



10-301

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Thursday, July 15, 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 16, 2010.**

Current rates as of:

Thursday, July 15, 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

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate					
COMEX METALS - Short Option Minimum (SOM) Rate					
COPPER FUTURES (CX-HG) - SOM					
Clearing Member Rate	Increase	40.50	30.00	60.75	45.00
GOLD FUTURES (CX-GC) - SOM					
Clearing Member Rate	Increase	40.50	30.00	60.75	45.00
SILVER FUTURES (CX-SI) - SOM					
Clearing Member Rate	Increase	40.50	30.00	60.75	45.00
NYMEX METALS - Short Option Minimum (SOM) Rate					
PALLADIUM FUTURES (NY-PA) - SOM					
Clearing Member Rate	Increase	22.00	20.00	33.00	30.00
PLATINUM FUTURES (NY-PL) - SOM					
Clearing Member Rate	Increase	44.00	40.00	55.00	50.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
NYMEX NATURAL GAS PRODUCTS - Volatility Scan (volScan) Rate					
HENRY HUB NATURAL GAS FUTURES (NY-NG, NN, HP) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Decrease		0.08		0.06
Clearing Member Rate	Decrease		0.05		0.04