



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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Thursday, May 19, 2011

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>

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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, May 20, 2011.

Current rates as of:

Thursday, May 19, 2011.

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								
INTEREST RATES - Outright Rates								
GERMANY-FRANCE SOVEREIGN YIELD SPREAD FUTURE (DFV)								
DFV	Spec		New	EUR			810	600
DFV	Hedge/Member		New	EUR			600	600
GERMANY-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURE (DNV)								
DNV	Spec		New	EUR			675	500
DNV	Hedge/Member		New	EUR			500	500
US-UK SOVEREIGN YIELD SPREAD FUTURE (SKV)								
SKV	Spec		New	GBP			1,890	1,400
SKV	Hedge/Member		New	GBP			1,400	1,400
UK-GERMANY SOVEREIGN YIELD SPREAD FUTURE (KEV)								
KEV	Spec		New	GBP			1,350	1,000
KEV	Hedge/Member		New	GBP			1,000	1,000
UK-FRANCE SOVEREIGN YIELD SPREAD FUTURE (KFV)								
KFV	Spec		New	GBP			1,215	900
KFV	Hedge/Member		New	GBP			900	900
UK-ITALY SOVEREIGN YIELD SPREAD FUTUR (KTV)								
KTV	Spec		New	GBP			2,295	1,700
KTV	Hedge/Member		New	GBP			1,700	1,700
UK-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURE (KDV)								
KDV	Spec		New	GBP			1,620	1,200
KDV	Hedge/Member		New	GBP			1,200	1,200
US-GERMANY SOVEREIGN YIELD SPREAD FUTURE (SEV)								
SEV	Spec		New	EUR			1,890	1,400
SEV	Hedge/Member		New	EUR			1,400	1,400
US-FRANCE SOVEREIGN YIELD SPREAD FUTURE (SFV)								
SFV	Spec		New	EUR			1,890	1,400
SFV	Hedge/Member		New	EUR			1,400	1,400
US-ITALY SOVEREIGN YIELD SPREAD FUTURE (STV)								
STV	Spec		New	EUR			2,700	2,000
STV	Hedge/Member		New	EUR			2,000	2,000
US-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURE (SDV)								
SDV	Spec		New	EUR			1,890	1,400

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
SDV	Hedge/Member		New	EUR			1,400	1,400
GERMANY-ITALY SOVEREIGN YIELD SPREAD FUTURE (DTV)								
DTV	Spec		New	EUR			2,700	2,000
DTV	Hedge/Member		New	EUR			2,000	2,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
INTEREST RATES - Intra Spreads								
Germany-France Sovereign Yield Spread Futures - All Months								
DFV	Spec		New	EUR			162	120
DFV	Hedge/Member		New	EUR			120	120
Germany-Italy Sovereign Yield Spread Futures - All Months								
DTV	Spec		New	EUR			540	400
DTV	Hedge/Member		New	EUR			400	400
Germany-Netherlands Sovereign Yield Spread Futures - All Months								
DNV	Spec		New	EUR			135	100
DNV	Hedge/Member		New	EUR			100	100
UK-France Sovereign Yield Spread Futures - All Months								
KFV	Spec		New	GBP			243	180
KFV	Hedge/Member		New	GBP			180	180
UK-Germany Sovereign Yield Spread Futures - All Months								
KEV	Spec		New	GBP			270	200
KEV	Hedge/Member		New	GBP			200	200
UK-Italy Sovereign Yield Spread Futures - All Months								
KTV	Spec		New	GBP			459	340
KTV	Hedge/Member		New	GBP			340	340
UK-Netherlands Sovereign Yield Spread Futures - All Months								
KDV	Spec		New	GBP			324	240
KDV	Hedge/Member		New	GBP			240	240
US-France Sovereign Yield Spread Futures - All Months								
SFV	Spec		New	EUR			378	280
SFV	Hedge/Member		New	EUR			280	280
US-Germany Sovereign Yield Spread Futures - All Months								
SEV	Spec		New	EUR			378	280
SEV	Hedge/Member		New	EUR			280	280
US-Italy Sovereign Yield Spread Futures - All Months								
STV	Spec		New	EUR			540	400
STV	Hedge/Member		New	EUR			400	400

