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Sent: Friday, March 12, 2010 11:45 PM
To: secretary <secretary@CFTC.gov>
Cc: cftcfeedback@fxdd.com
Subject: Regulation of Retail Forex Market (Letter of Support for Proposed Reduction of Leverage from 100:1 to 10:1)

To whom it may concern at the Commodity Futures Trading Commission:

I am writing to express my support, as a responsible FOREX trader, for the proposed restrictions on leverage from 100:1 to 10:1. It is absolutely absurd how these brokers prey on traders by, in many cases, REQUIRING 100:1 leverage and refusing to allow flexibility to reduce leverage. Why on earth would a broker REQUIRE someone to trade on exorbitant leverage levels as 100:1? We both know the answer to that...

People react to regulations and play within those rules. If they are being restricted to 100:1 leverage, then many people will of course trade at that level, and the whole time the brokers will be profiting from the gambling actions of unsophisticated amateur traders. Some data indicate that the success rate of retail FOREX traders is below 5%. This is directly linked to the encouragement (and as stated earlier the REQUIREMENT in some cases) of trading with far too much leverage.

I am sure you will be getting letters saying that it's all about "money management" and "risk management", but that's nonsense. There is no way to double-talk around the fact that people are borrowing 99x the amount they put down to trade -- causing small shifts to erase their principal capital.

The restriction on leverage to 10:1 is a responsible action that will save the money of MANY prospective amateur traders who are lured into essentially gambling on this currently overly-leveraged market by flashy advertisements on news and economics websites (something else that you should look into regulating...). The only people who are truly against this restriction are those who have had short-term success in trading with excessive leverage and of course the brokers who are extracting heavy rents from inexperienced traders.

I applaud your actions and it is these sensible regulations that will make the country a greater place with a more stable, productive, and REAL economy. Please continue the good fight so we can have a solid future for generations to come -- and please, do not give in to the lobbying actions of brokers and the minority fraction of traders who successfully use high-leverage in their trading strategies.

These regulations are needed and are common sense measures to maintain an orderly market and protect consumers from predatory actions of brokers.

Thank you.

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