

**From:** Kris Ganjam <krisgan@microsoft.com>  
**Sent:** Friday, March 12, 2010 8:04 PM  
**To:** secretary <secretary@CFTC.gov>  
**Subject:** Regulation of Retail Forex

---

**RIN 3038-AC61**

I would like to express my strong opposition to the proposal that would reduce retail forex leverage from the current maximum of 100:1. Having traded futures and forex for over 10 years, I know both the power and dangers inherent in trading with high leverage. A novice forex investor can easily fall prey to high volatility in the marketplace. Yet, it is this leverage that incentivizes knowledgeable and experienced traders to provide both liquidity and valuable information to the market. As absolute movements of exchange rates are relatively small in response to news and information, leverage is absolutely necessary to allow traders to profit from the considerable efforts put forth in scrutinizing trade balances, political developments and the vast flow of economic data. Without such traders contributing liquidity and information, markets quickly become inefficient. In such a critical market as forex, the global economy is at stake and inefficiencies in the market can have very dire consequences. I strongly urge you to keep the current leverage regulations in place to maintain a healthy global marketplace and enable traders to profit from the efforts necessary to maintain market efficiency. At the same time, I would suggest increased training and education for new entrants into the forex market. One viable option used by some brokers is to require new account applicants to first pass a rigorous online exam which critically tests their fundamental understanding of the consequences of trading in highly leveraged markets.

Thank you,  
Kris Ganjam