

From: Joachim Troilius <joachim.troilius@gmail.com>
Sent: Sunday, November 7, 2010 7:49 PM
To: PosLimits <PosLimits@CFTC.gov>
Subject: Position Limits

Dear Sirs and Madame,

I wish to write to you both to congratulate You and to commend You for Your recent actions, in the work to implement position limits, as per the Frank-Dodds Act, in the trading of the commodities, at the COMEX market place, and to make a personal reflection, on the recent responses of the CME, on this issue.

First, I tip my hat for You, Sirs and Madame, and especially for the honorable Commissioner of the CFTC Mr. Bart Chilton. Very Well Done!

Second, as to the responses of the CME, on the issue of position limits on the COMEX, and of their attitude, to a fruitful cooperation with the CFTC, in implementing the content of the Dodd-Frank Act to the commodities trading market place of the COMEX, I note, when applying logic and deduction to their reasoning, that there are some incongruities and inaccountabilities, in their way of reasoning:

First, they have met the invitation by the honorable CFTC Commissioner Mr. Bart Chilton, on the work of defining the size of legitimate position limits, by complete incooperation, stating that position limits are completely unnecessary and of insignificant importance, in the daily COMEX trading.

Their officially held view, on the issue of legitimate position limits, in the COMEX market place is, however, contradicted by their actions: For an issue of "insignificant importance", to the daily trading at the COMEX market place, the CME is exhibiting a remarkable persistence and struggle, to resist legitimate position limits, to the degree that one could say that they have actually "dug in their heels", to resist this issue.

If the issue of position limits is, in the eyes of the CME, of insignificant, or minor, importance, then, one must ask, why are they putting so much energy to resist them being implemented? If they were insignificant, they wouldn't be worth the investment of energy to resist them. There is a discrepancy here, between what the CME says, on legitimate position limits, and what they do. That is, then, the logical question #2: Why is there a discrepancy, between what the CME says, on the issue of legitimate position limits, and what they do?

Further, as they maintain that position limits are irrelevant and "unnecessary", they, at the same time, ask to have a delay, to the introduction of position limits. Why would there need to be a delay, if the introduction of position limits are "unnecessary"? If "unnecessary", why bother? This is a contradiction, of their own statement, that they made to Commissioner Chilton, of position limits being "unnecessary".

Furthermore, they especially ask for, if position limits are to be implemented, that not only legitimate position holders (producers and users) be eligible for exemptions, but all "non-speculative" market participants. Again, why ask for this exemption, if the introduction of legitimate position limits in the COMEX market place would be a legislative measure of "unnecessary" nature?

There are self-contradictions, both in the statements of the CME, and in their actions, as compared to their statements. Again, one has to ask, why is there illogical reasoning, on the part of the CME?

Apparently, their reasoning is illogic, because they are not following a straight line, with clear reasoning, but are letting their reasoning be influenced by factors, that are unaccounted for, and that are unseen by, and unreported to, the regulators, that are the CFTC, but factors that are, to all appearances, known to the CME.

One explanation to the ill-conceived standing, of the CME, could be that they are not acting as an agency, on the issue of legitimate position limits, in the COMEX market place, but as a proxy for other interested parties. Who might these be? The best answer to that question would probably be the answer to the ancient Roman judicial question, of "who benefitted?"

In this case, the ones who would benefit from a non-implementation, or a delay, of the Dodd-Frank Act legitimate position limits, in the COMEX market place, would be the same as those, who benefit now, from the existing *status quo*; the big market manipulators of the precious metals market, and especially the big manipulator in the silver market, JPMorgan.

To all appearances, the CME is not acting as an agency, regarding the issue of legitimate position limits, in the COMEX market place, but is acting as a proxy for market participants, interested in maintaining the *status quo*, of the COMEX market place.

This seems to be the most logic reason, to why they are;

- 1) inconsistent, in their reasoning and acting, as to the issue of legitimate position limits, in the COMEX market place, and
- 2) not cooperating with the CFTC, on the issue of establishing which market participants should be defined as legitimate hedgers, in the COMEX market place, and on the issue of on what level legitimate position limits should be, in order to be working, in the same market place.

The CME-group is, I am sorry to say, to all appearances not acting as an agency, but as an interested party, on the issue of legitimate position limits, in the COMEX market place, as of today.

Best regards, and thank You to You all, in the Commission, for Your work, on this issue.

A special thank You I wish to extend to Chairman CFTC, Mr. Gary Gensler, and to Commissioner CFTC, Mr. Bart Chilton, for their work.

Very Well Done, to both of You, Sirs!

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