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**COMMENT**

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COMPREHENSIVE REVIEW OF THE COMMITMENTS OF TRADERS REPORTING PROGRAM

71 FR 35627 (June 21, 2006)

THE ATTACHED PDF FILE IS WORD-SEARCHABLE

NUMBER OF COMMENTS RECEIVED ON THIS DATE: 67

**secretary**

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**From:** Rfcrocker@aol.com  
**Sent:** Saturday, August 19, 2006 3:16 PM  
**To:** secretary  
**Subject:** (no subject)

Eileen Donovan, Acting Secretary  
Commodity Trading Futures Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Email:[secretary@cftc.gov](mailto:secretary@cftc.gov)

Subject: COT reports

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any modification must avoid discontinuing, suspending, or delaying, the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible. My specific responses to your numbered inquiries are as follows:

1. As an individual trader, I use the COT report to alert me to sudden position changes that would indicate a reversal in sentiment by a particular trader group. I also look at total positions against their historical ranges to identify sentiment extremes among the various trader groups.
  - a. The size of the commercial long and short totals, as well as the ratio of these, is useful in discovering extremes or significant changes in sentiment within the "trade." Historically, large one-sided positions among commercial traders has indicated a potential price trend change in the direction of the commercial position. Likewise, resumptions in major trends often follow a large change in commercial buying or selling patterns.
  - b. Non-commercial large traders have historically shown a preference for momentum trading strategies and, thus, provided the buying power in bull trends and the selling power in bear trends. I look for a trend to accelerate in the direction of predominant one-sided large speculator trading. I anticipate declining large speculator participation and am alert for potential trend reversals when their positions approach historical long or short extremes.
  - c. In uptrends, the extent that large non-commercial traders are willing to bid forward futures prices to a premium over normal carrying charges gives me an indication of the potential strength and longevity of bullish conditions. In downtrends, momentum selling usually results large speculators holding shorts and net short positions near their historical extremes at price bottoms in both futures and cash prices.
2. The Haig working paper on the CFTC website lists 41 related scholarly works, many apparently using COT data, and this is probably not a comprehensive list.
3. Market transparency is the antithesis of manipulative advantage, and the COT report makes US futures the most transparent of any exchange in the world. Do traders change their tactics based

on date in the COT report? If they do, those reactions are promptly reported in next week's issue. This self correcting feature is unusual in a potentially market-moving report.

4. The Commission must continue publishing the CoT report.
5. Since the large traders are not identified, only the Commission can judge the need for additional trader categories. It is difficult to understand the distinction the Commission draws between non-commercials and non-traditional commercials. Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can apparently operate without limits and the futures position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission does not view these as equivalent speculative (non-commercial) positions, than I would prefer to see it listed under a separate category and reserve the commercial category for traditional hedgers.
6. The COT report is not the only source of information regarding the potential size and timing of investment fund rolls. Even if it were, the market would soon arbitrage out any unfair advantage. Transparency is the antithesis of manipulative advantage.
7.
  - a. The COT report is not the sole source of trader information. In fact many of these entities report their positions on SEC reports. For the CFTC to quit disclosing aggregate homogeneous positions would actually tilt the playing field in favor of large players who have the resources to aggregate this information from other sources.
  - b. Insiders don't need to "guess" the identity or position totals. They can get actual names from SEC and other (less public) sources and deduce futures position sizes from equity reports and broker contacts. By publishing factual aggregate totals, the Commission only levels the playing field to the disadvantage of potential manipulators who access inside or non-public sources.
  - c. The Commission has already increased the threshold number of reportable traders needed to publish Commitments data from 4 to 20. The Commission has to balance this perceived need for privacy of individual trading concerns against the benefits of transparency. It seems to me that a market's susceptibility to manipulation is inversely related to the number of large trader participants. Publishing the aggregate totals in the COT report is the antidote, not the poison.
8. & 9. For simplicity, categories should be consistent for all markets. If the total for a particular category in a particular market is zero, it doesn't take much effort to place it there. This provides flexibility to the Commission in future trader classification. As the Commission points out, the derivatives landscape is constantly changing and new products and non-traditional participants may be just around the corner for any market. And it is conceivable that a future Commission might use a different categorization protocol and categorize positions based on the source of the funds rather than the current practice, which apparently ignores the original source and purpose of the position.
10. Users of the COT report have benefited with each and every increase in reporting frequency. Less frequent partial reports create doubt, cloud transparency, and can't help anyone besides inside players.
11. Reportable traders are already required to report speculative positions separate from "bona fide hedges." This is not a hardship, particularly in the case of these large traders, whose reporting is automated.

Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

**secretary**

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**From:** LLCCMAN@aol.com  
**Sent:** Sunday, August 20, 2006 1:30 PM  
**To:** secretary  
**Subject:** COT Reports

August 20, 2006

Eileen Donovan, Acting Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21st Street, NW.  
Washington, DC 20581

Re: COT Reports

Greetings,

Too many investors and speculators rely on the CFTC COT Reports for the commission to consider not publishing them in the future. Instead the commission should consider making the reports more timely, making them available on a real time or one-day delayed basis.

I will leave to others to suggest additional improvements, but I thought I would share with you portions of some July commentary that was prepared for another forum regarding the COT reports.

**Opinion and Commentary**

It has been the past unwritten policy of the Got Gold Report to (mostly) steer clear of some topics, such as the radical gold/silver manipulation-conspiracy brigade and other religions. Not because of a lack of an opinion on the subject, far from it, but because such comments often produce time consuming and unproductive follow-up discussion with true believers and followers of widely read conspiracy champions. However, looking back one can find some brief comments on the subject in a few GGR offerings over the past few months and events this week call for yet another exception to that self-imposed restriction.

