CME Group

10-310

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Wednesday, July 21, 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 23, 2010.

Current rates as of:

Wednesday, July 21, 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								

CME CURRENCY FUTURES - Outright Rates

HEDGEABLE FX$INDEX FUTURES (FXD)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
FXD	Spec		New	USD			2,363	1,750
FXD	Hedge/Member		New	USD			1,750	1,750

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

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

CME CURRENCY FUTURES - Intra Spreads

Dow Jones CME FX$INDEX Futures (FXD) - All Months (HEDGEABLE FX$INDEX FUTURES)

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
FXD	Spec		New	USD			203	150
FXD	Hedge/Member		New	USD			150	150

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						

CME CURRENCY FUTURES - Inter-commodity Spread Rates

Dow Jones CME FX$INDEX Futures vs. the underlying basket of futures.

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Spread Credit Rate	New	+10 FXD: (-2 EC: -2 JY: -1 BP: -1 SF: -1 AD: -1 CD)			99%	99%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate					
CME CURRENCY FUTURES - Short Option Minimum (SOM) Rate					
DOW JONES CME FX$INDEX FUTURES (FXD) - SOM					
Clearing Member Rate	New			1.69%	1.25%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
CME CURRENCY FUTURES - Volatility Scan (volScan) Rate					
DOW JONES CME FX$INDEX FUTURES (FXD) - volScan					
Clearing Member Rate	New				0.04