

COMMENT

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To Whom It May Concern:

My name is Louis Barbera and I am a Member of ICR Futures U.S. . There are a couple of regulations that I feel need amendment and should come to the attention of all involved.

- 1- In regards to Block Trading in the futures and options. There was nothing frowned upon more when open outcry trading was around than pre-arranged orders. And in one fail swoop you are giving the select few the privilege to pre-arrange trades. Not to mention that one party could have done substantially better. Our open interest has been cut in half since dual trading has been eliminated. Ask any trader about the liquidity on the screens and all will agree that there is a serious problem. Block trading will add to this and hurt our vehicle for price discovery and alienate 90 percent of the trading community from this action. I am against block trading and feel it has no place in our marketplace. This is a classic case of fixing something that wasn't broken.
- 2- I think it has become clear to all parties that electronic trading is not the answer for our markets. Price manipulation has become far too easy, (As seen in March of this year); liquidity has been a huge problem. When open outcry trading was prevalent it served as a gate keeper so to speak. There were people to offset the irrational decisions of others. Now with one push of a button the market can be damaged. When dual trading was available we saw the first glimpse of this. When open outcry was the only choice these issues were far and few between. Volatility has doubled. The average daily price fluctuation has more than doubled. Open interest has been cut in half since February 29<sup>th</sup>. Appreciate that for a second HALF! In the previous year there were approximately 6 limit moves in cotton. Since electronic trading has been our only alternative there have been 35-40. That is a huge problem. The pit was a necessary buffer because of the local trader's presence. They have long since gone, and trading other markets. Some thing needs to be done to restore order to all of our markets.
- 3- Position limits need to be implemented, Speculators and hedgers. That simple. Our markets are hedge vehicles not investment tools. Investing in commodities is a great thing and should continue for as long as the markets exist. But to have a few hedge funds be able to basically bankrupt the people who actually deal with the physical side of the product is absolutely absurd. On top of that, the over extension of limits by such traders caused one of the worst collapses in our markets history. The electronic platform trading made this possible and the lack of position limits rendered the merchants helpless. When the smoke cleared there was no one left to get the funds out of there position. Our markets are here to protect the farmer and end users of the product. All this last eight months has shown is that these people who are the back bone of our country have been left holding the bag and can no longer participate in a healthy marketplace. There absence is felt across the board

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In closing there are serious problems with the futures markets and I hope all mentioned will be thought of and taken very seriously. I have been on the exchange for 16 years; I have grown from runner, to clerk, to broker, to trader. This is an opinion of some one who lives and breathes his work and loves it dearly.

Thank you,

Louis Barbera