



11-88

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Friday, March 11, 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 close of business on

Monday, March 14, 2011.

Current rates as of:

Friday, March 11, 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

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|---|----------|-----------------|---------------------|-------------|-----------------|
| Short Option Minimum (SOM) Rate | | | | | |
| FX - Short Option Minimum (SOM) Rate | | | | | |
| CHINESE RENMINBI (RMB) - SOM | | | | | |
| Clearing Member Rate | Increase | 1.35% | 1.00% | 1.69% | 1.25% |
| CHINESE RENMINBI/JAPANESE YEN (RMY) - SOM | | | | | |
| Clearing Member Rate | Increase | 1.35% | 1.00% | 1.69% | 1.25% |
| CROSS RATE CHINESE RENMINBI/EURO (RME) - SOM | | | | | |
| Clearing Member Rate | Increase | 1.35% | 1.00% | 1.69% | 1.25% |
| ISRAELI SHEKEL (IS) - SOM | | | | | |
| Clearing Member Rate | Increase | 1.35% | 1.00% | 1.69% | 1.25% |
| KOREAN WON (KRW) - SOM | | | | | |
| Clearing Member Rate | Increase | 1.35% | 1.00% | 1.69% | 1.25% |

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|--|----------|-----------------|---------------------|-------------|-----------------|
| Volatility Scan (volScan) Rate | | | | | |
| EQUITY INDEX - Volatility Scan (volScan) Rate | | | | | |
| NASDAQ-100 (ND) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.07 | | 0.08 |

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|---|----------|-----------------|---------------------|-------------|-----------------|
| Volatility Scan (volScan) Rate | | | | | |
| FX - Volatility Scan (volScan) Rate | | | | | |
| AFRICAN RAND (RA) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.07 |
| AUSTRALIAN DOLLAR (AD) - volScan | | | | | |
| Clearing Member Rate | Decrease | | 0.07 | | 0.06 |
| BRAZILIAN REAL (BR) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.05 | | 0.07 |
| CHINESE RENMINBI (RMB) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.07 |
| CHINESE RENMINBI/JAPANESE YEN (RMY) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.06 |
| CROSS RATE CHINESE RENMINBI/EURO (RME) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.06 |
| CROSS RATE CZECH KORUNA/EURO FX (K) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.06 |
| CROSS RATE EURO FX/BRITISH POUND (RP) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.05 |
| CROSS RATE EURO FX/JAPANESE YEN (RY) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.05 |
| CROSS RATE EURO FX/SWISS FRANC (RF) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.05 |
| CROSS RATE HUNGARIAN FORINT/ EURO FX (R) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.06 |
| CZECH KORUNA (CZ) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.07 |
| EURO FX (EC) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.04 | | 0.05 |
| HUNGARIAN FORINT (FR) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.07 |
| ISRAELI SHEKEL (IS) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.01 | | 0.07 |
| JAPANESE YEN (JY) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.04 | | 0.05 |
| KOREAN WON (KRW) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.07 |
| NEW ZEALAND DOLLAR (NE) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.01 | | 0.06 |
| POLISH ZLOTY (PZ) - volScan | | | | | |

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

| Rate Type | Change | Current Initial | Current Maintenance | New Initial | New Maintenance |
|---|----------|-----------------|---------------------|-------------|-----------------|
| Volatility Scan (volScan) Rate | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.07 |
| POLISH ZLOTY/EURO FX (Z) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.06 |
| RUSSIAN RUBLE (RU) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.05 | | 0.07 |
| SWISS FRANC (SF) - volScan | | | | | |
| 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 | | | | | |
| INTEREST RATES - Volatility Scan (volScan) Rate | | | | | |
| 10-YEAR T-NOTE (21) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.04 |
| 10YR INTEREST RATE SWAP (66) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.01 | | 0.04 |
| 30-YR INTEREST RATE SWAP (13) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.01 | | 0.05 |
| 5-YEAR T-NOTE (25) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.03 |
| 5-YR INTEREST RATE SWAP (NG) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.01 | | 0.03 |
| CBOT 7-YR INTEREST RATE SWAP (7I) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.01 | | 0.03 |
| EURODOLLAR (ED) - volScan | | | | | |
| Clearing Member Rate | Decrease | | 0.00139 | | 0.001014 |
| FED FUNDS (41) - volScan | | | | | |
| Clearing Member Rate | Decrease | | 0.00085 | | 0.00055 |
| U.S. TREASURY BOND (17) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.05 |
| ULTRA LONG TREASURY BOND (UBE) - volScan | | | | | |
| Clearing Member Rate | Increase | | 0.02 | | 0.05 |