

From: vinith_rl@yahoo.com
Sent: Wednesday, January 27, 2010 1:23 AM
To: secretary <secretary@CFTC.gov>
Subject: Public Comment Form

Below is the result of your feedback form. It was submitted by
(vinith_rl@yahoo.com) on Wednesday, January 27, 2010 at 01:22:58

commenter_subject: Regulation of Retail Forex

commenter_frdate: January 13 2010

commenter_frpage: pr5772-10.html

commenter_comments: Dear Sir,

I have an account with an US Broker, and preferably, it has been going well. Although I am from a different country, I trust brokers in USA and UK are better regulated than any other European ones.

I recently came to know about your 1:10 leverage and margin requirements.

<http://www.cftc.gov/newsroom/generalpressreleases/2010/pr5772-10.html>

Although your plans for better regulation and scam/fraud prevention are spot on, the leverage and margin rule is not feasible for traders.

For people who trade mini lots, it becomes extremely difficult to trade with a lower margin. And it isn't safe either. Trading a normal 1:100 lot can give 50 pips profit worth.

However, when the leverage is lowered, the same 50 pips against your position will seem safe. In effect, we won't be making profits, but losing them consistently, expecting price to turn.

Hence at 1:10 leverage for a \$1000, you lose \$500, plus margin and rollover, when you hold the position for 500 pips, which a normal trader will be bound to do.

Hence, I would kindly request you to reconsider your plans for a leverage change, and keep the leverage at 1:100.

Thank you,

Vinith

commenter_name: Vinith R

commenter_withhold_address_on: ON

commenter_address1: 14/2086, Punnen Road

commenter_address2: Palayam

commenter_city: Trivandrum

commenter_state: Kerala

commenter_zip: 695034

commenter_phone: 00919495828783
