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To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Don't be confused by the rhetoric here. This is a nonsensical idea and does absolutely nothing to reduce the risk to any investor. As has been noted many times previously, one can just as easily wager the entire account balance at 10:1 as at 100:1.

This proposal actually reinforces the urge to place larger size trades simply to make the trade worthwhile. By the time you cover the spread and then account for swap rates, is there a reasonable expectation of return left? I believe many traders will think not.

Do the math. If you are trading with a 3% total account risk at 100% margin, you will now have to risk 30% of your account to make an equal trade. How in any way possible does that help an individual trader?

Remember, MARGIN DOES NOT EQUAL RISK. The size of your trade and the size of your stop is what determines your risk.

In the end, this is a stupid idea with no basis in reality for the desired outcome. It is another example of supposed regulations to help the small investor that instead does him great harm. Just as when they raised the margin requirements a few years back for equity trades, it simply forced a lot of investors out of the market. I believe that is exactly what big government and big banks want. They want us to send our money to them to manage at exorbitant rates and fees because obviously we are all too stupid to make decisions for ourselves. And when they lose it all we again have bail them out with our tax dollars.

How about for once, government keeps its dirty nose out of our business and lets the free markets be free.

Steve

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