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**Date**

13<sup>th</sup> July 2009

**Recipients**

All DME Members

**From**

Thomas Leaver, Chief Executive Officer

**Category**

Operations

**Summary of Content**

Performance Bond Requirement Changes

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**Performance Bond Requirement Changes offer Savings**

The CME has added a hedge designation for margin purposes which allows DME Customers that trade in the physical market to be charged 35% less in initial margin.

To view margin change details please see <http://www.cmegroup.com/tools-information/lookups/advisories/clearing/ChAdv09199.html>

**What Does This Mean?**

Under this new policy, the initial rates for DME products will be the same as maintenance rates for members and hedgers.

An account is eligible for the lowest possible margin rate, the Hedger Rate, if they have cash market or OTC activity where their futures position leads to a reduction in risk. The Exchange will look for commercial hedgers to have a form on file with their clearing member, verifying their market activity to receive this benefit.

To take advantage of the margin reductions, simply contact your clearing firm and request a Hedge Account Agreement. To view a sample form, please contact the DME at [info@dubaimerc.com](mailto:info@dubaimerc.com)

In addition further margin reductions can be realized by the spread credits offered against CME energy products:

Spread	% Credit
BB:OQ	80
CL:OQ	80
BZ:OQ	80

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A full list of spread credits can be found at [http://www.nymex.com/ewd\\_margin\\_spreads.aspx](http://www.nymex.com/ewd_margin_spreads.aspx)

Signed

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Thomas Leaver

Chief Executive Officer

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