

10-239

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, June 04, 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 **Saturday, June 05, 2010.**

Current rates as of:

Friday, June 04, 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								
ENVIRONMENTAL PRODUCTS - Outright Rates								
SO2 EMISSION 25 ALLOW FUT VINT 2009 (VAF)								
VAF	Spec		New	USD			275	250
VAF	Hedge/Member		New	USD			250	250

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ENVIRONMENTAL PRODUCTS - Intra Spreads								
Sulfur Dioxide (SO2) Vinatage 2009 Futures - All Months (SO2 EMISSION 25 ALLOW FUT VINT 2009)								
VAF	Spec		New	USD			83	75
VAF	Hedge/Member		New	USD			75	75

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate					
ENVIRONMENTAL PRODUCTS - Short Option Minimum (SOM) Rate					
SO2 EMISSION 25-ALLOWANCE FUTURES VINTAGE 2009 FUTURES (NY-VAF) - SOM					
Clearing Member Rate	New			66.00	60.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
ENVIRONMENTAL PRODUCTS - Volatility Scan (volScan) Rate					
SO2 EMISSION 25-ALLOWANCE FUTURES VINTAGE 2009 FUTURES (NY-VAF) - volScan					
Clearing Member Rate	New				0.08