From: sreechand boppudi <sreechandb@gmail.com>
Sent: Saturday, January 16, 2010 1:47 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Secretary Stawick,
Greetings. I appreciate your efforts to reduce the fraud in retail forex market. However reducing the leverage to 10:1 will make the entry barrier high for many ordinary people like me. To make any reasonable money one would need to deposit a high amount even to trader a single contract. This will keep the market to high net worth individuals/institutions and will deny the small guys an opportunity to participate and to make reasonable returns.

Also one other concern is that in the futures market where most contracts are valued at $50000+, the day trading margins offered by many FCMs are $500 per contract. Given this I am failing to understand why retail forex market is treated differently. As a trader I can tell you that forex market trends a lot better than futures market in general and though it appears volatile it creates a lot more opportunities for investors of all personalities.

A third issue is many UK, Swiss and German banks offer forex trading in a less restrictive environment. If this rule were to go through, many retail clients will invest with these dealers outside the US. This will wipe out the domestic retails forex industry resulting in hundreds of job losses. I do not think when Congress asked to regulate the retail forex market it was their intention to wipe out it altogether. United States is a world leader in Financial Industry and keeping this industry going strong is vital for our economy.

Given this I urge you to keep the leverage at a minimum of 100:1 and strengthen your efforts in the following areas.

1) Require as many dealers and IBs to register.
2) Segregate client accounts from corporate accounts no matter what the size is (EU has this policy in place)

Best regards
- Sreechand Boppudi