

From: Anonymous  
Proposal: 1479 (RIN 7100-AE10) Regulation: Physical Commodities-FHCs (ANPR)  
Subject: Physical Commodities-FHCs

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Comments:

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Proposal: Regulation: Complementary Activities, Merchant Banking Activities, and Other Activities of Financial Holding Companies related to Physical Commodities [R-1479]

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Your comment: To whom it may concern, Banks, should have some ability to buy and trade commodities. But only to the extent as intermediates facilitating efficient markets. Essentially a volcker rule for commodities. I'm ok with banks taking commodities as collateral in lieu. A commodity should be priced based on the suppliers and consumers, financial entities should not have more than a marginal impact on the price discovery of a commodity. Regulation should be designed with this in mind. Hedge funds should be permitted to hold commodity on behalf of a consuming party. If alcoa thinks the price of aluminum will rise 20% in the near term and wishes to hedge against this increase in costs, it should be able to find a financial entity whom will facilitate protecting it's financial interests in this regard. Financial entities are market facilitators, not market makers, with respect to commodities.