

Advisory Notice

Clearing House

08-121

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, June 10, 2008

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 Notices 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 **Wednesday, June 11, 2008**.

Revised to reflect change in effective date for the Eurodollar Volatility Scan Range

SPAN[®] MINIMUM PERFORMANCE BOND REQUIREMENTS

CME Interest Rate Futures Intra-Commodity Spread Rates

Eurodollar (ED) - All Months Butterfly [Mo. 3]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$101	\$75	\$135	\$100
Hedge/Member	Increase	\$75	\$75	\$100	\$100

Eurodollar (ED) - All Months Butterfly [Mo.4]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$68	\$50	\$135	\$100
Hedge/Member	Increase	\$50	\$50	\$100	\$100

Eurodollar (ED) - All Months Butterfly Skip-1 [Mo. 1]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$338	\$250	\$473	\$350
Hedge/Member	Increase	\$250	\$250	\$350	\$350

Eurodollar (ED) - All Months Butterfly Skip-1 [Mo.3]

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

Eurodollar (ED) - All Months Butterfly Skip-1 [Mo.4]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$203	\$150	\$236	\$175
Hedge/Member	Increase	\$150	\$150	\$175	\$175

Eurodollar (ED) - All Months Butterfly Skip-2 [Mo.1]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$540	\$400	\$608	\$450
Hedge/Member	Increase	\$400	\$400	\$450	\$450

Eurodollar (ED) - All Months Butterfly Skip-2 [Mo.6]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$169	\$125	\$203	\$150
Hedge/Member	Increase	\$125	\$125	\$150	\$150

Eurodollar (ED) - All Months Butterfly Skip-2 [Mos.10]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$101	\$75	\$135	\$100
Hedge/Member	Increase	\$75	\$75	\$100	\$100

Eurodollar (ED) - All Months Butterfly Skip-3 [Mo.2]

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

Eurodollar (ED) - All Months Butterfly Skip-3 [Mo.5]

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

Eurodollar (ED) - All Months Butterfly Skip-3 [Mo.6]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$169	\$125	\$236	\$175
Hedge/Member	Increase	\$125	\$125	\$175	\$175

Eurodollar (ED) - Tier 1 vs. Tier 2 [mth 01-04 vs. mth 05-08]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread -	Increase	\$608	\$450	\$675	\$500

Spec					
Intra-Commodity Spread - Hedge	Increase	\$450	\$450	\$500	\$500
Intra-Commodity Spread - Member	Increase	\$450	\$450	\$500	\$500

Eurodollar (ED) - Tier 3 vs. Tier 3 [mth 09-12 vs. mth 09-12]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$169	\$125	\$203	\$150
Intra-Commodity Spread - Hedge	Increase	\$125	\$125	\$150	\$150
Intra-Commodity Spread - Member	Increase	\$125	\$125	\$150	\$150

Eurodollar (ED) - Tier 3 vs. Tier 5 [mth 09-12 vs. mth 17-20]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$405	\$300	\$473	\$350
Intra-Commodity Spread - Hedge	Increase	\$300	\$300	\$350	\$350
Intra-Commodity Spread - Member	Increase	\$300	\$300	\$350	\$350

Eurodollar (ED) - Tier 3 vs. Tier 8 [mth 09-12 vs. mth 29-32]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$608	\$450	\$675	\$500
Intra-Commodity Spread - Hedge	Increase	\$450	\$450	\$500	\$500
Intra-Commodity Spread - Member	Increase	\$450	\$450	\$500	\$500

Eurodollar (ED) - Tier 3 vs. Tier 9 [mth 09-12 vs. mth 33-36]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$608	\$450	\$675	\$500
Intra-Commodity Spread - Hedge	Increase	\$450	\$450	\$500	\$500
Intra-Commodity Spread - Member	Increase	\$450	\$450	\$500	\$500

Eurodollar (ED) - Tier 4 vs. Tier 10 [mth 13-16 vs. mth 37-40]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$540	\$400	\$608	\$450
Intra-Commodity Spread - Hedge	Increase	\$400	\$400	\$450	\$450
Intra-Commodity Spread - Member	Increase	\$400	\$400	\$450	\$450

