



A CME/Chicago Board of Trade/NYMEX Company

10-08

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Thursday, January 07, 2010

***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, January 08, 2010.**

Current rates as of:

**Thursday, January 07, 2010.**

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
<b>Outright Rates</b>								
<b>NYMEX POWER PRODUCTS - Outright Rates</b>								
<b>PJM METED ZONE OFFPK CAL MO LMP SWP (46)</b>								
46	Spec	Tier 1	New	USD			17	15
46	Hedge/Member	Tier 1	New	USD			15	15
46	Spec	Tier 2	New	USD			17	15
46	Hedge/Member	Tier 2	New	USD			15	15
<b>PJM METED ZONE PK CAL LMP SWP FUT (47)</b>								
47	Spec	Tier 1	New	USD			440	400
47	Hedge/Member	Tier 1	New	USD			400	400
47	Spec	Tier 2	New	USD			440	400
47	Hedge/Member	Tier 2	New	USD			400	400
<b>PJM PENELEC ZN OFF-PK CAL LMP SWP (50)</b>								
50	Spec	Tier 1	New	USD			17	15
50	Hedge/Member	Tier 1	New	USD			15	15
50	Spec	Tier 2	New	USD			17	15
50	Hedge/Member	Tier 2	New	USD			15	15
<b>PJM PENELEC ZONE PK CAL LMP SWP FT (49)</b>								
49	Spec	Tier 1	New	USD			440	400
49	Hedge/Member	Tier 1	New	USD			400	400
49	Spec	Tier 2	New	USD			440	400
49	Hedge/Member	Tier 2	New	USD			400	400

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Intra Spreads</b>								
<b>NYMEX POWER PRODUCTS - Intra Spreads</b>								
<b>PJM Meted Zone Off-Peak Calendar-Month Day-Ahead LMP - Tier 1 vs. Tier 2 (PJM METED ZONE OFFPK CAL MO LMP SWP)</b>								
46	Spec		New	USD			3	3
46	Hedge/Member		New	USD			3	3
<b>PJM Meted Zone Off-Peak Calendar-Month Day-Ahead LMP - Tier 2 vs. Tier 2 (PJM METED ZONE OFFPK CAL MO LMP SWP)</b>								
46	Spec		New	USD			3	3
46	Hedge/Member		New	USD			3	3
<b>PJM Meted Zone Peak Calendar-Month Day-Ahead LMP - Tier 1 vs. Tier 2 (PJM METED ZONE PK CAL LMP SWP FUT)</b>								
47	Spec		New	USD			55	50
47	Hedge/Member		New	USD			50	50
<b>PJM Meted Zone Peak Calendar-Month Day-Ahead LMP - Tier 2 vs. Tier 2 (PJM METED ZONE PK CAL LMP SWP FUT)</b>								
47	Spec		New	USD			55	50
47	Hedge/Member		New	USD			50	50
<b>PJM Penelec Zone Off-Peak Calendar-Month Day-Ahead LMP - Tier 1 vs. Tier 2 (PJM PENELEC ZN OFF-PK CAL LMP SWP)</b>								
50	Spec		New	USD			3	3
50	Hedge/Member		New	USD			3	3
<b>PJM Penelec Zone Off-Peak Calendar-Month Day-Ahead LMP - Tier 2 vs. Tier 2 (PJM PENELEC ZN OFF-PK CAL LMP SWP)</b>								
50	Spec		New	USD			3	3
50	Hedge/Member		New	USD			3	3
<b>PJM Penelec Zone Peak Calendar-Month Day-Ahead LMP - Tier 1 vs. Tier 2 (PJM PENELEC ZONE PK CAL LMP SWP FT)</b>								
49	Spec		New	USD			55	50
49	Hedge/Member		New	USD			50	50
<b>PJM Penelec Zone Peak Calendar-Month Day-Ahead LMP - Tier 2 vs. Tier 2 (PJM PENELEC ZONE PK CAL LMP SWP FT)</b>								
49	Spec		New	USD			55	50
49	Hedge/Member		New	USD			50	50

# SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Short Option Minimum (SOM) Rate</b>					
<b>NYMEX POWER PRODUCTS - Short Option Minimum (SOM) Rate</b>					
<b>PJM METED ZONE OFF-PEAK CALENDAR-MONTH DAY-AHEAD L (NYM-46) - SOM</b>					
Clearing Member Rate	New			60.00	60.00
<b>PJM METED ZONE PEAK CALENDAR-MONTH DAY-AHEAD LMP (NYM-47) - SOM</b>					
Clearing Member Rate	New			60.00	60.00
<b>PJM PENELEC ZONE OFF-PEAK CALENDAR-MONTH DAY-AHEAD (NYM-50) - SOM</b>					
Clearing Member Rate	New			60.00	60.00
<b>PJM PENELEC ZONE PEAK CALENDAR-MONTH DAY-AHEAD LMP (NYM-49) - SOM</b>					
Clearing Member Rate	New			60.00	60.00

# SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>					
<b>NYMEX POWER PRODUCTS - Volatility Scan (volScan) Rate</b>					
<b>PJM METED ZONE OFF-PEAK CALENDAR-MONTH DAY-AHEAD L (NYM-46) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
<b>PJM METED ZONE PEAK CALENDAR-MONTH DAY-AHEAD LMP (NYM-47) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
<b>PJM PENELEC ZONE OFF-PEAK CALENDAR-MONTH DAY-AHEAD (NYM-50) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08
<b>PJM PENELEC ZONE PEAK CALENDAR-MONTH DAY-AHEAD LMP (NYM-49) - volScan</b>					
Clearing Member Rate	New				0.08
Clearing Member Rate	New				0.08