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COMMENT
CL-05464

From: N G <gifford.futures@gmail.com>
Sent: Friday, February 19, 2010 3:50 PM
To: secretary <secretary@CFTC.gov>
Subject: "Regulation of Retail Forex"

Dear Sirs,

The Forex industry already has sufficient regulation regarding the use or abuse of leverage.
If a trader does not know enough about the basic mechanics of his trading to control his risk, he should not be in the currency market--period. The industry provides abundant information on the pros and cons of leverage, and the disclosures of risk should be enough to deter the faint of heart.

In the real world, incompetence is punished by the laws of causation. Conversely, those who take the time to understand the risks of their endeavors are better protected against adversity. Our free enterprise system only needs laws protecting us from dishonesty and exploitation. Those of us who enjoy the benefits of the forex market should not be punished for the mistakes of others. We have a very good reason for using 100:1 leverage--it gives us more opportunities to succeed or fail. When we fail, we know WHY we fail.

A final word on leverage: Those of us who understand it are unlikely to utilize it to its fullest at all times. My personal interest in this matter is based on my strategy of entering different trades on different currency pairs--simultaneously where necessary. It does not mean I want to occupy ten times the currency amount that your rule proposes. In fact, if I were only doing one trade at a time, your rule would not impact me in the least. I generally only use a fraction of what I am capable. My stop losses are calculated precisely, never risking more than 2% on any one trade. But when multiple signals are generated, I would like to be able to open positions on other currency pairs without this unnecessary inhibition of closing out a good trade that I am already occupying.

Just food for thought.