CME Group

10-364

TO:	Clearing Member Firms Chief Financial Officers Back Office Managers Margin Managers
FROM:	CME Clearing
SUBJECT:	Performance Bond Requirements:
DATE:	Thursday, August 19, 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, August 20, 2010.**

Current rates as of:

Thursday, August 19, 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								
NYMEX PETROLEUM PRODUCTS - Outright Rates								
CONWAY PHYPROPANE OPIS INWELL (CPP)								
CPP	Spec		New	USD			4,400	4,000
CPP	Hedge/Member		New	USD			4,000	4,000
MT BELVIEU ETHYLENE IN-WELL(PCW) (MBE)								
MBE	Spec		New	USD			4,400	4,000
MBE	Hedge/Member		New	USD			4,000	4,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
NYMEX PETROLEUM PRODUCTS - Intra Spreads								
Conway Physical Propane In-Well (OPIS) Futures - All Months (CONWAY PHYPROPANE OPIS INWELL)								
CPP	Spec		New	USD			880	800
CPP	Hedge/Member		New	USD			800	800
Mont Belvieu Spot Ethylene In-Well (PCW) Futures - All Months (MT BELVIEU ETHYLENE IN-WELL(PCW))								
MBE	Spec		New	USD			880	800
MBE	Hedge/Member		New	USD			800	800

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate					
NYMEX PETROLEUM PRODUCTS - Short Option Minimum (SOM) Rate					
CONWAY PHYSICAL PROPANE IN-WELL (OPIS) FUTURES (NY-CPP) - SOM					
Clearing Member Rate	New			88.00	80.00
MONT BELVIEU SPOT ETHYLENE IN-WELL (PCW) FUTURES (NY-MBE) - SOM					
Clearing Member Rate	New			88.00	80.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
NYMEX PETROLEUM PRODUCTS - Volatility Scan (volScan) Rate					
CONWAY PHYSICAL PROPANE IN-WELL (OPIS) FUTURES (NY-CPP) - volScan					
Clearing Member Rate	New				0.08
MONT BELVIEU SPOT ETHYLENE IN-WELL (PCW) FUTURES (NY-MBE) - volScan					
Clearing Member Rate	New				0.08