11-190

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, June 03, 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, June 04, 2011.**

Current rates as of:

Thursday, June 02, 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								
				REFINED PRODUCTS - Outright Rates				
SPORE MOGAS92 UNLD BRENT SPRD SWAP (1NB)								
1NB	Spec		New	USD			4,400	4,000
1NB	Hedge/Member		New	USD			4,000	4,000
SPORE MOGAS92 UNLD DUBAI SPRD SWAP (1ND)								
1ND	Spec		New	USD			4,400	4,000
1ND	Hedge/Member		New	USD			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								
REFINED PRODUCTS - Intra Spreads								
(SPORE MOGAS92 UNLD BRENT SPRD SWAP)								
1NB	Spec		New	USD			1,650	1,500
1NB	Hedge/Member		New	USD			1,500	1,500
(SPORE MOGAS92 UNLD DUBAI SPRD SWAP)								
1ND	Spec		New	USD			1,650	1,500
1ND	Hedge/Member		New	USD			1,500	1,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate					

REFINED PRODUCTS - Short Option Minimum (SOM) Rate

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
SINGAPORE MOGAS 92 UNLEADED (PLATTS) BRENT CRACK SPREAD SWAP FUTURES (NY-1NB) - SOM					
Clearing Member Rate	New			55.00	50.00
SINGAPORE MOGAS 92 UNLEADED (PLATTS) DUBAI CRACK SPREAD SWAP FUTURES (NY-1ND) - 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					
REFINED PRODUCTS - Volatility Scan (volScan) Rate					
SINGAPORE MOGAS 92 UNLEADED (PLATTS) BRENT CRACK SPREAD SWAP FUTURES (NY-1NB) - volScan					
Clearing Member Rate	New				0.08
SINGAPORE MOGAS 92 UNLEADED (PLATTS) DUBAI CRACK SPREAD SWAP FUTURES (NY-1ND) - volScan					
Clearing Member Rate	New				0.08