

From: Chris Davisson <chrisdavisson@yahoo.com>
Sent: Monday, September 27, 2010 6:47 AM
To: PosLimits <PosLimits@CFTC.gov>
Subject: Position limits

Dear Sir

The new Financial Regulatory Reform law (Dodd-Frank financial reform law) mandates that the Commission institute hard position limits in the derivatives trading of all commodities of finite supply; energies, metals and agricultural products. The Commission has sought input to help guide it in determining the proper levels of speculative position limits in these commodities. It is important that the formula for determining such levels be consistent, economically sound, fair, and readily understood by all market participants. These same principles must also be applied to the granting of exemptions to any limits for bona fide hedging purposes.

I understand that the Commission recently received almost 3000 public comments on position limits in metals, with more than 90% of the comments asking the Commission to enact a position limit of 1500 contracts in COMEX silver. Based upon a fair and consistent cap of one percent of world production for all commodities, those writing to the Commission were justified in their collective opinion.

After reading a number of proposals on this subject I ask that the Commission adopt a hard position limit in the contract equivalent amount of no more than one percent of the world annual production of any commodity of finite supply. This 1% speculative position limit would apply to all related derivatives on an aggregate (across all markets) and on an all-months-combined basis.

In light of the mandate given to you by congress and the President, isn't it time to institute this limit?

However recognizing that it would not be feasible to introduce these limits overnight I would strongly ask the commission to immediately begin the transition to a 1% position by enforcing, **on all market participants**, the current silver accountability level of 6000 contracts, or 30 million ounces

Our futures markets were not created so that big financial institutions could manipulate them. The Commission has a unique opportunity to finally set position limits on all commodities of finite supply in a manner that is fair, simple and economically sound. A formula based upon a straight one percent or less of world production would accomplish just that.

With regards
Chris Davisson