



11-49

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

FROM: CME Clearing

SUBJECT: Revised: Performance Bond Requirements:

DATE: Friday, February 04, 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, February 05, 2011.**

Current rates as of:

Friday, February 04, 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								
ONTARIO OFF-PK CALENDAR DAY SWP FUT (OFD)								
OFD	Spec	Tier 1	New	CAD			66	60
OFD	Hedge/Member	Tier 1	New	CAD			60	60
ONTARIO OFF-PK CAL-MO SWP FUT (OFM)								
OFM	Spec	Tier 1	New	CAD			33	30
OFM	Hedge/Member	Tier 1	New	CAD			30	30
OFM	Spec	Tier 2	New	CAD			28	25
OFM	Hedge/Member	Tier 2	New	CAD			25	25
OFM	Spec	Tier 3	New	CAD			22	20
OFM	Hedge/Member	Tier 3	New	CAD			20	20
OFM	Spec	Tier 4	New	CAD			22	20
OFM	Hedge/Member	Tier 4	New	CAD			20	20
ONTARIO PEAK CAL-DAY SWP FUT (OPD)								
OPD	Spec	Tier 1	New	CAD			1,100	1,000
OPD	Hedge/Member	Tier 1	New	CAD			1,000	1,000
ONTARIO PEAK CAL-MONTH SWP FUT (OPM)								
OPM	Spec	Tier 1	New	CAD			550	500
OPM	Hedge/Member	Tier 1	New	CAD			500	500
OPM	Spec	Tier 2	New	CAD			550	500
OPM	Hedge/Member	Tier 2	New	CAD			500	500
OPM	Spec	Tier 3	New	CAD			440	400
OPM	Hedge/Member	Tier 3	New	CAD			400	400
OPM	Spec	Tier 4	New	CAD			440	400
OPM	Hedge/Member	Tier 4	New	CAD			400	400
NATURAL GAS - Outright Rates								
PINE PRARIE DAILY PHYS DEL NG (PPD)								
PPD	Spec		New	USD			1,980	1,800
PPD	Hedge/Member		New	USD			1,800	1,800
PINE PRARIE MONTHLY PHY DEL NAT GAS (PPM)								
PPM	Spec		New	USD			1,320	1,200
PPM	Hedge/Member		New	USD			1,200	1,200
PINE PRARIE PHY NAT GAS BALMO FUT (PPB)								
PPB	Spec		New	USD			1,650	1,500
PPB	Hedge/Member		New	USD			1,500	1,500
PINE PRARIE PHY NAT GAS NET MARGIN (PPZ)								
PPZ	Spec		New	USD			1,980	1,800
PPZ	Hedge/Member		New	USD			1,800	1,800

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PETROLEUM CRACKS AND SPREADS - Outright Rates								
1% FUELOIL BARGES VS1% FO PLTS BLM (EBF)								
EBF	Spec		New	USD			13,200	12,000
EBF	Hedge/Member		New	USD			12,000	12,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ELECTRICITY - Intra Spreads								
Ontario Peak Calendar-Month Swap Futures - All Months (ONTARIO PEAK CAL-MONTH SWP FUT)								
OPM	Spec		New	CAD			110	100
OPM	Hedge/Member		New	CAD			100	100
Ontario Off-Peak Calendar-Month Swap Futures - All Months (ONTARIO OFF-PK CAL-MO SWP FUT)								
OFM	Spec		New	CAD			11	10
OFM	Hedge/Member		New	CAD			10	10
NATURAL GAS - Intra Spreads								
IN DELIVERY-Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Daily/Weekend Futures - All Months (PINE PRARIE PHY NAT GAS NET MARGIN)								
PPZ	Spec		New	USD			550	500
PPZ	Hedge/Member		New	USD			500	500
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas BALMO Futures - All Months (PINE PRARIE PHY NAT GAS BALMO FUT)								
PPB	Spec		New	USD			550	500
PPB	Hedge/Member		New	USD			500	500
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Daily/Weekend Futures - All Months (PINE PRARIE DAILY PHYS DEL NG)								
PPD	Spec		New	USD			550	500
PPD	Hedge/Member		New	USD			500	500
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Futures - All Months (PINE PRARIE MONTHLY PHY DEL NAT GAS)								
PPM	Spec		New	USD			440	400
PPM	Hedge/Member		New	USD			400	400
PETROLEUM CRACKS AND SPREADS - Intra Spreads								
1% Fuel Oil Barges FOB Rdam vs. 1% Fuel Oil (Platts) Cargoes FOB NWE BALMO Swap Futures - All Months (1% FUELOIL BARGES VS1% FO PLTS BLM)								
EBF	Spec		New	USD			2,640	2,400
EBF	Hedge/Member		New	USD			2,400	2,400