In addition to mainstream traders and pundits, reactionary conspiracy minded activists and commentators have also jumped on the COT review, with some suggesting that a primary reason for the possible termination of the report is so that the alleged "conspiracy perps" can more easily carry out their intended nefarious pursuits, presumably at the expense of the "little guy," or some such thing.

On a gut level, those reactive types ought not to be surprised by the commission including the idea of quitting the COT reporting business. Not after repeated unsubstantiated allegations for years of 'this conspiracy' or 'that collusion' by the CFTC membership, board and directors, and reckless calls for conspiracy flock members to hound the commission and the NYMEX by email, fax, phone and U.S. mail, citing the ordinary and normal changes in the COT report as so-called "proof" of their serious (read spurious) claims and allegations.

These and other careless actions created what must seem like a habitual firestorm of negative comment

8/21/2006

to and about the CFTC, centered on and triggered by the very useful COT reports. Reports the commission says are not mandated by their charter. In other words the CFTC is not required to provide the COT reports.

**Ironically, if the CFTC ends up deciding to quit publishing the reports, we can "thank" the high priests of the 'Church of Conspiracy,' at least in part.**

### **An Illusion of Collusion**

As this report has said in the now distant past, some (not all) metals commentators who sell the snake oil claims of an evil cartel wielding an unseen hand of constant suppression and manipulation over the entire global market for gold, silver and some other commodities truly believe what they are selling. They truly believe just as fervently as conspiracy Kool-Aid drinkers thought (and incredibly still think) Oliver Stone's 1991 cult classic "JFK" was a documentary.

A few, however, whether they realize it or not, (they probably do) use the conspiracy/manipulation excuse to explain why certain metals prices have not so far gone ballistic as they predicted, a case of their own chronic gross underestimation of available supplies and overestimation of global demand. For them the only explanation possible that metals prices have not shot to the moon is a conspiracy.

These metal-in-short-supply salesmen have cavalierly made outrageous and reprehensible allegations against an ever widening list of supposed suspects, all of whom presumably are in on the mind-boggling manipulation of historic proportions.

To put it bluntly some analysts and commentators built themselves a metal-in-short-supply straight jacket. In order to explain why current rising demand has not yet sent precious metals much higher (as they predicted) they consistently raise the specter of massive manipulation and the fantasy of an evil and illegal conspiracy by an elite cadre of industry, central bank and/or government plotters who they allege use the COMEX division of the New York Mercantile Exchange as one of their favorite tools of manipulation and suppression.

Phoey. These guys have set up an illusion of collusion, a phantom alternate reality to delude and misinform, and to feed their gullible flocks with poisonous, albeit enormously interesting fiction and circular logic.

These hucksters are no friends of gold or silver. Their constant whining and consistent distortions of ordinary market volatility into supposed "evidence" of conspiracy have led to suspicion and avoidance of the precious metals markets by potential investors who have bought into their claims of a rigged market. Their ridiculously outrageous allegations against the institutions of finance and offices of government have influenced and jaded individuals, convincing many to stay away. They wail away at this supposed injustice or that imagined suppression evidently oblivious to the long term damage they themselves have caused, both to the legitimacy and respectability of the small gold and silver markets and the personal damage to the reputations and good names of management of the firms and government offices they attack.

It is outrageous and a scandal that these embarrassing verbal bullies continue to perpetuate a charade, a cruel straw man hoax on the very people that read, believe and look to them for guidance. ...

For some of them it is too late. They are so locked into their altered states, they are so defined by their all-conspiracy-all-the-time religion, they have become a caricature of themselves and their early ideals.

...

Over time no conspiracy, no manipulation can overwhelm the global supply/demand/liquidity equilibrium. Period.

(End of comments)

Respectfully submitted,

Gene Arensberg  
Got Gold Report

**secretary**

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**From:** Floyd Upperman [Floyd@upperman.com]  
**Sent:** Sunday, August 20, 2006 10:30 PM  
**To:** secretary  
**Subject:** COT Report

Dear CFTC

First, I'd like to express my greatest thanks for this wonderful report. The COT report is a very useful report and its very much appreciated by many, but in particular, I believe its most appreciated by the little guy (small speculators). For many, its comforting to be able to "view" changes in large participant positions on a week to week basis.

Market transparency is absolutely crucial to ensure market manipulation does not take place and to preserve the integrity of the market place for all. Clearly the authorities must have the ability to observe and monitor transactions on every level to ensure markets remain free of manipulation. The COT report also provides the public with the means to assist in observing and monitoring the markets for manipulation too. Us little guys find this to be very comforting! We little guys (small speculators) always have a concern that the "big guys", meaning the big traders, have all the power and control. The COT report helps to level the field to some extent. At least the little guy can see what the big guys are doing and to what extent their positions are dispersed (concentration ratios).

In recent years the markets have gone through a global transformation and electronic revolution. Access to commodities and futures is now more readily available around the world. New electronic exchanges are popping up across the globe providing access to many of the same markets traded in the US as well.

This triggers some concern that the COT report may no longer capture as much of the total activity as it has in the past. This is an area of concern but I am not sure how the CFTC can address it in the future. For example, if a large commercial participant that typically hedges positions on a US exchange switches to a foreign exchange for the same market. Will those positions become "hidden" from the COT report since they would be executed on a foreign exchange?

In addition, many traditional futures and commodities markets are now becoming available via equities markets (the ETF in gold and silver for example). This is generating a new kind of trade in the underlying futures via long only fund positions that must be established (regardless of price) in order to manage various ETF's and commodity indexes. The new DBC commodity index for example trades like a stock (or ETF) and provides traders and investors with a new method for gaining direct access to an index of commodities from a traditional equities account.

