

Advisory Notice

Clearing House

04-251

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

FROM: Clearing House Department

SUBJECT: Performance Bond Requirements

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.

Chicago Mercantile Exchange Inc. and Chicago Board of Trade Performance Bond staff approved the performance bond requirements for the following new product listed below. These margins will become effective at the close of business on **Friday, December 17, 2004.**

The staff recommendations are listed below:

SPAN® MINIMUM PERFORMANCE BOND REQUIREMENTS

CBOT Agricultural Futures Outright Rates

Wheat (CBOT) (W)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$675	\$500	\$608	\$450
Hedge/Member	Decrease	\$500	\$500	\$450	\$450

Mini-Wheat (CBOT) (YW)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$135	\$100	\$122	\$90
Hedge/Member	Decrease	\$100	\$100	\$90	\$90

Soybean (CBOT) (S)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Speculative - Old Crop	Decrease	\$1,620	\$1,200	\$1,215	\$900
Hedge/Member - Old Crop	Decrease	\$1,200	\$1,200	\$900	\$900
Speculative - New Crop	Decrease	\$1,620	\$1,200	\$1,215	\$900
Hedge/Member - New Crop	Decrease	\$1,200	\$1,200	\$900	\$900

Mini-Soybean (CBOT) (YK)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Speculative - Old Crop	Decrease	\$324	\$240	\$243	\$180
Hedge/Member - Old Crop	Decrease	\$240	\$240	\$180	\$180
Speculative - New Crop	Decrease	\$324	\$240	\$243	\$180
Hedge/Member - New Crop	Decrease	\$240	\$240	\$180	\$180

Soybean Oil (CBOT) (07)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Speculative - Old Crop	Decrease	\$878	\$650	\$642	\$475
Hedge/Member - Old Crop	Decrease	\$650	\$650	\$475	\$475
Speculative - New Crop	Decrease	\$878	\$650	\$642	\$475
Hedge/Member - New Crop	Decrease	\$650	\$650	\$475	\$475

CBOT Agricultural Futures Intra-Commodity Spread Rates

Oats (CBOT) (O) - (Old Crop Year vs. New Crop Year)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$203	\$150	\$270	\$200
Hedge/Member	Increase	\$150	\$150	\$200	\$200

Rough Rice (CBOT) (14) - All Months

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$203	\$150	\$102	\$75
Hedge/Member	Decrease	\$150	\$150	\$75	\$75

Soybean (CBOT) (S) - (Old Crop Year vs. New Crop Year)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$675	\$500	\$473	\$350
Hedge/Member	Decrease	\$500	\$500	\$350	\$350

Soybean Oil (CBOT) (07) – (Same Crop Year)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$135	\$100	\$102	\$75
Hedge/Member	Decrease	\$100	\$100	\$75	\$75

Soybean Oil (CBOT) (07) - (Old Crop Year vs. New Crop Year)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$405	\$300	\$338	\$250
Hedge/Member	Decrease	\$300	\$300	\$250	\$250

CBOT Agricultural Futures Inter-Commodity Spread Rates

Soybean Oil (CBOT) (07) vs. Soybean (CBOT) (S) (1:1)

Rate Type	Change	Current	New
Spread Credit Rate	Increase	65%	75%

Soymeal (CBOT) (06) vs. Soybean (CBOT) (S) (1:1)

Rate Type	Change	Current	New
Spread Credit Rate	Increase	70%	75%

CBOT Interest Rate Futures Outright Rates

US Long Bond (17)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$1,755	\$1,300	\$1,890	\$1,400
Hedge/Member	Increase	\$1,300	\$1,300	\$1,400	\$1,400

Mini- US Long Bond (65)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$878	\$650	\$945	\$700
Hedge/Member	Increase	\$650	\$650	\$700	\$700

Fed Funds (CBOT) (41) Mths 1-3

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$405	\$300	\$338	\$250
Hedge/Member	Decrease	\$300	\$300	\$250	\$250

CBOT Interest Rate Futures Intra-Commodity Spread Rates

Fed Funds (CBOT) (41) - Tier 1 vs. Tier 2 [mth 1-3 vs. mth 4-6]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$270	\$200	\$203	\$150
Hedge/Member	Decrease	\$200	\$200	\$150	\$150

Fed Funds (CBOT) (41) - Tier 1 vs. Tier 3 [mth 1-3 vs. mth 7-12]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$338	\$250	\$270	\$200
Hedge/Member	Decrease	\$250	\$250	\$200	\$200

CBOT Interest Rate Futures Inter-Commodity Spread Rates

10 Year Treasury Note (21) vs. 2 Year Treasury Note (26) (1:1)

Rate Type	Change	Current	New
Spread Credit Rate	Decrease	70%	60%

10 Year Treasury Note (21) vs. 2 Year Treasury Note (26) (2:3)

Rate Type	Change	Current	New
Spread Credit Rate	Decrease	80%	70%

10 Year Treasury Note (21) vs. Eurodollar (ED) Tier 2 (2:5)

Rate Type	Change	Current	New
Spread Credit Rate	Decrease	80%	75%

5 Year Treasury Note (25) vs. Municipal Note (CBOT) (42) (1:1)

Rate Type	Change	Current	New
Spread Credit Rate	Decrease	80%	70%

5 Year Treasury Note (25) vs. 2 Year Treasury Note (26) (1:1)

Rate Type	Change	Current	New
Spread Credit Rate	Decrease	85%	80%

US Long Bond (17) vs. 10 Year Treasury Note (21) (1:1)

Rate Type	Change	Current	New
Spread Credit Rate	Decrease	80%	75%

US Long Bond (17) vs. 2 Year Treasury Note (26) (1:3)

Rate Type	Change	Current	New
Spread Credit Rate	Decrease	75%	65%

CBOT Metal Futures Inter-Commodity Spread Rates

Gold (38) /Mini Gold vs. Silver (39) /Mini Silver (1:1)

Rate Type	Change	Current	New
Spread Credit Rate	Decrease	60%	45%

CBOT Volatility Scan Range

Product Name	Change	Current	New
Corn	Decrease	4.0%	1.5%

Please contact the Risk Management Department at 312-648-3888, if you have any questions regarding these performance bond changes.