

Dear Sir/Madam,

I am writing this email as a response to the proposed Retail Forex leverage limitation of 1.5:1. As a retail trader I can attest that doing so will effectively destroy the retail forex industry. Traders with relatively small initial deposits will not be able to make any sizable gains that could justify their time expenditures. For example, a typical day trader who aims to make a profit of 60 "pips", or 60/1000th's of the price of a currency unit relative to another, would only realize a real profit of \$9 with a position of \$10,000. One simply cannot benefit from the minuscule price fluctuations of most currency pairs given such low leverage, and it will effectively limit the market to only larger institutional players.

Furthermore, while many retail forex entities have indeed exhibited predatory-like promises of quick riches to new traders, the risk of using high leverage is self-evident and can be avoided by conducting simple due diligence and by creating a trading plan which limits the maximum amount of "lots" that are being traded at any given time. It would be unfair to the successful retail traders if the market is made unaccessible because of the negligence of others.

There are many other arguments that can be made against this proposal, but are not necessary. The leverage is not what takes out many traders, no one is forced to take large positions that could prompt a margin call with just the slightest price fluctuation. For those who can make more disciplined trading decisions, it is only fair that the option of high leverage is preserved.

I sincerely hope that this proposition does not see the light of day beyond it's current phase. I hope that the parties involved will reconsider this proposition and dismiss it.

Thank you for your time.

Sincerely,

A concerned Forex Retail trader
Emil Nadjakov