



A CME/Chicago Board of Trade/NYMEX Company

Advisory Notice

Clearing House

08-281

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

FROM: CME Clearing

SUBJECT: **Revised** - Performance Bond Requirement Changes
Volatility Scan Range Changes

DATE: Thursday, October 16th, 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 **Friday, October 17th, 2008.**

CME Index Futures Outright Rates

CME PowerShares QQQ (QQ)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|----------------------|----------|-----------------|---------------------|-------------|-----------------|
| Clearing/Member Rate | Increase | 7.20% | 7.20% | 9.00% | 9.00% |
| Customer Rate | N/A | 20.00% | 20.00% | 20.00% | 20.00% |

S&P 500 Stock Index (SP)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$25,313 | \$20,250 | \$28,125 | \$22,500 |
| Hedge/Member | Increase | \$20,250 | \$20,250 | \$22,500 | \$22,500 |

S & P 500 ETF (PY)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|----------------------|----------|-----------------|---------------------|-------------|-----------------|
| Clearing/Member Rate | Increase | 7.20% | 7.20% | 9.00% | 9.00% |
| Customer Rate | N/A | 20.00% | 20.00% | 20.00% | 20.00% |

E-Mini S&P 500 (ES)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$5,063 | \$4,050 | \$5,625 | \$4,500 |
| Hedge/Member | Increase | \$4,050 | \$4,050 | \$4,500 | \$4,500 |

Nasdaq-100 Index (ND)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$16,250 | \$13,000 | \$18,750 | \$15,000 |
| Hedge/Member | Increase | \$13,000 | \$13,000 | \$15,000 | \$15,000 |

E-Mini MSCI EAFE Index Futures (EFE)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$7,500 | \$6,000 | \$9,375 | \$7,500 |
| Hedge/Member | Increase | \$6,000 | \$6,000 | \$7,500 | \$7,500 |

E-Mini MSCI Emerging Markets Index (EMI)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$7,500 | \$6,000 | \$9,375 | \$7,500 |
| Hedge/Member | Increase | \$6,000 | \$6,000 | \$7,500 | \$7,500 |

E-Mini Nasdaq 100 (NQ)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$3,250 | \$2,600 | \$3,750 | \$3,000 |
| Hedge/Member | Increase | \$2,600 | \$2,600 | \$3,000 | \$3,000 |

S&P Midcap 400 (MD)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$23,750 | \$19,000 | \$28,750 | \$23,000 |
| Hedge/Member | Increase | \$19,000 | \$19,000 | \$23,000 | \$23,000 |

E-mini S&P Midcap 400 (ME)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$4,750 | \$3,800 | \$5,750 | \$4,600 |
| Hedge/Member | Increase | \$3,800 | \$3,800 | \$4,600 | \$4,600 |

S&P 500/BARRA Growth Index (SG)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$11,250 | \$9,000 | \$12,500 | \$10,000 |
| Hedge/Member | Increase | \$9,000 | \$9,000 | \$10,000 | \$10,000 |

S&P Small Cap 600 (SMP)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$12,500 | \$10,000 | \$15,000 | \$12,000 |
| Hedge/Member | Increase | \$10,000 | \$10,000 | \$12,000 | \$12,000 |

S&P 500/BARRA Value Index (SU)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$14,063 | \$11,250 | \$15,625 | \$12,500 |
| Hedge/Member | Increase | \$11,250 | \$11,250 | \$12,500 | \$12,500 |

NIKKEI 225 Stock Index (NK)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$5,625 | \$4,500 | \$6,250 | \$5,000 |
| Hedge/Member | Increase | \$4,500 | \$4,500 | \$5,000 | \$5,000 |

Yen Based NIKKEI 225 Stock Index (N1)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | ¥587,500 | ¥470,000 | ¥625,000 | ¥500,000 |
| Hedge/Member | Increase | ¥587,500 | ¥470,000 | ¥500,000 | ¥500,000 |

CBOT Stock Index Futures Outright Rates

\$25 BIG Dow (DO)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$19,688 | \$15,750 | \$21,875 | \$17,505 |
| Hedge/Member | Increase | \$15,750 | \$15,750 | \$17,505 | \$17,505 |

Dow Jones (CBOT) (11)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$7,875 | \$6,300 | \$8,750 | \$7,002 |
| Hedge/Member | Increase | \$6,300 | \$6,300 | \$7,002 | \$7,002 |

Mini-Dow Jones (CBOT) (YM)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--------------|----------|-----------------|---------------------|-------------|-----------------|
| Spec | Increase | \$3,938 | \$3,150 | \$4,375 | \$3,501 |
| Hedge/Member | Increase | \$3,150 | \$3,150 | \$3,501 | \$3,501 |

CME Security Futures Outright Rates

ONE Power Shares QQQ (QQ9)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|----------------------|----------|-----------------|---------------------|-------------|-----------------|
| Clearing/Member Rate | Increase | 7.20% | 7.20% | 9.00% | 9.00% |
| Customer Rate | N/A | 20.00% | 20.00% | 20.00% | 20.00% |

PowerShares QQQ (Q99)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|----------------------|----------|-----------------|---------------------|-------------|-----------------|
| Clearing/Member Rate | Increase | 7.20% | 7.20% | 9.00% | 9.00% |
| Customer Rate | N/A | 20.00% | 20.00% | 20.00% | 20.00% |

ONE SPDR Trust Series 1 (PY9)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|----------------------|----------|-----------------|---------------------|-------------|-----------------|
| Clearing/Member Rate | Increase | 7.20% | 7.20% | 9.00% | 9.00% |
| Customer Rate | N/A | 20.00% | 20.00% | 20.00% | 20.00% |

SPDR Trust Series 1 (SY9)

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|----------------------|----------|-----------------|---------------------|-------------|-----------------|
| Clearing/Member Rate | Increase | 7.20% | 7.20% | 9.00% | 9.00% |
| Customer Rate | N/A | 20.00% | 20.00% | 20.00% | 20.00% |

Volatility Scan Ranges*

| | Old Scan Range | New Scan Range |
|-------------------------------|----------------|----------------|
| S&P 500 Index (SP) | 7.5% | 9.0% |
| E-mini S&P 500 Index (ES) | 7.5% | 9.0% |
| S&P Smallcap 600 (SMP) | 5.0% | 9.0% |
| E-mini S&P Smallcap 600 (SMC) | 5.0% | 9.0% |
| S&P 500 BARRA Growth (SG) | 5.0% | 9.0% |
| S&P 500 BARRA Value (SU) | 5.0% | 9.0% |
| Nasdaq-100 Index (ND) | 8.0% | 9.0% |
| E-mini Nasdaq-100 Index (NQ) | 8.0% | 9.0% |
| E-mini Nasdaq Composite (QN) | 5.0% | 9.0% |
| Nikkei 225 (NK) | 6.0% | 7.0% |
| Yen-Based Nikkei 225 (N1) | 5.0% | 7.0% |
| S&P Midcap 400 (MD) | 5.0% | 9.0% |
| E-mini S&P Midcap 400 (ME) | 5.0% | 9.0% |

* 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.