

From: R Henderson <airs@xtra.co.nz>
Sent: Thursday, February 4, 2010 2:15 PM
To: secretary <secretary@CFTC.gov>
Subject: FX Transactions and Leverage

Dear Secretary

Professional advice should be taken from experts in this field before enforcing such laws. Over 80% of traders lose because of leverage. Leverage does not expose the economic system to risk. In almost all cases trades are terminated because of stop positions which are in place due to leverage. The more leverage; the greater the stop positions and closer the stop is to the price action. In effect stops reduce volatility and risk. With no leverage, or much reduced leverage (10:1) there will be wider stops and so greater volatility and so greater risk to the economic system. Risk will actually increase. This legislation is inverse to what it seeks to achieve.

R Henderson
A 20 yr FX trader

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