



10-292

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, July 09, 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, July 09, 2010.**

Current rates as of:

**Friday, July 09, 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
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## Outright Rates

### NYMEX METALS - Outright Rates

#### IRON ORE FUTURES (TIO)

TIO	Spec		New	USD			5,500	5,000
TIO	Hedge/Member		New	USD			5,000	5,000

## SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
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### **Intra Spreads**

#### **NYMEX METALS - Intra Spreads**

#### **Iron Ore Futures - All Months (IRON ORE FUTURES)**

TIO	Spec		New	USD			1,100	1,000
TIO	Hedge/Member		New	USD			1,000	1,000

# **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 METALS - Short Option Minimum (SOM) Rate</b>					
<b>IRON ORE FUTURES (NY-TIO) - SOM</b>					
Clearing Member Rate	New			55.00	50.00
<b>NYMEX PETROLEUM PRODUCTS - Short Option Minimum (SOM) Rate</b>					
<b>GASOIL 1 MONTH CALENDAR COMBO (NY-GUS) - SOM</b>					
Clearing Member Rate	New			1,100.00	1,000.00
<b>GASOIL 12 MONTH CALENDAR COMBO (NY-GLS) - SOM</b>					
Clearing Member Rate	New			1,100.00	1,000.00
<b>GASOIL 2 MONTH CALENDAR COMBO (NY-GWS) - SOM</b>					
Clearing Member Rate	New			1,100.00	1,000.00
<b>GASOIL 3 MONTH CALENDAR COMBO (NY-GYS) - SOM</b>					
Clearing Member Rate	New			1,100.00	1,000.00
<b>GASOIL 6 MONTH CALENDAR COMBO (NY-GVS) - SOM</b>					
Clearing Member Rate	New			1,100.00	1,000.00

# SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
<b>Volatility Scan (volScan) Rate</b>					
<b>NYMEX METALS - Volatility Scan (volScan) Rate</b>					
<b>IRON ORE FUTURES (NY-TIO) - volScan</b>					
Clearing Member Rate	New				0.08
<b>NYMEX PETROLEUM PRODUCTS - Volatility Scan (volScan) Rate</b>					
<b>GASOIL 1 MONTH CALENDAR COMBO (NY-GUS) - volScan</b>					
Clearing Member Rate	New				0.11
<b>GASOIL 12 MONTH CALENDAR COMBO (NY-GLS) - volScan</b>					
Clearing Member Rate	New				0.11
<b>GASOIL 2 MONTH CALENDAR COMBO (NY-GWS) - volScan</b>					
Clearing Member Rate	New				0.11
<b>GASOIL 3 MONTH CALENDAR COMBO (NY-GYS) - volScan</b>					
Clearing Member Rate	New				0.11
<b>GASOIL 6 MONTH CALENDAR COMBO (NY-GVS) - volScan</b>					
Clearing Member Rate	New				0.11