

From: Info@2ndSkies.com
Sent: Sunday, March 14, 2010 2:08 PM
To: secretary <secretary@CFTC.gov>
Cc: cftcfeedback@fxdd.com
Subject: Regulation of Retail Forex - RIN 3038-AC61.

Dear CFTC,

In review of the proposal to change the leverage requirements to 10:1 in the Forex market (RIN 3038-AC61), I have the following response:

Leverage has never been the deciding factor to make trading the forex market more or less challenging for the retail trader, investor, speculator, etc.

There are other markets (for example) the Futures market where several instruments have higher leverage, such as 20:1 than the proposed 10:1. Regardless, the statistics for how many people are profitable in the futures market in comparison to the forex market are virtually the same so leverage logically cannot be the issue.

By changing the leverage, you are not empowering people to make different decisions about risk-management.

What does change things for speculators is education. By educating people how to use leverage and avoid over-exposure to any one instrument, you empower them to make more intelligent decisions.

It has been said that leverage is a double-edge sword. The logic of any double-edge sword is learning how to use it properly, not in changing the edge or the blade.

Logically, if you change the leverage for the Forex market, then you should change it for all markets regulated by the CFTC to a maximum of 10:1 as you are claiming this is the maximum leverage people can trade without over-exposing themselves. If you are claiming this is only applicable to the Forex market, then you should provide data to support such a claim.

It should also be said if the CFTC is proposing to change the leverage requirements, it should clearly state on its site the primary reasons and arguments for such a change. If there are any data or statistics to support those claims, then they should be clearly noted as part of the theoretical reasons for proposing the change. This will allow speculators to make a proper decision and develop possible counter-arguments so the situation can be clearly investigated by both parties involved.

Thus, I do not support in any way whatsoever the proposed regulations in changing the leverage to 10:1.

Kind Regards,
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