

Advisory Notice

Clearing House

08-277

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

FROM: CME Clearing

SUBJECT: **Performance Bond Requirement Changes -Effective Wednesday, October 15th**

DATE: Tuesday, October 14th, 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 are effective after the close of business on **Wednesday, October 15th**.

Volatility Scan Rages*

	Old Scan Range	New Scan Range
Live Cattle (LC)	2.5%	3.0%
Feeder Cattle (FC)	2.0%	3.0%
Lean Hogs (LN)	2.0%	3.0%
Australian Dollars (AD)	2.0%	4.0%
British Pound (BP)	1.0%	2.0%
Canadian Dollar (CD)	1.0%	2.0%
Euro FX (EC)	1.0%	2.0%
Japanese Yen (JY)	2.0%	4.0%
Mexican Peso (MP)	2.5%	5.0%
Swiss Franc (SF)	1.0%	2.0%
Nasdaq-100 Index (ND)	6.0%	8.0%
E-mini Nasdaq-100 (NQ)	6.0%	8.0%

Eurodollars (ED)	7.0%	12%
Soybeans (S)	5.0%	8.0%
Corn (C)	5.0%	8.0%
US Long Bond (17)	1.25%	2.0%
10 Year Treasury Note (21)	1.25%	1.5%
5 Year Treasury Note (25)	1.25%	1.5%
2 Year Treasury Note (26)	0.75%	1.0%
Fed Funds (41)	15%	20%

** The volatility scan range is the change in implied volatility that is used in Span's scenario calculations of performance bond requirements. Span uses price and implied volatility changes as well as other factors to determine the appropriate performance bond amounts. This does not affect the outright futures margin requirement, but will generally impact portfolios that include options.*