Finally of course is the issue of pension funds and how their positions have impacted the COT report in recent years. In the last few years a number of large pension funds have begun establishing positions in various commodity indexes (such as the GSCI). It appears the banks managing these positions are classifying the positions as "hedged". That classification causes the positions that meet or exceed the reporting limits to fall into the "commercial" category of the COT report. These are primarily long only positions. They are positions established to mimic the performance of an index (such as the GSCI or Goldman Sachs Commodity Index). I am sure you are well aware of this already of course. These positions are skewing the traditional commercial data (from the long side). There are concerns as well that this could be harmful to the markets (potentially create false price floors or shortages of sellers). I believe the best solution here would be to create a new category of participants (i.e. "Commercial Index

8/21/2006

Funds") so as to separate these long only positions from the traditional commercial category (to preserve the traditional commercial longs and to improve transparency into pension fund exposure). If this new category is created, it will enhance the market transparency provided by the COT report significantly. It will provide more clarity in the relationship between traditional commercial longs and shorts, and also provide new transparency into managed fund exposure (i.e. pension fund exposure).

Some pension funds may complain that if this data is separated (from the traditional commercial category) and placed into a new COT category it will reveal too much about their position. However, I would say the data should be reported separately for the purpose of transparency and to keep the markets fair. Today the integrity of the market place is more important than ever before. Our society depends on these markets more than ever. The pension funds as everyone knows represent billions and billions of dollars. They are huge. These participants can seriously impact individual commodity markets by simply establishing positions or choosing to eliminate previously established positions (derived from various indexes). In recent years we've seen a dramatic and significant shift by pension funds into commodities using various commodity indexes (such as the GSCI). The percentage of a pension funds total commodity exposure is likely to be relatively small (3 - 5% for example). However, pension funds are holding billions and billions of dollars as well. Thus a relatively small exposure (percentage) can equate to a substantial monetary sum in a particular individual commodity market (like wheat or corn for example). The pension funds have been attracted to commodities in recent years because of the inverse relationship between equities/bonds and commodities and the overall performance of commodities relative to equities/bonds in the recent 5 years. What happens when this performance reverses? Commodity markets could experience sharp declines in price if pension funds decide not to continue maintaining these positions in my opinion. It would be very advantageous to the small speculator (small guy) to know ahead of time how much exposure these pension funds (including concentration ratios) on a week to week basis.

Of course many would like to see the frequency of the COT Report increased. Personally I believe the weekly cycle is fine. I would prefer to see more info, such as the pension fund positions broken out of the commercial category and placed into a new "Commercial Index Funds" category. In addition, I'd like to see more details about all positions (such as concentration ratios).

Once again, thank you for a fine report and whatever is decided, please do not get rid of this report!

Very Respectfully,  
Floyd Upperman



**secretary**

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**From:** Terry Clapp [terryclapp@hotmail.com]  
**Sent:** Sunday, August 20, 2006 10:36 PM  
**To:** secretary  
**Subject:** COT Report

Eileen Donovan, Acting Secretary  
Commodity Trading Futures Commission  
Three Lafayette Center  
1155 21st Street, NW  
Washington, DC 20581

Dear Ms. Donovan:

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

In response to your request for comments about the COT report, I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible.

**PLEASE ALSO CORRECT THE HEDGER DATA**

Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject to position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can operate without position limits, and the position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission cannot see that this is the same speculative money, than I would prefer to see it listed under a separate category and reserve the hedger category for traditional hedgers.

To address specific questions:

1. What types of traders in the futures and option markets use the COT reports in their current form, and how are they using the COT data?

More specifically:

(a) How do traders use the COT information on commercial positions?

I use COT commercial positions to provide fundamental input on possible trades.

(b) How do they use the COT information on non-commercial positions?

I use COT non-commercial positions to provide fundamental input on possible trades.

(c) In particular, with respect to information on non-commercial

positions, what information or insights do traders gain from the COT reports regarding the possible impact of futures trading on the underlying cash market?

N/A

2. Are other individuals or entities (academic researchers or others) using the COT reports and, if so, how?

N/A

3. Do the COT reports, in their current form, provide any particular segment of traders with an unfair advantage?

I am unsure.

4. Should the Commission continue to publish the COT reports?

Most definitely-it is the primary tool for market transparency in my estimation.

5. If the Commission continues to publish the COT reports, should the reports be revised to include additional categories of data--for example, non-traditional commercial positions, such as those held by swap dealers?

I'm not sure why this data cannot be simply placed in with the large speculator category.

6. As a general matter, would creating a separate category in the COT report for "non-traditional commercials" potentially put swap dealers or other non-traditional commercials at a competitive disadvantage (since other market participants would generally know that their positions are usually long, are concentrated in a single futures month, and are typically rolled to a deferred month on a specific schedule before the spot month)?

It could possibly put them at a disadvantage. See comment on question 5 for a solution.

7. More specifically, if the data in the COT reports are made subject to further, and finer, distinctions, such as adding a category for non-traditional commercials:

(a) Would it increase the likelihood that persons reading the reports would be able to deduce the identity of the position holders, or other proprietary information, from the reports?

See comment on question 5.

(b) Could such persons use information gleaned from the reports to gain a trading advantage over the reported position holders?

See comment on question 5.

(c) In such case, in order to reduce the likelihood of publishing categories with few traders, which might provide information giving other traders a competitive advantage over the reported traders, should the Commission consider raising the threshold number of reportable traders needed to publish

data for a market from 20 traders to some larger number of traders?

There is no need to raise the threshold-they either are large or small speculators if they are not traditional hedgers.

