

From: Ramon Michael <ramonmichael@sbcglobal.net>
Sent: Tuesday, October 5, 2010 9:49 PM
To: PosLimits <PosLimits@CFTC.gov>
Subject: One percent position limits

October 5, 2010
US Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St, NW
Washington, DC 20581

Dear Chairman Gensler and Fellow Commissioners,

I propose 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. No single speculative trading entity could control on a net basis, long or short, a total derivatives position greater than one percent of the annual world production of any commodity. Such a limit would be large enough to accommodate all but a handful of traders in every market. Importantly, such a level, evenly enforced, would make concentration and manipulation impossible. This is the primary mission of the Commission.

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.

Ramon Michael
Independent Investor