09-513

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, November 20, 2009

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 Notice 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

Friday, November 20, 2009.

In this current advisory there are changes to the Short Option Minimum and/or the Volatility Scan Range. Below are descriptions of what each change affects:

The Short Option Minimum (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.

The volatility scan range is the change in implied volatility that is used in each of SPAN's 16 scenarios.

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
		NYMEX CRACKS AND SPREADS - Outright Rates						
ARGUS SOUR CRD IDX VS WTI DIFF CAL (38)								
38	Spec		New	USD			3,000	3,000
38	Hedge/Member		New	USD			3,000	3,000
ARGUS SOUR CRUDE INDX VS WTI DIF SW (36)								
36	Spec		New	USD			3,000	3,000
36	Hedge/Member		New	USD			3,000	3,000
		NYMEX CRUDE PRODUCTS - Outright Rates						
ARGUS SOUR CRUDE IDX CAL MTH SWAP (37)								
37	Spec		New	USD			4,500	4,500
37	Hedge/Member		New	USD			4,500	4,500
ARGUS SOUR CRUDE IND WGT(ASCI) TRD (29)								
29	Spec		New	USD			4,500	4,500
29	Hedge/Member		New	USD			4,500	4,500
ARGUS WTI FORMULA BASIS CAL SWP (39)								
39	Spec		New	USD			4,500	4,500
39	Hedge/Member		New	USD			4,500	4,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance

Intra Spreads

NYMEX CRACKS AND SPREADS - Intra Spreads

Argus Sour Crude Index (ASCI) vs. WTI Diff Spread Calendar Month Swap Futures - All Months (ARGUS SOUR CRD IDX VS WTI DIFF CAL) (36)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
38	Spec		New	USD			1,000	1,000
38	Hedge/Member		New	USD			1,000	1,000

Argus Sour Crude Index (ASCI) vs. WTI Diff Spread Trade Month Swap Futures - All Months (ARGUS SOUR CRUDE INDX VS WTI DIF SW) (38)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
36	Spec		New	USD			1,000	1,000
36	Hedge/Member		New	USD			1,000	1,000

NYMEX CRUDE PRODUCTS - Intra Spreads

Argus Sour Crude Index (ASCI) Trade Month Swap Futures - All Months (ARGUS SOUR CRUDE IND WGT(ASCI) TRD) (37)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
29	Spec		New	USD			1,500	1,500
29	Hedge/Member		New	USD			1,500	1,500

Argus WTI Formula Basis Calendar Month Swap - All Months (ARGUS WTI FORMULA BASIS CAL SWP) (39)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
39	Spec		New	USD			1,500	1,500
39	Hedge/Member		New	USD			1,500	1,500

All Months (ARGUS SOUR CRUDE IDX CAL MTH SWAP) (29)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
37	Spec		New	USD			1,500	1,500
37	Hedge/Member		New	USD			1,500	1,500

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SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate					

NYMEX CRACKS AND SPREADS - Short Option Minimum (SOM) Rate

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
ARGUS SOUR CRUDE INDEX (ASCI) VS. WTI DIFF SPREAD CALENDAR MONTH SWAP (NYM-38) - SOM					
Clearing Member Rate	New			60.00	60.00
ARGUS SOUR CRUDE INDEX (ASCI) VS. WTI DIFF SPREAD TRADE MONTH SWAP (NYM-36) - SOM					
Clearing Member Rate	New			60.00	60.00

NYMEX CRUDE PRODUCTS - Short Option Minimum (SOM) Rate

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
ARGUS SOUR CRUDE INDEX (ASCI) TRADE MONTH SWAP (NYM-29) - SOM					
Clearing Member Rate	New			60.00	60.00
ARGUS SOUR CRUDE INDEX (ASCI) CALENDAR MONTH SWAP (NYM-37) - SOM					
Clearing Member Rate	New			60.00	60.00
ARGUS WTI FORMULA BASIS CALENDAR MONTH SWAP (NYM-39) - SOM					
Clearing Member Rate	New			60.00	60.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
NYMEX CRACKS AND SPREADS - Volatility Scan (volScan) Rate					
ARGUS SOUR CRUDE INDEX (ASCI) VS. WTI DIFF SPREAD CALENDAR MONTH SWAP (NYM-38) - volScan					
Clearing Member Rate	New				0.06
ARGUS SOUR CRUDE INDEX (ASCI) VS. WTI DIFF SPREAD TRADE MONTH SWAP (NYM-36) - volScan					
Clearing Member Rate	New				0.06
NYMEX CRUDE PRODUCTS - Volatility Scan (volScan) Rate					
ARGUS SOUR CRUDE INDEX (ASCI) TRADE MONTH SWAP (NYM-29) - volScan					
Clearing Member Rate	New				0.06
ARGUS SOUR CRUDE INDEX (ASCI) CALENDAR MONTH SWAP (NYM-37) - volScan					
Clearing Member Rate	New				0.06
ARGUS WTI FORMULA BASIS CALENDAR MONTH SWAP (NYM-39) - volScan					
Clearing Member Rate	New				0.06