8. If the data in the COT reports are made subject to further, and finer, distinctions, should the reports be revised for all commodities, or only for those physical commodity markets in which non-traditional commercials participate?

Only non-traditional hedger markets

9. If a non-traditional commercial category were added to markets in physical commodities, what should be done with financial commodities, where "non-traditional commercials" would be essentially

an empty category (since, in financial commodities, swap dealers would fall within the pre-existing "commercial" category)?

Putting swap dealers into the category of "non-traditional commercials" corrupts the data. What risks are swap dealers hedging against? None that I can see-at least not like banks or other financial institutions. There must be some kind of risk to you in the spot market in order to be a hedger, period.

10. The Commission has observed that the non-traditional commercials tend to be long only and tend not to shift their futures positions dramatically--even in the face of substantial price movements. If the data in the COT reports are made subject to further, and finer, distinctions, would issuing the additional data on a periodic basis, in the form of a quarterly or monthly supplement, be sufficient? No, please continue to issue it weekly. Less often issues would provide adequate information in todays fast moving markets.

11. Some reportable traders engage in both traditional (physical) and non-traditional (financial) commercial activity in the same commodity market. If the data in the COT reports are made subject to further, and finer, distinctions, such traders would have to break out their non-traditional commercial OTC hedging activity into a separate account. Would such a requirement represent an undue burden to those traders?

How would that be an undue burden? As in question 7 c, you are either are large speculator, small speculator, or commercial.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Sincerely,

Terry Clapp

Speculator

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[Windows Live Spaces is here! It's easy to create your own personal Web site.](#)

**secretary**

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**From:** TC [diatac@yahoo.com]  
**Sent:** Sunday, August 20, 2006 11:57 PM  
**To:** secretary  
**Subject:** COT reports

To: Eileen Donovan, Acting Secretary, CFTC

I am an individual trader and am desiring that the COT reports would continue without interruption even if the Commission makes changes. I am going to try and answer the questions asked in part III to the best of my ability.

1. I currently use the COT information every week. I receive it from my data provider in a form that I can use on a chart in graph form. The commercial and non-commercial positions usually oppose one another. These reports allow me as an individual trader, who does not have all of the information that is available to the commercials and non-commercials, to be able and make judgments based upon overall long and short positions as to the general market direction. It is by no means an exact science and a trader has to be able to look at a number of other indicators to help make the proper call.

As far as insights into the possible impact of the non-commercial positions as related to the cash market it is difficult for me to ascertain. For me to be able to foresee the impact I would tend to want the information on the commercials and the individual traders as well to actually see who is taking the opposite sides of their trades.

2. There have been numerous books written about the COT reports and lots of research has been done on the subject. As far as what I have seen written have been books on how to use the COT reports to determine probable market direction.

3. I believe as the reports are delivered now they help to level the playing field between the large players in the market and the small ones. Without this report the large players would have a HUGE unfair advantage over everyone else.

4. I think the Commission should continue to publish the COT reports as they are a vital tool to the futures industry.

5. Having additional categories could very well be helpful to all. But if it means that the Commission would stop publishing the reports while it revamped them I would rather see no changes made and the reports continue as they are then to have any kind of delay while changes are made.

6. I am not sure but would think not.

7. I think it would be very tough for people to figure out the identity of position holders through the reports. There are so many traders out there that it would seem impossible. A lot of traders who may be long on the Tuesday when the information is gathered could possibly be short by Friday when the report is published.

8. I would say only for those markets in which non-traditional commercials participate.

9. I would not change them.

10. I think issuing additional information on a monthly or quarterly basis would be the preferable way to go. That would allow it to be studied separately so all of those who would receive the information could evaluate it with regards to the information already published by the Commission.

11. I do not know what kind of a burden it would place on those traders. If they feel it would be an undue burden then keeping the COT reports published in their current form would be OK.

I hope these answers to your questions help. I only ask that the Commission would continue to publish the reports either in the current form or a modified form without any delay.

Sincerely,

Terry Curtis

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Do you Yahoo!?  
Get on board. You're invited to try the new Yahoo! Mail Beta.

## secretary

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**From:** Chris Ridder [cridder@mdalink.com]  
**Sent:** Monday, August 21, 2006 10:55 AM  
**To:** secretary  
**Subject:** COT reports

Dear Sir or Madam,

\_1.\_ I use the COT reports to check the position of the commercials to see if they are hedging with a long or short side bias.

This is in the belief that they have a more complete view of information as a whole rather than the small part I can analyze. If non-commercials

also show a consistent bias then this provides information as to whether "irrational exuberance", to use Greenspan's terminology, has taken place.

If the COT report is ceased to be published then I as a speculator (and I believe others with me) will raise the risk and liquidity premium.

The markets are already opaque enough and the COT report provides a mosaic of the underlying thoughts being threshed out in the marketplace

with real money and not opinions. If speculators on the margin raise the risk and liquidity premiums because of less information about the

marketplace then it would appear to follow that the cost to hedgers would also raise and this could possibly affect the cash markets with more variance

in the basis taking place.

2. I do recall seeing and hearing some research about the COT reports in academic circles. I had some ideas during my studies but unfortunately

my research took another direction but I do believe the data has promise; especially with market microstructure being a fairly hot topic these days.

3. I don't see how one group has more an advantage than others if all have access over the Internet to the same data.

4. Please do continue to publish the reports or I shall raise my risk and liquidity premiums due to a reduction in the transparency of the marketplace.

Although the COT reports are not "real time" and may have flaws, it is better than nothing. I would think that the market participants should have

the same opportunity to sift through the data as before and extract any perceived value.

5. Swap dealer positions might be nice but if the industry balks to much, just leave it as is and let the marketplace participants figure things out.

