10-001
COMMENT
CL-02326

From: Rene Giron Jr. <renegironjr@yahoo.com>
Sent: Thursday, January 21, 2010 10:30 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To: David Stawick, Secretary
Commodity Futures Trading Commission
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I am aghast that the proposal is being made to reduce margin requirements even further for forex trading to 10:1. When margins were at 200:1, it was easier to make money because when a position turned against you, the extra margin allowed for the position to eventually recover and become profitable. The extra margin served as a cushion, a margin for error, a "grace period", so to speak. When the margin requirements were reduced to 100:1, I sustained forced and unnecessary losses because half of my cushion was taken away. If the margin had remained at 200:1, I would have had fewer losses because my positions would have recovered and turned profitable. Because forex trading involves dealing with currencies that are notoriously volatile, there is a need for a large margin to withstand the volatility and still be profitable. Restricting the margin even further to 10:1 makes forex trading excessively risky because it practically leaves no room for

error. This in turn can cause traders to sustain even greater losses and increase volatility by the increase in margin calls being executed. Additionally, because currencies tend to move in increments of hundredths of a penny, larger amounts of money requiring larger margins are needed to obtain decent results. Finally, forex trading is a great tool to make a little extra money on the side, like a hobby of sorts. This is taxable income that helps government. It is also used by retirees and others with the need to supplement their incomes. Do you really want to take that away? As a free market society, traders should be able to choose the amount of margin they can trade with within the limits created by their brokerages. I am strongly opposed to restricting the margin requirements to 10:1 and strongly support loosening back to 200:1.

Sincerely, Rene Giron Jr.