

From: Robert Hill <robydoby314@yahoo.com>
Sent: Monday, March 8, 2010 5:14 PM
To: secretary <secretary@CFTC.gov>
Cc: metatrader_experts_and_indicators@yahoogroups.com
Subject: Regulation of Retail Forex.

To whom it may concern,

I have read that you are proposing a change to the leverage requirements for trading the retail forex market. The leverage change would be from the current 100:1 to 10:1.

I am strongly opposed to this change for several reasons.

I have been successfully trading the retail forex market since 2005. I completely understand the risks involved and have used several different strategies successfully. With the new regulations on leverage my income from trading would be greatly reduced, perhaps to a level where I would no longer be able to make enough income for the time spent. This would result in my becoming unemployed at the age of 62. I would need to begin receiving Social Security earlier than planned just to make ends meet. Either that or move my account to a foreign country with even less regulation.

The second reason is that I also receive income from the programming of Expert Advisors and custom indicators for the Metatrader community. This income would also be greatly reduced or disappear completely as most retail traders are forced to find another means of income. They would no longer require the tools that I program to assist in their trading strategies.

With the current state of the economy such a change in the leverage requirements would cause many other retail forex traders to either move their accounts to foreign countries or stop trading entirely. It would seem that you are encouraging an increase in unemployment at a time when more jobs are needed to stimulate the economy.

With a leverage of 10:1 only institutions and the wealthy would be able to trade retail forex. I do not understand the reason for this ruling except to protect the futures brokers from losing clients to the retail forex market. Either that or enough retail traders are becoming successful and the losers at the other end, either brokers or banks, want to shut that down.

It has also been mentioned that you are making this change to protect investors/traders from scams. I do not see how this change would protect anyone except the brokers and banks. There will always be people who will believe the scams for any venture, not just retail forex. Just look at all the weight loss methods that do not work. As more and more online forums discuss these scams the public will become more aware of them and no longer fall for them.

It would seem that your job would be to educate the new traders on how to avoid the scams rather than to attempt to protect those successful traders who already know such scams exist and avoid them.

Sincerely,
Robert Hill, MT4 programmer and retail forex trader.