

## Advisory Notice

Clearing House

08-07

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: January 16, 2008

**To receive advanced notification of Performance Bond (margin) changes, through our free automated mailing list, go to: <https://www.cme-ch.com/listserve/addlistserve.asp> and subscribe to the Performance Bond Rates Advisory Notices listserver.**

As per the normal review of market volatility to ensure adequate collateral coverage, the Chicago Mercantile Exchange Inc., Performance Bond staff approved the performance bond requirements for the following products listed below. These margins will become effective at the close of business on **Thursday, January 17, 2008.**

### SPAN® MINIMUM PERFORMANCE BOND REQUIREMENTS

#### CME Agricultural Futures Outright Rates

##### CME Cash-Settled Butter Futures (CB)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$608	\$450	\$1,215	\$900
Hedge/Member	Increase	\$450	\$450	\$900	\$900

##### Feeder Cattle (FC)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$1,350	\$1,000	\$1,553	\$1,150
Hedge/Member	Increase	\$1,000	\$1,000	\$1,150	\$1,150
Delivery Month - Spec	Increase	\$1,350	\$1,000	\$1,553	\$1,150
Delivery Month - Hedge/Member	Increase	\$1,000	\$1,000	\$1,150	\$1,150

Butter (DB)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$1,215	\$900	\$2,430	\$1,800
Hedge/Member	Increase	\$900	\$900	\$1,800	\$1,800

**CME Agricultural Futures Intra-Commodity Spread Rates**

CME Dry Whey Futures (DY) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$675	\$500	\$1,080	\$800
Hedge/Member	Increase	\$500	\$500	\$800	\$800

Lean Hogs (LN) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$743	\$550	\$945	\$700
Hedge	Increase	\$550	\$550	\$700	\$700
Member	Increase	\$550	\$550	\$700	\$700

Milk (DA) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$810	\$600	\$1,620	\$1,200
Hedge/Member	Increase	\$600	\$600	\$1,200	\$1,200

Nonfat Dry Milk (NF) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$810	\$600	\$1,350	\$1,000
Hedge/Member	Increase	\$600	\$600	\$1,000	\$1,000

**CME Agricultural Futures Inter-Commodity Spread Rates**

Milk (DA) vs. Butter (DB) (2:1)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	60.00%	60.00%	40.00%	40.00%

CME Cash-Settled Butter Futures (CB) vs. Milk (DA) (1:1)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	60.00%	60.00%	40.00%	40.00%

Milk (DA) vs. Nonfat Dry Milk (NF) (3:2)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	Decrease	65.00%	65.00%	55.00%	55.00%

### CBOT Agricultural Futures Outright Rates

#### Corn (CBOT) (C)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Speculative - Old Crop	Increase	\$1,080	\$800	\$1,283	\$950
Hedge/Member - Old Crop	Increase	\$800	\$800	\$950	\$950
Speculative - New Crop	Increase	\$1,080	\$800	\$1,283	\$950
Hedge/Member - New Crop	Increase	\$800	\$800	\$950	\$950

#### Soybean Oil (CBOT) (07)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Speculative - Old Crop	Increase	\$945	\$700	\$1,215	\$900
Hedge/Member - Old Crop	Increase	\$700	\$700	\$900	\$900
Speculative - New Crop	Increase	\$945	\$700	\$1,215	\$900
Hedge/Member - New Crop	Increase	\$700	\$700	\$900	\$900

### CBOT Agricultural Futures Intra-Commodity Spread Rates

#### Rough Rice (CBOT) (14) - Old Crop vs New Crop Old/New

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	N/A	\$473	\$350	\$473	\$350
Hedge/Member	N/A	\$350	\$350	\$350	\$350

#### Soybean (CBOT) (S) - Old Crop Year vs. New Crop Year (November through September)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$1,080	\$800	\$1,350	\$1,000
Hedge/Member	Increase	\$800	\$800	\$1,000	\$1,000

#### Soymeal (CBOT) (06) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$473	\$350	\$743	\$550
Hedge/Member	Increase	\$350	\$350	\$550	\$550

#### Soymeal (CBOT) (06) - Old Crop Year vs. New Crop Year (October through September)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$878	\$650	\$1,080	\$800
Hedge/Member	Increase	\$650	\$650	\$800	\$800

### CBOT Energy Products Outright Rates

#### CBOT Ethanol Futures (EH)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$3,375	\$2,500	\$3,645	\$2,700
Hedge/Member	Increase	\$2,500	\$2,500	\$2,700	\$2,700

CBOT OTC Cash Settled Ethanol Options (76)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$3,375	\$2,500	\$4,725	\$3,500
Hedge/Member	Increase	\$2,500	\$2,500	\$3,500	\$3,500

CBOT OTC Ethanol Forward Month Swap (71)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$1,688	\$1,250	\$2,363	\$1,750
Hedge/Member	Increase	\$1,250	\$1,250	\$1,750	\$1,750

**CBOT Energy Products Intra-Commodity Spread Rates**

CBOT OTC Cash Settled Ethanol Options (76) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$1,350	\$1,000	\$2,700	\$2,000
Hedge/Member	Increase	\$1,000	\$1,000	\$2,000	\$2,000

CBOT OTC Ethanol Forward Month Swap (71) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$675	\$500	\$1,350	\$1,000
Hedge/Member	Increase	\$500	\$500	\$1,000	\$1,000

CBOT OTC Ethanol Gulf Coast Basis Swap (75) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$810	\$600	\$1,013	\$750
Hedge/Member	Increase	\$600	\$600	\$750	\$750

CBOT OTC Ethanol Los Angeles Basis Swap (74) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$810	\$600	\$1,013	\$750
Hedge/Member	Increase	\$600	\$600	\$750	\$750

CBOT OTC Ethanol New York Harbor Basis Swap (73) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$810	\$600	\$1,013	\$750
Hedge/Member	Increase	\$600	\$600	\$750	\$750

**The following spreads will no longer be offered:**

**CME Cash-Settled Butter Futures (CB) vs. Class IV Milk (DK) (8:1)**

**CME Cash-Settled Butter Futures (CB) vs. Nonfat Dry Milk (NF) (4:1)**

**Butter (DB) vs. Class IV Milk (DK) (4:1)**

**Butter (DB) vs. Nonfat Dry Milk (NF) (2:1)**

Please contact the Risk Management Department at 312-648-3888, if you have any questions regarding these Performance Bond Changes.