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

Comments:

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

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Your comment:

My comment relates to your study relating to the permission given banks after enactment of the Glass - Segall law to engage in activities outside of their traditional role as an intermediary between savers and borrowers and especially to their proprietary entry into the precious metals markets.

Certain banks have consistently entered these futures markets and with assistance of the CME, manufactured price quotes inconsistent with the needs for legitimate price hedging by physical producers, and users. As such, they have persistently guided prices at will to create profits in their "trading" accounts which are bragged about from time to time.

This manipulation of prices in these markets, runs counter to the intent of commodity law, and market self correcting balance. They have also worked powerfully to counter proposed CFTC limits by way of trading limits as required by recent legislation.

In my opinion, this activity should therefore be taken away altogether, because it distorts market pricing, and therefore harms the credibility of a central piece of the capitalistic model. We need to maintain as efficient an economy as possible, and this practice distorts the effort.