CME Group
A CME/Chicago Board of Trade Company

Advisory Notice

Clearing House

08-43

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

FROM: CME Clearing

SUBJECT: **Revised:** Performance Bond Requirements

DATE: Wednesday March 12, 2008

Revised to explain the concept of Short Option Minimum

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. These margins are effective at the close of business on **Thursday, March 13, 2008**.

SPAN® MINIMUM PERFORMANCE BOND REQUIREMENTS

CBOT Interest Rate Futures Outright Rates

10 Year Treasury Note (21)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	$1,620	$1,200	$1,890	$1,400
Hedge/Member	Increase	$1,200	$1,200	$1,400	$1,400

5 Year Treasury Note (25)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	$1,215	$900	$1,350	$1,000
Hedge/Member	Increase	$900	$900	$1,000	$1,000

10 Year Swap (CBOT) (66)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	$2,025	$1,500	$2,160	$1,600
Hedge/Member	Increase	$1,500	$1,500	$1,600	$1,600

CME Currency Futures Outright Rates

Cross Rate Euro FX /Polish Zloty (Z)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	EUR1,688	EUR1,250	EUR1,823	EUR1,350
Hedge/Member	Increase	EUR1,250	EUR1,250	EUR1,350	EUR1,350

Cross Rate Euro FX/Hungarian Forint (R)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	EUR2,025	EUR1,500	EUR2,565	EUR1,900
Hedge/Member	Increase	EUR1,500	EUR1,500	EUR1,900	EUR1,900

Cross Rate Euro FX/Swiss Franc (RF)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	$1,958	$1,450	$2,295	$1,700
Hedge/Member	Increase	$1,450	$1,450	$1,700	$1,700

FXMS Currency Spot Outright Rates

Cross Rate Euro FX/Swiss Franc Spot (EURCH)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	$1,958	$1,450	$2,295	$1,700
Hedge/Member	Increase	$1,450	$1,450	$1,700	$1,700

CBOT Agricultural Futures Outright Rates

Oats (CBOT) (O)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	$1,283	$950	$1,350	$1,000
Hedge/Member	Increase	$950	$950	$1,000	$1,000

Rough Rice (CBOT) (14)

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Spec	Increase	$1,215	$900	$1,350	$1,000
Hedge/Member	Increase	$900	$900	$1,000	$1,000

In addition, the Short Option Minimum (SOM) will change for the following products. SOM is a charge that is applied only to portfolios concentrated in short options that do not generate a minimum margin requirement level when margins are calculated using the normal 16 SPAN scenarios. The SOM charge per short calls or short puts is a percentage of the outright margin on one underlying futures contract.

Code	Description	Current SOM	New SOM
66	10 Year Swap (CBOT)	0.50%	1.00%
21	10 Year Treasury Note	0.50%	1.00%
38	100 oz. Gold Futures	0.50%	1.00%
26	2 Year Treasury Note	0.50%	1.00%
I3	30 Year Swap (CBOT)	0.50%	1.00%
NG	5 Year Swap (CBOT)	0.50%	1.00%
25	5 Year Treasury Note	0.50%	1.00%
39	5000 oz. Silver Futures	0.50%	1.00%
08	Binary Options on Target Fed Funds Rate	0.50%	1.00%
C	Corn	0.50%	1.00%
64	Dow AIG Index	0.50%	1.00%
11	Dow Jones	0.50%	1.00%
ED	Eurodollars	1.50%	1.00%
41	Fed Funds	0.50%	1.00%
63	Mini- Gold	0.50%	1.00%
61	Mini- Silver	0.50%	1.00%
YC	Mini-Corn	0.50%	1.00%
YM	Mini-Dow Jones	0.50%	1.00%
YK	Mini-Soybean	0.50%	1.00%
YW	Mini-Wheat	0.50%	1.00%
O	Oats	0.50%	1.00%
14	Rough Rice	0.50%	1.00%
30	South American Soybean	0.50%	1.00%
S	Soybean	0.50%	1.00%
31	Soybean Crush Option Spread	0.50%	1.00%
07	Soybean Oil	0.50%	1.00%
06	Soymeal	0.50%	1.00%
17	US Long Bond	0.50%	1.00%
W	Wheat	0.50%	1.00%

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