10-001
COMMENT
CL-06120

From: George OfVirginia <geofvirginia@yahoo.com>
Sent: Friday, March 5, 2010 10:24 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of retail forex/RIN 3038-AC61

Mr. Stawick:

I have been reading on various internet websites that the Commodity Futures Trading Commission is proposing changing the leverage in retail forex customer accounts to a 10-to-1 limitation.

I have been trading the forex market for less than one year. To say that I have been unsucessful would be an understatement. While I understand that you are proposing this measure to protect small speculators, such as myself, you may be inadvertendly draining liquidity from the market.

Ninty percent of the funds in the spot forex market comes from small speculators. According to the Bank for International Settlements survey in 2004,$620 billion were traded daily. With an additional $100 billion traded, but not accounted for due to reporting gaps. When the United States markets open at 8:00 A.M., eastern standard time, 22 percent of the daily trading volume is done right here in the North American continent. That comes to, roughly, $142.6 billion traded by little guys like me.

The larger account holders can afford to move their accounts offshore to England, which would be an additional revenue source for their treasury. However, small account holders have fewer options. Please Mr. Secretary, do not enact this regulation. I fear that it may impact the flow of funds in the forex retail market.

George A. Peay, Jr
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