

Advisory Notice

Clearing House

07-210

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

FROM: Clearing House Department

SUBJECT: Performance Bond Requirements

DATE: September 6, 2007

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 CME Group Performance Bond staff approved the performance bond requirements for the new product listed below. These margins will become effective with the launch of this product on **Monday, September 10, 2007.**

SPAN® MINIMUM PERFORMANCE BOND REQUIREMENTS

CME Forest Product Futures Outright Rates

Northern Bleached Softwood Kraft Pulp (WP)

Rate Type	Change	Initial	Maintenance	Volatility Scan Range	Short Option Minimum
Spec	Increase	\$375	\$250	2.5%	1.5%
Hedge/Member	Increase	\$250	\$250		

CME Forest Product Futures Intra-Commodity Spread Rates

Northern Bleached Softwood Kraft Pulp (WP) - All Months

Rate Type	Change	Initial	Maintenance
Spec	N/A	\$150	\$100
Hedge/Member	N/A	\$100	\$100

As per the normal review of market volatility to ensure adequate collateral coverage, CME Group Performance Bond staff approved volatility scan range changes for the following products listed below. The Volatility Scan range is the amount by which the implied volatility levels are changed for each option during the Span margining process. For those Span margin scenarios that have implied volatility changes, the current implied volatility is moved either up or down by the amount of the Volatility Scan Range. For a futures-only portfolio, the Volatility Scan Range will have no effect. These changes will become effective at the close of business on **Monday, September 10, 2007**.

CME Cash-Settled Butter (CB)

Volatility Scan Range	Short Option Minimum
2.0%	1.5%

CME Dry Whey Futures (DY)

Volatility Scan Range	Short Option Minimum
1.0%	1.5%

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