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
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Inter-commodity Spread Rates

NATURAL GAS - Inter-commodity Spread Rates

PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS MONTHLY FUTURES (NY-PPM - CME) vs HENRY HUB NATURAL GAS FUTURES (NY-NG, NN, HP)

Spread Credit Rate	New	+4:-1			85%	85%
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PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS MONTHLY FUTURES (NY-PPM - CME) vs PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS BALMO FUTURES (NY-PPB - CME)

Spread Credit Rate	New	+1:-1			75%	75%
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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
ELECTRICITY - Short Option Minimum (SOM) Rate						
ONTARIO OFF-PEAK CALENDAR-DAY SWAP FUTURES (OFD) - SOM						
Clearing Member Rate		New			55.00	50.00
ONTARIO OFF-PEAK CALENDAR-MONTH SWAP FUTURES (OFM) - SOM						
Clearing Member Rate		New			55.00	50.00
ONTARIO PEAK CALENDAR-DAY SWAP FUTURES (OPD) - SOM						
Clearing Member Rate		New			55.00	50.00
ONTARIO PEAK CALENDAR-MONTH SWAP FUTURES (OPM) - SOM						
Clearing Member Rate		New			55.00	50.00
NATURAL GAS - Short Option Minimum (SOM) Rate						
IN DELIVERY-PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS DAILY/WEEKEND FUTURES (PPZ) - SOM						
Clearing Member Rate		New			44.00	40.00
PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS BALMO FUTURES (PPB) - SOM						
Clearing Member Rate		New			44.00	40.00
PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS DAILY/WEEKEND FUTURES (PPD) - SOM						
Clearing Member Rate		New			44.00	40.00
PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS MONTHLY FUTURES (PPM) - SOM						
Clearing Member Rate		New			44.00	40.00
PETROLEUM CRACKS AND SPREADS - Short Option Minimum (SOM) Rate						
1% FUEL OIL BARGES FOB RDAM VS. 1% FUEL OIL (PLATTS) CARGOES FOB NWE BALMO SWAP FUTURES (EBF) - SOM						
Clearing Member Rate		New			66.00	60.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
ELECTRICITY - Volatility Scan (volScan) Rate						
ONTARIO OFF-PEAK CALENDAR-DAY SWAP FUTURES (OFD) - volScan						
Clearing Member Rate	Tier 1	New				0.10
ONTARIO OFF-PEAK CALENDAR-MONTH SWAP FUTURES (OFM) - volScan						
Clearing Member Rate	Tier 1	New				0.10
Clearing Member Rate	Tier 2	New				0.10
Clearing Member Rate	Tier 3	New				0.10
Clearing Member Rate	Tier 4	New				0.10
ONTARIO PEAK CALENDAR-DAY SWAP FUTURES (OPD) - volScan						
Clearing Member Rate	Tier 1	New				0.10
ONTARIO PEAK CALENDAR-MONTH SWAP FUTURES (OPM) - volScan						
Clearing Member Rate	Tier 1	New				0.10
Clearing Member Rate	Tier 2	New				0.10
Clearing Member Rate	Tier 3	New				0.10
Clearing Member Rate	Tier 4	New				0.10
NATURAL GAS - Volatility Scan (volScan) Rate						
IN DELIVERY-PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS DAILY/WEEKEND FUTURES (PPZ) - volScan						
Clearing Member Rate		New				0.10
PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS BALMO FUTURES (PPB) - volScan						
Clearing Member Rate		New				0.10
PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS DAILY/WEEKEND FUTURES (PPD) - volScan						
Clearing Member Rate		New				0.10
PINE PRAIRIE ENERGY CENTER (PPEC) PHYSICALLY DELIVERED NATURAL GAS MONTHLY FUTURES (PPM) - volScan						
Clearing Member Rate		New				0.10
PETROLEUM CRACKS AND SPREADS - Volatility Scan (volScan) Rate						
1% FUEL OIL BARGES FOB RDAM VS. 1% FUEL OIL (PLATTS) CARGOES FOB NWE BALMO SWAP FUTURES (EBF) - volScan						
Clearing Member Rate		New				0.08