

From: Manfred <manoangazi@gmail.com>
Sent: Thursday, January 21, 2010 2:43 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex : RIN 3038-AC61

Dear Secretary Stawick,

I wish to record my strong objection to the proposed CFTC regulation RIN 3038-AC61 to limit retail Forex leverage to 10:1.

I firmly believe that the 100:1 leverage available at present, which as you know has already been substantially reduced recently is the minimum that makes retail forex trading feasible in the USA.

Since I am not a US citizen I am somewhat indifferent to whether the CFTC choose to kill the US retail forex broker industry with such legislation since I will simply move all my US held trading accounts elsewhere and shake my head at the stupidity of government intervention in private enterprise.

However, I do like the internet infrastructure available in the USA and the performance of the trading systems I am obtaining so do not desire to be inconvenienced/forced into making the change by foolhardy regulations. As it is already I will not be opening up any further US accounts due to the continuously moving regulatory goalposts.

I mean if the ambit is to reduce retail traders from blowing out their accounts - well this is likely to accelerate the process since retail traders will now be even more likely with their smaller accounts then having more of their capital tied up in margin and with an adverse market move having insufficient margin remaining hence resulting in a margin call much sooner (probably 10x sooner!) than would have been the case when trading at 100:1.

Ignorant retail forex traders will find ways of losing all their capital with or without the CFTC's assistance!

Reduced margin fixes nothing. Educating traders about position sizing does. Rather enforce 0.01 lot increment sizes so that small traders can position size appropriately.

Regards

Manfred Paeper