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
US-Netherlands Sovereign Yield Spread Futures - All Months								
SDV	Spec		New	EUR			378	280
SDV	Hedge/Member		New	EUR			280	280
US-UK Sovereign Yield Spread Futures - All Months								
SKV	Spec		New	GBP			378	280
SKV	Hedge/Member		New	GBP			280	280

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
INTEREST RATES - Inter-commodity Spread Rates						
US-France Sovereign Yield Spread Futures vs. US-Italy Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			55%	55%
US-France Sovereign Yield Spread Futures vs. US-Netherlands Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			80%	80%
US-Germany Sovereign Yield Spread Futures vs. US-France Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			70%	70%
US-Germany Sovereign Yield Spread Futures vs. US-Italy Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			40%	40%
US-Germany Sovereign Yield Spread Futures vs. US-Netherlands Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			75%	75%
US-Italy Sovereign Yield Spread Futures vs. US-Netherlands Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			55%	55%
US-UK Sovereign Yield Spread Futures vs. US-France Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			60%	60%
US-UK Sovereign Yield Spread Futures vs. US-Germany Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			60%	60%
US-UK Sovereign Yield Spread Futures vs. US-Netherlands Sovereign Yield Spread Futures						
Spread Credit Rate	New	+1:-1			60%	60%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
INTEREST RATES - Short Option Minimum (SOM) Rate						
GERMANY-FRANCE SOVEREIGN YIELD SPREAD FUTURES (DFV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
GERMANY-ITALY SOVEREIGN YIELD SPREAD FUTURES (DTV) - SOM						
Clearing Member Rate		Increase			1.69%	1.25%
GERMANY-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURES (DNV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
UK-FRANCE SOVEREIGN YIELD SPREAD FUTURES (KFV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
UK-GERMANY SOVEREIGN YIELD SPREAD FUTURES (KEV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
UK-ITALY SOVEREIGN YIELD SPREAD FUTURES (KTV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
UK-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURES (KDV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
US-FRANCE SOVEREIGN YIELD SPREAD FUTURES (SFV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
US-GERMANY SOVEREIGN YIELD SPREAD FUTURES (SEV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
US-ITALY SOVEREIGN YIELD SPREAD FUTURES (STV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
US-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURES (SDV) - SOM						
Clearing Member Rate		New			1.69%	1.25%
US-UK SOVEREIGN YIELD SPREAD FUTURES (SKV) - SOM						
Clearing Member Rate		New			1.69%	1.25%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
INTEREST RATES - Volatility Scan (volScan) Rate						
GERMANY-FRANCE SOVEREIGN YIELD SPREAD FUTURES (DFV) - volScan						
Clearing Member Rate		New				0.05
GERMANY-ITALY SOVEREIGN YIELD SPREAD FUTURES (DTV) - volScan						
Clearing Member Rate		Increase				0.05
GERMANY-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURES (DNV) - volScan						
Clearing Member Rate		New				0.05
UK-FRANCE SOVEREIGN YIELD SPREAD FUTURES (KFV) - volScan						
Clearing Member Rate		New				0.05
UK-GERMANY SOVEREIGN YIELD SPREAD FUTURES (KEV) - volScan						
Clearing Member Rate		New				0.05
UK-ITALY SOVEREIGN YIELD SPREAD FUTURES (KTV) - volScan						
Clearing Member Rate		New				0.05
UK-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURES (KDV) - volScan						
Clearing Member Rate		New				0.05
US-FRANCE SOVEREIGN YIELD SPREAD FUTURES (SFV) - volScan						
Clearing Member Rate		New				0.05
US-GERMANY SOVEREIGN YIELD SPREAD FUTURES (SEV) - volScan						
Clearing Member Rate		New				0.05
US-ITALY SOVEREIGN YIELD SPREAD FUTURES (STV) - volScan						
Clearing Member Rate		New				0.05
US-NETHERLANDS SOVEREIGN YIELD SPREAD FUTURES (SDV) - volScan						
Clearing Member Rate		New				0.05
US-UK SOVEREIGN YIELD SPREAD FUTURES (SKV) - volScan						
Clearing Member Rate		New				0.05