6. If swap dealers have to roll then so do the others on the other side of the trade. It would appear that the swap dealers just have a higher demand for liquidity

than their potential counter parties since all have to roll to continue their positions. If cash traders want to hold and take delivery then there must be underlying supply or demand and the futures market is to assist the underlying cash market economic transactions.

7. There are already services that report on the transactions of the "trading floor" I have seen for the CBOT and floor traders have the potential to "see" all transactions.

It seems like most large entities are already "tagged" on the floor. With electronic trading and volume weighted average price algorithms it would seem that being "tagged"

is less likely in the future.

8. I don't care as long as the COT report is published.

9. Keep things the same in financial reports then.

10. I like the regular weekly releases. However if the weekly information is kept the

same I would not be opposed to additional information being released monthly.

11. With computers I don't think it would be much of a burden.

Thank you for the consideration of my comments.

Sincerely,

Chris Ridder

Donald H. Heitman  
Senior Special Counsel  
Division of Market Oversight, CFTC  
#3 Lafayette Center  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581  
August 15, 2006

Subject: Commitments of Traders (COT) – Request for Comments from the Commodity Futures Trading Commission; deadline: 08/21/06

Dear Mr. Heitman,

In response to your CFTC-Release #5190-06 of June 21 & 23, 2006, and in reply to your Federal Register Notice, FR Doc. E6-9722, updated 06/21/06 requesting public comment concerning the COT Reports, I wish to ask that the CFTC carefully consider the merits and importance of continuing the publication and public distribution of the COT Reports (Commitments of Traders).

In my 35 years of investment research and experience, I have become convinced that the COT Reports are among the most valuable of all government periodic publications concerning economic and investment-market facts and figures. The publication and public distribution of the weekly COT Reports make a vital contribution to the transparency, the integrity, and the soundness of U.S. investment-markets, including our nation's vital capital-formation-markets.

Furthermore, the weekly COT Reports provide invaluable market data and information to the investing public, as well as to professional investment advisors and to fund- and money-managers; market information that contributes strategically to the development and implementation of successful investment strategies. The COT Reports are a vitally important market research “tool” uniquely useful in the designing of investment strategies that help to more effectively diversify and distribute risk, and that more accurately help to develop investment portfolio goals and objectives, such as successful investment strategies for retirement planning.

In an age and era too often scarred by a “Culture of Corruption” that roils U.S. investment markets and threatens to undermine them --- corruption such as in the Enron case and the WorldCom case, and such as in the fraudulent back-dating of option values for hidden corporate executive pay-out schemes, and such as in the pervasive epidemic of special-interest influence and manipulation of many government institutions (such as in the Jack Abramov case with Congress) --- in such an age and era as this – it is of paramount importance that the COT’s vital factual data about U.S. commodity and financial futures markets, including indexes, bonds, world currencies, etc. --- it is of paramount importance that this market information continues to be published and made available to the public.



The publication and distribution of the COT Reports contributes to better informing and educating the American investment community; thus helping to restore and renew the public's trust in our nation's important financial, business, government, and market institutions. In an increasingly competitive global economy, the COT Reports assist in meeting the vital need of the American people to more soundly and independently provide for their own retirement planning and security. In conclusion, I again request and re-emphasize the critical need for the CFTC to weigh carefully the merits and importance of continuing the public publication and distribution of the weekly COT Reports, the Commitments of Traders.

Respectfully yours,

*David B. Macrory*

David B. Macrory

2207 Madison Ave.

San Diego, CA 92116

619-688-9579

## secretary

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**From:** Jan Burke [mailto:janburke.de]  
**Sent:** Monday, August 21, 2006 12:05 PM  
**To:** secretary  
**Subject:** COT reports

Dear CFTC Officer,

I am an incipient commodities trader (with very limited practical experience as yet, but always watching and analysing), have studied the issues and topics outlined in <http://cftc.gov/foia/fedreg06/foi060621a.htm>, and would like to give you my opinion in response to the questions posed. I have seen calls from newsletter writers to all write to you and say "please don't kill the COT report!"; but I might as well think and write for myself.

1. a) I understand the commercial positions largely as indicative of what the insiders are doing, i.e. those people and entities participating in physical markets who actually produce and consume their respective commodities, and who are as such privy to information that private investors cannot hope to get. Of course the information itself is not published; but to me, what the commercial entities do is an indication of what they see coming - but they, too, can be wrong.

1. b) I think of the non-commercial parties essentially as those entities who try to "ride" the markets for a quick profit, and that typically take the opposite side of the commercials. Also, they typically lose money because they are not interested in the commodities themselves, just in their price swings.

1. c) Well, if non-commercials buy, the price goes up - if they sell, the price goes down. But since they do not know what is really going on in those markets, typically they are on the losing side.

2. I am doing research with the help of futures spreads, and price and COT charts (both with historical data and for the near-term time frame in the future), and try to identify correlations, contradictions and trends, but that is as a self-teaching little guy who wants to supplement his income, not as a scholar (even though I might become one if I do this for a few more years).

3. No they don't; the commercials do what they see fit, regardless of the COT or price readings. The non-commercials take the other side without much consideration; I suspect they're mostly triggered by moving averages. Both of these large trading parties are privy to information that private persons do not get. If anything, the COT reports diminish the disadvantage for the private speculators, because they can then see what the big guys are doing, and position themselves accordingly.

4. Yes it should; and also it should be considered whether reports could be published on Friday as before, but with a cut-off date of Friday (the same day) instead of Tuesday. Also, with modern technology, perhaps it is possible to publish simplified reports daily, and full reports weekly, without excessive burden to the parties required to report. To me, the main attraction of the US commodity markets, and the main reason I am planning to trade them, is their relative transparency; if that were to disappear, I would have no preference for US markets over, say, European or Asian markets.

