From: christopher holloway <hollowayll@yahoo.com>
Sent: Saturday, April 24, 2010 2:24 AM
To: Metals Hearing <metalshearing@CFTC.gov>
Subject: position limits in comex silver

Dear Sir;

Thank for the opportunity to comment on the issue of position limits for precious metals. Please establish a speculative position limit in COMEX silver of no more than 1500 contracts. Please restrict any hedging exemptions from those limits to legitimate hedgers. Please stop the levels of concentration in COMEX silver futures that have been experienced over the past few years on the short side of the market.

I highly regard Ted Butlers work, so I started out with his copy of his letter. The following is why I agree. It seems very odd to me that up to 2 banks can sell about 25% of the world's annual mine production. If one bank could sell 1% it would equal about 1200 contracts, so 1500 contracts seems reasonable. To be honest, I wouldn't even think 2% or 3% would be outragous the odd time. 13% is too much though, in my opinion. Even 5% is too much. I mean 2% of 80 billion barrels of oil is 1.6 billion barrels. Is one bank allowed to short sell that much oil? At $80 a barrel that works out to a $128 billion position for one bank. Few banks would, or I assume even could, take a $5/barrel loss on a position that size ($8 million total loss). But because silver is so small a market, a $8 billion loss for a silver short on a $5 move would need 1.6 billion ounces of silver, or 320,000 contracts costing $27.2 billion, at $17/ounce and works out to 2.67

times the annual world mine production. Cleary, big money could be used to control this market, which I do believe has been happening. Simply put, make it stop. It's probably to late and there will be massive silver shortages, but a fix sooner than later is still better.

Sincerely,

Christopher Holloway