From: peterfontana@bellsouth.net
Sent: Tuesday, January 26, 2010 9:44 AM
To: secretary <secretary@CFTC.gov>
Subject: Public Comment Form

Below is the result of your feedback form. It was submitted by (peterfontana@bellsouth.net) on Tuesday, January 26, 2010 at 09:44:26

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commenter_subject: Regulation of Retail Forex

commenter_frdate: January 20, 2010

commenter_frpage: 75FR3281

commenter_comments: I strongly object to your proposal to reduced margin requirement from 100:1 to 10:1. Forex trading is very different from stock trading. The daily fluctuations in currencies are much less than those of stocks. In a Forex trade the net cost to the trader is zero; the margin just protects the brokerage firm from losses. All firms have automatic protection in place. In addition a lot of traders perform Forex hedging operations where only a small margin is needed. If the 10:1 margin requirement where to become law many trader would move their trades to foreign Companies where the 100:1 would still be in place. Many of these foreign Companies are not regulated and the deposits by the traders might be in jeopardy. Not so long ago a number of firms had a 400:1 margin requirement. I agree that such a low margin is dangerous for both trader and brokerage firm. The current 100:1 is a reasonable compromise and allows most traders a satisfactory trading environment.

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