5. This is a good idea; it would be very helpful to have a handle on who is actually dealing in a given commodity for business purposes, and who is using it only as a financial instrument.

6. For this to be harmful, market participants would first have to find a way to take advantage of this perceived bias! As I see it, in all futures markets there stands the total short position against the total long position, and all individual parties need to see to it that they cannot be taken advantage of. I presume that all parties are watching all other parties and are trying to take advantage of them; this appears to me to be one essential ingredient of a free and fair market.

7. a) Probably not more than a person reading a COT report in the current format and guessing who the 4 or 8 largest traders may be. Some persons reading the reports will always be able to identify some names, which I think is inevitable; but even if that is

the case, they can never know for sure and so it is all conjecture. Whether to make trading decisions on "knowing" who is on the other side is a matter of taste.

7. b) See above; in general terms, not more than anybody else who has information about others. It seems to me that it really depends on who has the deepest pockets and can move the market their way.

7. c) Good idea; perhaps make this commensurate to the total number of traders for the pertinent commodity, so that traders' names cannot be guessed too easily.

8. Hmmm, it would be hard to think what an equivalent category would then be in other commodity markets. Given that grain markets are already reported on differently than, say, metals markets, and all reports have their tweaks, I think it doesn't hurt to adapt the reported data to what is actually going on in a market, perhaps even dynamically as the markets evolve, and not just from Commission review to Commission review.

9. See above; if that is the nature of the market, then there is no need to introduce an artificial category just to create uniformity in reporting. Why shouldn't the reporting on markets reflect their particularities?

10. I would say it depends on the relative size of the non-traditional commercials' positions in the respective markets. The more frequent the reports, the better, because if there are sudden shifts in markets, we'd know the reasons and who did what only long after the shifts.

11. I don't think so; it should be easy to put a few simple rules in place to distinguish these activities in electronic bookkeeping. It would be an interesting clue also where traders are active, and possibly even how they see the future of "their" commodity.

I hope this has been useful. I commend your work, which has helped me and others to understand markets better than it is possible with futures spreads alone; and I trust you will find a way to make reporting even better in the future.

Best regards,

Jan

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Jan Burke  
Sydney, Australia  
mail@janburke.de

## secretary

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**From:** David Jansen [david@pi-industries.com]  
**Sent:** Sunday, August 20, 2006 2:31 AM  
**To:** secretary  
**Subject:** COT reports

Eileen Donovan, Acting Secretary  
Commodity Trading Futures Commission  
Three Lafayette Center  
1155 21st Street, NW  
Washington, DC 20581

Email:secretary@cftc.gov

Subject: COT reports

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any modification must avoid discontinuing, suspending, or delaying, the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible. My specific responses to your numbered inquiries are as follows:

1. As an individual trader, I use the COT report to alert me to sudden position changes that would indicate a reversal in sentiment by a particular trader group. I also look at total positions against their historical ranges to identify sentiment extremes among the various trader groups.
  - a. The size of the commercial long and short totals, as well as the ratio of these, is useful in discovering extremes or significant changes in sentiment within the "trade." Historically, large one-sided positions among commercial traders has indicated a potential price trend change in the direction of the commercial position. Likewise, resumptions in major trends often follow a large change in commercial buying or selling patterns.
  - b. Non-commercial large traders have historically shown a preference for momentum trading strategies and, thus, provided the buying power in bull trends and the selling power in bear trends. I look for a trend to accelerate in the direction of predominant one-sided large speculator trading. I anticipate declining large speculator participation and am alert for potential trend reversals when their positions approach historical long or short extremes.
  - c. In uptrends, the extent that large non-commercial traders are willing to bid forward futures prices to a premium over normal carrying charges gives me an indication of the potential strength and longevity of bullish conditions. In downtrends, momentum selling usually results large speculators holding shorts and net short positions near their historical extremes at price bottoms in both futures and cash prices.
2. The Haig working paper on the CFTC website lists 41 related scholarly works, many apparently using COT data, and this is probably not a comprehensive list.
3. Market transparency is the antithesis of manipulative advantage, and the COT report makes US futures the most transparent of any exchange in the world. Do traders change their tactics based on date in the COT report? If they do, those reactions are promptly reported in next week's issue. This self correcting feature is unusual in a potentially market-moving report.
4. The Commission must continue publishing the CoT report.
5. Since the large traders are not identified, only the Commission can judge the need for additional trader categories. It is difficult to understand the distinction the Commission draws between non-commercials and non-traditional commercials. Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can apparently operate without limits and the futures position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission does not view these as equivalent speculative (non-commercial) positions, than I would prefer to see it listed under a separate category and reserve the commercial category for traditional hedgers.

6. The COT report is not the only source of information regarding the potential size and timing of investment fund rolls. Even if it were, the market would soon arbitrage out any unfair advantage. Transparency is the antithesis of manipulative advantage.

7.a. The COT report is not the sole source of trader information. In fact many of these entities report their positions on SEC reports. For the CFTC to quit disclosing aggregate homogeneous positions would actually tilt the playing field in favor of large players who have the resources to aggregate this information from other sources.

b. Insiders don't need to "guess" the identity or position totals. They can get actual names from SEC and other (less public) sources and deduce futures position sizes from equity reports and broker contacts. By publishing factual aggregate totals, the Commission only levels the playing field to the disadvantage of potential manipulators who access inside or non-public sources.

c. The Commission has already increased the threshold number of reportable traders needed to publish Commitments data from 4 to 20. The Commission has to balance this perceived need for privacy of individual trading concerns against the benefits of transparency. It seems to me that a market's susceptibility to manipulation is inversely related to the number of large trader participants. Publishing the aggregate totals in the COT report is the antidote, not the poison.

