



A CME/Chicago Board of Trade/NYMEX Company

10-392

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Wednesday, September 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, September 17, 2010.

The CDS products will be margined through the CME multi-factor margin model to assess the risk exposures of the products to arrive at the total maintenance margin amount. Initial margin will be calculated at 1.1x the maintenance margin.

Factor		Factor Value	
Systematic		16.00%	
Sector		20.00%	
Convergence/ Divergence		IG/HY	+1.7/-1.7
		IG/HY	-1.7/+1.7
Liquidity	DST	IG	9
		HY	7
	Scaling	Coefficient	0.05
		Intercept	0.5
		Exponent(IG)	1.25
		Exponent(HY)	1.2
Idiosyncratic		Default Assumption	40%
		Health(PAR) Assumption	100%
Curve		% of Notional	
		IG	0.20%
		HY	0.40%