



11-54

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, February 04, 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>

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 start of business on

Monday, February 07, 2011.

Current rates as of:

Thursday, February 03, 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
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Outright Rates

EQUITY INDEX - Outright Rates

SGI WISE UP TOP INDEX (K06)

K06	Spec		New	USD			5,000	4,000
K06	Hedge/Member		New	USD			4,000	4,000

SGI WISE US BOTTOM INDEX (K07)

K07	Spec		New	USD			4,375	3,500
K07	Hedge/Member		New	USD			3,500	3,500

SGI WISE US LONG/ SHORT INDEX (K08)

K08	Spec		New	USD			4,375	3,500
K08	Hedge/Member		New	USD			3,500	3,500

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
EQUITY INDEX - Intra Spreads								
SGI WISE US BOTTOM INDEX (All Months) (BESPOKE INDEX FUTURES #2)								
K07	Spec		New	USD			38	30
K07	Hedge/Member		New	USD			30	30
SGI WISE US LONG/SHORT INDEX (All Months) (BESPOKE INDEX FUTURES #3)								
K08	Spec		New	USD			38	30
K08	Hedge/Member		New	USD			30	30
SGI WISE US TOP INDEX (All Months) (BESPOKE INDEX FUTURES #1)								
K06	Spec		New	USD			38	30
K06	Hedge/Member		New	USD			30	30

Rate Type	Change	Ratio	Current Initial	Current Maintenance	New Initial	New Maintenance
Inter-commodity Spread Rates						
EQUITY INDEX - Inter-commodity Spread Rates						
SGI WISE US BOTTOM INDEX (K07 - CME) vs NASDAQ-100 (ND - CME)						
Spread Credit Rate	New	+1:-1			80%	80%
SGI WISE US BOTTOM INDEX (K07 - CME) vs S&P 500 (SP - CME)						
Spread Credit Rate	New	+6:-1			90%	90%
SGI WISE US TOP INDEX (K06 - CME) vs NASDAQ-100 (ND - CME)						
Spread Credit Rate	New	+5:-4			85%	85%
SGI WISE US TOP INDEX (K06 - CME) vs S&P 500 (SP - CME)						
Spread Credit Rate	New	+1:-1			90%	90%

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						
EQUITY INDEX - Short Option Minimum (SOM) Rate						
SGI WISE US BOTTOM INDEX (K07) - SOM						
Clearing Member Rate		New			1.25%	1.00%
SGI WISE US LONG/SHORT INDEX (K08) - SOM						
Clearing Member Rate		New			1.25%	1.00%
SGI WISE US TOP INDEX (K06) - SOM						
Clearing Member Rate		New			1.25%	1.00%

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
EQUITY INDEX - Volatility Scan (volScan) Rate						
SGI WISE US BOTTOM INDEX (K07) - volScan						
Clearing Member Rate		New				0.07
SGI WISE US LONG/SHORT INDEX (K08) - volScan						
Clearing Member Rate		New				0.07
SGI WISE US TOP INDEX (K06) - volScan						
Clearing Member Rate		New				0.07