8. & 9. For simplicity, categories should be consistent for all markets.

If the total for a particular category in a particular market is zero, it doesn't take much effort to place it there. This provides flexibility to the Commission in future trader classification. As the Commission points out, the derivatives landscape is constantly changing and new products and non-traditional participants may be just around the corner for any market. And it is conceivable that a future Commission might use a different categorization protocol and categorize positions based on the source of the funds rather than the current practice, which apparently ignores the original source and purpose of the position.

10. Users of the COT report have benefited with each and every increase in reporting frequency. Less frequent partial reports create doubt, cloud transparency, and can't help anyone besides inside players.

11. Reportable traders are already required to report speculative positions separate from "bona fide hedges." This should not be a hardship, particularly in the case of these large traders, whose reporting is automated. Any inconvenience is more than offset by the public's need to know.

Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

Thank you,

David Jansen

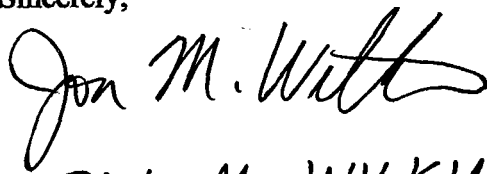
Commodity Trading Futures Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581  
**Attn: Eileen Donovan**

Re: COT Report

Dear Eileen,

As an individual trader, I rely almost exclusively on the COT report to assist me in all my trading decisions. In response to your request for comments about the COT report, please know that I am deeply concerned that the CFTC would even consider discontinuing such popular, insightful and needed service. I ask you to please continue publishing these reports. They are a valuable and much needed tool for many investors throughout the world. Your help in this matter is greatly appreciated.

Sincerely,

  
JON M. WILKINS

**secretary**

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**From:** Ron Breitigam [rbreitigam@eclipsecap.com]  
**Sent:** Monday, August 21, 2006 4:27 PM  
**To:** secretary  
**Subject:** COT Reports

Re: Commitments of Traders Reports

The commission has asked for comments regarding changes to the COT report including adding or changing the categories of participants. As a professional Commodity Trading Advisor (CTA) we view the report as a valuable source of information on the general markets positioning. This data, more easily acquired by exchange clearing members, is needed by outside players in order to level the playing field of information.

We do agree that modifying the labels of participants would serve to clarify the markets holdings. In our opinion this would serve the market well rather than expose any particular participant to exploitation of their positioning.

Specifically, we would submit that adding a new category for non-traditional commercial positions would clarify the reported commercial positions and allow market participants to view and monitor swap and index positioning seperately. We believe that this change should apply to all commodities rather than those in which only non-traditional commercials participate. We do not believe that this change would create a competitive disadvantage for non-traditional players.

Thank you for requesting and considering our comment on this proposal.

Sincerely,

Ron Breitigam

Ronald R. Breitigam  
Senior Vice President, Trading  
Eclipse Capital  
314-725-2100

**secretary**

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**From:** brent anderson [brent.anderson3@worldnet.att.net]  
**Sent:** Monday, August 21, 2006 3:45 PM  
**To:** secretary  
**Subject:** COT Reports  
**Attachments:** "AVG certification"

As a small speculator I find the COT reports to be extremely useful in determining the sentiment of the various trading groups, commercials, large specs and small specs. It is important to know about extremes historically in size of positions, changes in positions and directions of the change. It is also very useful to compare the positions of the commercial traders vs the positions of the large specs and small specs. Losing this information would harm the transparency of futures markets and would tilt the playing field in favor of large commercials who have the wherewithall financially and the contacts to give them an "insiders edge" with respect to the positions of the more important traders in the market place. I hope the govt will continue to publish this info for the good of the liquidity and fairness of the marketplace.

Sincerely,  
Brent Anderson  
Private Trader



**secretary**

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**From:** Philip Bafundo [bafundo@optonline.net]  
**Sent:** Monday, August 21, 2006 4:19 PM  
**To:** secretary  
**Subject:** COT Report

Dear Secretary Donovan:

I would like to briefly write to you to request that the Commission continue publishing the weekly Commitment of Traders (COT) report. As transparency helps to maintain confidence in the financial markets, the reports should continue unabated and the historical continuity of the data should be maintained.

In fact, I would respectfully request that the reports be provided on an even more timely basis, i.e. that the lag between the date of the report and the release of the report be reduced considerably.

I thank you for your time and consideration of these suggestions.

Sincerely,

Philip J. Bafundo, CFA, CPA  
President  
PJB Capital Management, Inc.  
307 St. Clair Avenue  
Spring Lake, New Jersey 07762  
Phone: 917-648-7129  
E-mail: [bafundo@optonline.net](mailto:bafundo@optonline.net)

8/21/2006

**secretary**

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**From:** shimi@mindspring.com  
**Sent:** Monday, August 21, 2006 12:37 PM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible.

**PLEASE ALSO CORRECT THE HEDGER DATA**

Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject to position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can operate without position limits, and the position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission cannot see that this is the same speculative money, then I would prefer to see it listed under a separate category and reserve the hedger category for traditional hedgers.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Shirley Lisenbe  
201 Hillington Rd.  
Garner, N.C. 27529-8228

8/21/2006

**secretary**

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**From:** Mark Collin [mcollin@tds.net]  
**Sent:** Monday, August 21, 2006 12:41 PM  
**To:** secretary  
**Subject:** COT reports

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. Certainly true hedgers should have their own category. In general, any modification must avoid discontinuing, suspending, or delaying the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

**secretary**

---

**From:** shimi@mindspring.com  
**Sent:** Monday, August 21, 2006 12:38 PM  
**To:** secretary  
**Subject:** COT Report

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Thank you for keeping our markets transparent with full disclosure to the public.

