From: David Lee <supremus456@gmail.com>
Sent: Saturday, March 13, 2010 8:17 AM
To: secretary <secretary@CFTC.gov>
Cc: cftcfeedback@fxdd.com
Subject: Regulation of Retail Forex

RIN 3038-AC61

This message is a response to the CFTC in regards to the possible changes of leverage in the foreign exchange market. I know that the regulatory committees have been trying to tackle this issue for quite some time. Given the fact that retail forex has had a huge increase over the past few years, espcecially without any real regulatory involvement, has caused a double take reaction to this growth. The leverage in forex definitely has played a substantial part in the growth of this financial industry. Relative to the futures markets, the leverage involved does seem extremely high, in comparison. But relative to the tick values of futures instruments i.e. e-mini products, wheat contracts, coffee, they are pretty much in line with each other. Now I know the margin requirements are different on these instruments at all levels, but when you see day trading margins of some futures contracts to the margin requirements of a highly leveraged forex instrument, they are approximately the same.

As an example lets look at a comparison between EUR/USD to the E-MINI S&P 500.

Margin for EUR/USD $1000 per contract
Margin for E-mini $1000 per contract (day trading requirement)

Tick value for EUR/USD is $10 per contract
Tick value for E-mini is $12.50 per contract

This example alone should tell you that leverage is not an issue, especially when its compared to the highly regarded E-MINI S&P 500. This may seem like an apples to oranges comparison but the information above is accurate.

So what I'm basically saying comes down to this, NO, NO, NO I do not believe the CFTC should change the leverage requirements of this beautifully well oiled machine I have grown to love, known as the FOREIGN EXCHANGE MARKET.