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COMMENT

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Brooksley Born, Chairperson
Commodity Futures Trading Commission
1155 - 21st Street, N. W.
Washington, D. C. 20581

Dear Chairperson Brooksley Born,

April 7, 1998

"concept release"

I am writing you to express my concern and opposition to the enactment of a proposal to permit various forms of non-competitive futures trading. The appeal to off floor trading should not outweigh the probable damage to the price discovery function that futures trading offers to those that seek price volatility protection through the use of futures and options markets. The primary function of the futures market is to allow those engaged in the trade of the cash commodity the opportunity to hedge their price exposure. Trades that are held off of the market, back office transfers, would not be reflected in the true price discovery process for which futures markets were developed.

Futures markets are primarily price discovery markets. Stock exchange markets are primarily capital formation markets. The difference between these two markets are worlds apart.

In the past, these forms of non-competitive futures trading were prohibited and described as bucket shop transactions.

In conclusion, the purpose of the futures market is price discovery. All transactions must be reflected in the market through competitive forces that determine that price.

Sincerely,

Hollis Griffin