

From: Lourens Anderson <lapanderson@telkomsa.net>
Sent: Tuesday, February 16, 2010 8:52 AM
To: secretary <secretary@CFTC.gov>
Subject: Proposed reduction of leverage on Forex trading
Attach: AVG certification

Dear Sir/Madam

I would like to express my opposition to your proposed reduction in gearing to 10:1.

I am a full time currency trader and stock investor residing in South Africa. I use two USA brokers and one UK based broker for my currency trading.

Even though my brokers offer between 50: and 100:1 leverage, I have never exceeded 20:1 gearing, with my normal trades averaging about 5:1. The fact is that the size each of the trades I enter into is determined by my own very strict rules based on the amount of risk I am willing to take.

Every so often I will increase the trade sizes (and therefore higher gearing) when adding to a winning series of trades. At no time would my overall risk exceed a pre-determined percentage of my capital, but gearing could increase to a level higher than the proposed 10:1.

Your proposed reduction to a 10:1 level would inhibit my ability to profit from strong moves. Should the proposal be accepted, I would in all likelihood close my USA based accounts and move them to European brokers.

I feel a reduction to 10:1 leverage is excessive, but would personally support a reduction to 50:1 which would offer enough protection to traders needing protection against themselves, whilst allowing traders like myself the freedom to choose the appropriate level of risk we are willing to take on. In my view, a reduction in gearing to 10:1 would only result in tying up more capital in trader's accounts and therefore exposing more of their money to the risks of currency trading.

Yours sincerely

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