



A CME/Chicago Board of Trade/NYMEX Company

10-09

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, January 08, 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

Monday, January 11, 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
Outright Rates								
CBOT INTEREST RATE FUTURES - Outright Rates								
LONG TERM U.S. TREASURY BOND FUTURE (UBE)								
UBE	Spec		New	USD			2,500	2,500
UBE	Hedge/Member		New	USD			2,500	2,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
CBOT INTEREST RATE FUTURES - Intra Spreads								
Ultra Long Bond (UBE) - All Months (LONG TERM U.S. TREASURY BOND FUTURE)								
UBE	Spec		New	USD			125	125
UBE	Hedge/Member		New	USD			125	125
Ultra Long Bond (UBE) - All Months Butterfly (LONG TERM U.S. TREASURY BOND FUTURE)								
UBE	Spec		New	USD			65	65
UBE	Hedge/Member		New	USD			65	65

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
CBOT INTEREST RATE FUTURES - Inter-commodity Spread Rates						
Scan Based Treasury Spread: Ultra Bond (UBE) vs. Bond (17) vs. 10 Year (21) vs. 5 Year (25) vs. 3 Year (3YR) vs. 2 Year (26)						
Spread Credit Rate	New	2: 2: 3: 5: 6: 6			80%	80%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate					
CBOT INTEREST RATE FUTURES - Short Option Minimum (SOM) Rate					
ULTRA LONG TREASURY BOND (UBE) - SOM					
Clearing Member Rate	New			20.00	20.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
CBOT INTEREST RATE FUTURES - Volatility Scan (volScan) Rate					
ULTRA LONG TREASURY BOND (UBE) - volScan					
Clearing Member Rate	New				0.02