Eurodollar (ED) - Tier 4 vs. Tier 11 [mth 13-16 vs. mth 41-44]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$608	\$450	\$675	\$500
Intra-Commodity Spread - Hedge	Increase	\$450	\$450	\$500	\$500
Intra-Commodity Spread - Member	Increase	\$450	\$450	\$500	\$500

Eurodollar (ED) - Tier 4 vs. Tier 4 [mth 13-16 vs. mth 13-16]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$169	\$125	\$203	\$150
Intra-Commodity Spread - Hedge	Increase	\$125	\$125	\$150	\$150
Intra-Commodity Spread - Member	Increase	\$125	\$125	\$150	\$150

Eurodollar (ED) - Tier 4 vs. Tier 6 [mth 13-16 vs. mth 21-24]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$405	\$300	\$473	\$350
Intra-Commodity Spread - Hedge	Increase	\$300	\$300	\$350	\$350
Intra-Commodity Spread - Member	Increase	\$300	\$300	\$350	\$350

Eurodollar (ED) - Tier 4 vs. Tier 7 [mth 13-16 vs. mth 25-28]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$405	\$300	\$473	\$350
Intra-Commodity Spread - Hedge	Increase	\$300	\$300	\$350	\$350
Intra-Commodity Spread - Member	Increase	\$300	\$300	\$350	\$350

Eurodollar (ED) - Tier 5 vs. Tier 7 [mth 17-20 vs. mth 25-28]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$236	\$175	\$270	\$200
Intra-Commodity Spread - Hedge	Increase	\$175	\$175	\$200	\$200
Intra-Commodity Spread - Member	Increase	\$175	\$175	\$200	\$200

Eurodollar (ED) - Tier 6 vs. Tier 6 [mth 21-24 vs. mth 21-24]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$68	\$50	\$101	\$75

Intra-Commodity Spread - Hedge	Increase	\$50	\$50	\$75	\$75
Intra-Commodity Spread - Member	Increase	\$50	\$50	\$75	\$75

Eurodollar (ED) - Tier 6 vs. Tier 7 [mth 21-24 vs. mth 25-28]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra-Commodity Spread - Spec	Increase	\$135	\$100	\$169	\$125
Intra-Commodity Spread - Hedge	Increase	\$100	\$100	\$125	\$125
Intra-Commodity Spread - Member	Increase	\$100	\$100	\$125	\$125

LIBOR (1-Month) (EM) - T1 (Mos. 1-4) vs. T1 (Mos. 1-4) [mth 1-4 vs. mth 1-4]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$338	\$250	\$473	\$350
Hedge/Member	Increase	\$250	\$250	\$350	\$350

LIBOR (1-Month) (EM) - T1 (Mos. 1-4) vs. T2 (Mos. 5-sub) [mth 1-4 vs. mth 5-9]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$540	\$400	\$675	\$500
Hedge/Member	Increase	\$400	\$400	\$500	\$500

CBOT Interest Rate Futures Intra-Commodity Spread Rates

Fed Funds (CBOT) (41) - Tier 1 vs. Tier 2 [mth 1-4 vs. mth 5-12]

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	\$743	\$550	\$878	\$650
Hedge/Member	Increase	\$550	\$550	\$650	\$650

CBOT Agricultural Futures Intra-Commodity Spread Rates

Wheat (CBOT) (W) - Old Crop Year vs. New Crop Year (July through May)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$1,620	\$1,200	\$1,350	\$1,000
Hedge/Member	Decrease	\$1,200	\$1,200	\$1,000	\$1,000

Wheat (CBOT) (W) - Wheat

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Decrease	\$945	\$700	\$810	\$600
Hedge/Member	Decrease	\$700	\$700	\$600	\$600

In addition, the volatility scan range will change for the following products. The volatility scan range is the change in implied volatility that is used in each of SPAN's 16 scenarios. These changes will be effective after the close of business on **Thursday, June 12, 2008.**

<u>Code</u>	<u>Product Name</u>	<u>Current Volatility Scan Range</u>	<u>New Volatility Scan Range</u>
ED	Eurodollars	5.20%	7.0%

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