.05