



10-403

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Wednesday, September 22, 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

Thursday, September 23, 2010.

Current rates as of:

Wednesday, September 22, 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
Volatility Scan (volScan) Rate					
CBOT INTEREST RATE FUTURES - Volatility Scan (volScan) Rate					
FED FUNDS (41) - volScan					
Clearing Member Rate	Decrease		0.0015		0.00085
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Clearing Member Rate	Decrease		0.0015		0.00085
CME INTEREST RATE FUTURES - Volatility Scan (volScan) Rate					
EURODOLLAR (ED) - volScan					
Clearing Member Rate	Decrease		0.00253		0.00139
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