10-464

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Thursday, November 11, 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 list server.

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, November 12, 2010.

Current rates as of:

Thursday, November 11, 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	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
CBOT AGRICULTURAL FUTURES - Inter-commodity Spread Rates						
Corn (CBOT) (C) vs. Feeder Cattle (FC) vs. Live Cattle (LC)						
Spread Credit Rate	Decrease	+1:+2:-4	50%	50%	0%	0%
Corn (CBOT) (C) vs. Oats (CBOT) (O)						
Spread Credit Rate	Increase	+1:-2	0%	0%	30%	30%
Corn (CBOT) (C) vs. Soymeal (CBOT) (06)						
Spread Credit Rate	Increase	+1:-1	60%	60%	70%	70%
CME AGRICULTURAL FUTURES - Inter-commodity Spread Rates						
Class IV Milk (DK) vs Nonfat Dry Milk (NF)						
Spread Credit Rate	Increase	+3:-2	0%	0%	70%	70%
Live Cattle (LC) vs. Frozen Pork Bellies (PB)						
Spread Credit Rate	Decrease	+1:-1	50%	50%	0%	0%
CME CURRENCY FUTURES - Inter-commodity Spread Rates						
Australian Dollar (AD) vs. Euro FX (EC)						
Spread Credit Rate	Decrease	+2:-1	70%	70%	50%	50%
Cross Rate Euro FX/Canadian Dollar (CC) vs.Euro FX (EC)						
Spread Credit Rate	Increase	+1:-1	0%	0%	60%	60%
Australian Dollar (AD) vs. Swiss Franc (SF)						
Spread Credit Rate	Decrease	+4:-3	60%	60%	50%	50%
British Pound (BP) vs. Canadian Dollar (CD)						
Spread Credit Rate	Increase	+1:-1	50%	50%	60%	60%
British Pound (BP) vs. Cross Rate British Pound/Japanese Yen (BY)						
Spread Credit Rate	Increase	+2:-1	50%	50%	70%	70%
British Pound (BP) vs. Japanese Yen (JY)						
Spread Credit Rate	Decrease	+3:-2	50%	50%	0%	0%
British Pound (BP) vs. New Zealand Dollar (NE)						
Spread Credit Rate	Increase	+1:-2	60%	60%	70%	70%
British Pound (BP) vs. Swiss Franc (SF)						
Spread Credit Rate	Decrease	+4:-5	70%	70%	50%	50%
Canadian Dollar (CD) vs. Cross Rate Canadian Dollar/Japanese Yen (CY)						
Spread Credit Rate	Increase	+2:-1	50%	50%	70%	70%
Cross Rate Canadian Dollar/Japanese Yen (CY) vs. Japanese Yen (JY)						
Spread Credit Rate	Increase	+1:+1	55%	55%	70%	70%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
Cross Rate Euro FX/Swiss Franc (RF) vs. Swiss Franc (SF)						
Spread Credit Rate	Increase	+2:+3	0%	0%	50%	50%
Euro FX (EC) vs Swiss Franc (SF)						
Spread Credit Rate	Increase	+2:-3	45%	45%	55%	55%
Euro FX (EC) vs. Japanese Yen (JY)						
Spread Credit Rate	Decrease	+2:-2	50%	50%	0%	0%
Euro FX (EC) vs. New Zealand Dollar (NE)						
Spread Credit Rate	Decrease	+1:-2	70%	70%	60%	60%
Japanese Yen (JY) vs. Cross Rate Swiss Franc/Japanese Yen (SJ)						
Spread Credit Rate	Increase	+1:+1	60%	60%	70%	70%
SWISS FRANC (SF - CME) vs CROSS RATE SWISS FRANC/JAPANESE YEN (SJ - CME)						
Spread Credit Rate	Increase	+2:-1	55%	55%	70%	70%
Swiss Franc (SF) vs New Zealand Dollar (NE)						
Spread Credit Rate	New	+3:-5			45%	45%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
CRUDE - Volatility Scan (volScan) Rate					
CRUDE OIL FINANCIAL FUTURES (NY-WS) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.04		0.06
Clearing Member Rate	Increase		0.03		0.04
CRUDE OIL LAST DAY FINANCIAL FUTURES (NY-26) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.04		0.06
Clearing Member Rate	Increase		0.03		0.04
LIGHT SWEET CRUDE OIL FUTURES (NY-CL) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.04		0.06
Clearing Member Rate	Increase		0.03		0.04
WTI CALENDAR SWAP FUTURES (NY-CS) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.04		0.06
Clearing Member Rate	Increase		0.03		0.04
NATURAL GAS - Volatility Scan (volScan) Rate					
HENRY HUB NATURAL GAS FUTURES (NY-NG) - volScan					
Clearing Member Rate	Increase		0.13		0.15
Clearing Member Rate	Increase		0.05		0.07
Clearing Member Rate	Increase		0.04		0.05
HENRY HUB NATURAL GAS PENULTIMATE FINANCIAL FUTURES (NY-HP) - volScan					
Clearing Member Rate	Increase		0.05		0.07
Clearing Member Rate	Increase		0.13		0.15
Clearing Member Rate	Increase		0.03		0.05
HENRY HUB NATURAL GAS SWAP FUTURES (NY-NN) - volScan					
Clearing Member Rate	Increase		0.13		0.15
Clearing Member Rate	Increase		0.05		0.07
Clearing Member Rate	Increase		0.03		0.05

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate					
REFINED PRODUCTS - Volatility Scan (volScan) Rate					
HEATING OIL CALENDAR SWAP FUTURES (NY-MP) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.04		0.06
Clearing Member Rate	Increase		0.03		0.04
HEATING OIL FINANCIAL FUTURES (NY-BH) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.04		0.06
Clearing Member Rate	Increase		0.03		0.04
HEATING OIL LAST DAY FINANCIAL FUTURES (NY-23) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.04		0.06
Clearing Member Rate	Increase		0.03		0.04
NEW YORK HARBOR NO. 2 HEATING OIL FUTURES (NY-HO) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.04		0.06
Clearing Member Rate	Increase		0.03		0.04
RBOB GASOLINE CALENDAR SWAP FUTURES (NY-RL) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.05		0.06
RBOB GASOLINE FINANCIAL FUTURES (NY-RT) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.05		0.06
RBOB GASOLINE FUTURES (NY-RB) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.05		0.06
RBOB GASOLINE LAST DAY FINANCIAL FUTURES (NY-27) - volScan					
Clearing Member Rate	Increase		0.11		0.13
Clearing Member Rate	Increase		0.05		0.06