Michael Lisenbe  
201 Hillington Rd.  
Garner, N.C. 27529-8228

8/21/2006

**secretary**

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**From:** Robert James Deadman [robertd@tsagroup.com]  
**Sent:** Monday, August 21, 2006 12:57 PM  
**To:** secretary  
**Subject:** COT reports

I am writing in responst to the CFTC's examination as whether or not to maintain the Commitments of Traders reports. I would like to add my comments to this.

As both a trader and as a businessman who use this information, the last thing that I would want to happen to this information would be for it to simply go away. It is valuable to all participants in almost every area of commodity and fututes trading.

For concerns as to whether it is still valuable with the swap information, the answer is YES. Even if the swap trading is included in the commercials reports, it is still better than not having the information at all. Other groups are still monitored, and information can still be derived from the existing report.

The ideal situation would be to have the 4th swap category added, as that would allow analysis to be more accurate. The question that this poses would then be does this create a competitive disadvantage to the swap traders? I would say no for two reasons... 1 - the individual swap traders never need to be identified as to have information as to which trader(s) are placing the positions, therefore they as individuals can't be targeted, and 2 - everybody already knows that the majority of swaps are long anyway. Taking away the COT report doesn't eliminate the common knowledge of what swap traders do, or the fact that they are mostly long. Therefore, there is no surprise information that the swap traders hold.

If the ideal situation can't occur, I would at least ask that the COT report continue as it is. While some of the commodities will not be as accurate as others, things like currency analysis are still exceptionally valuable and used heavily.

I thank you for the reporting you've already done.

Respectfully,

Robert Deadman  
Trading Systems Analysis Group

**secretary**

---

**From:** Hlava, Joe [JLH@ccivalve.com]  
**Sent:** Monday, August 21, 2006 1:49 PM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

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Please be advised that whether you are the intended recipient, copied or received this communication in error,

you are legally bound to respect the privacy of this email with respect to any form of dissemination, distribution or copy of this communication. Thank you.

8/21/2006

**secretary**

---

**From:** BROSSEL [jacques.brossel@skynet.be]  
**Sent:** Monday, August 21, 2006 3:09 PM  
**To:** secretary  
**Subject:** RE : publication of COT ( Commitment of traders report )  
**Importance:** High

Dear all,

Stop publishing the weekly COT data altogether will withdraw some "transparency" for market participants. As "transparency" maintains confidence in the financial system, the reports should continue unabated and the historical continuity of the data should be maintained.

Tks for taking into account this remark.

Best Regards,  
Jacques.brossel@skynet.be, an investor

8/21/2006

**secretary**

---

**From:** vita&futuro [vitaefuturo@tiscali.it]  
**Sent:** Monday, August 21, 2006 3:15 PM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

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Thank you for keeping our markets transparent with full disclosure to the public.



## secretary

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**From:** ron welker [ron.welker@sympatico.ca]  
**Sent:** Monday, August 21, 2006 12:29 PM  
**To:** secretary

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

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**secretary**

---

**From:** shimi@mindspring.com  
**Sent:** Monday, August 21, 2006 12:08 PM  
**To:** secretary  
**Subject:** COT reports

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. Certainly true hedgers should have their own category. In general, any modification must avoid discontinuing, suspending, or delaying the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

Michael Lisenbe  
201 Hillington Rd  
Garner, N.C. 27529-8228

8/21/2006

**secretary**

---

**From:** Trade [Trade@TunnelConsult.de]  
**Sent:** Monday, August 21, 2006 12:11 PM  
**To:** secretary  
**Subject:** COT reports

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. Certainly true hedgers should have their own category. In general, any modification must avoid discontinuing, suspending, or delaying the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

**secretary**

---

**From:** Charles Maley [charles@angusjackson.com]

**Sent:** Monday, August 21, 2006 11:30 AM

**To:** secretary

**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

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Thank you for keeping our markets transparent with full disclosure to the public.

8/21/2006

**secretary**

---

**From:** shimi@mindspring.com  
**Sent:** Monday, August 21, 2006 12:01 PM  
**To:** secretary  
**Subject:** COT reports

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Shirley Lisenbe  
201 Hillington Rd.  
Garner, N.C. 27529-8228

Robert J. Schell  
7618 Pineglen Dr  
Cincinnati, OH 45224  
August 11, 2006

Eileen Donovan, Acting Secretary  
Commodity Trading Futures Commission  
Three Lafayette Center  
1155 21st Street, NW  
Washington, D C 20581

Dear Eileen:

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

In response to your request for comments about the COT report, I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

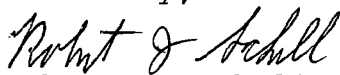
While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data.

Please also correct the hedger data.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Sincerely,

  
Robert J. Schell

8-12-06

Mrs Eileen DONOVAN,

This letter is TO YOU REGARDING  
the (COT Reports). PLEASE DO  
NOT STOP GIVING OUT THESE  
REPORTS. THEY ARE VERY VALUABLE  
REPORTS + HELP ALL TRADERS  
MAKE A LIVING. IT WOULD HURT  
ALOT OF PEOPLE. I WOULD  
NOT CHANGE ANYTHING WITH  
THEM.

Thank you!  
John Dewald

Dewald  
7400 Kirtley Rd  
Baltimore MD 21224-3325

**secretary**

---

**From:** Michael Cuddehe [mcuddehe@comcast.net]  
**Sent:** Sunday, August 20, 2006 9:53 PM  
**To:** secretary  
**Subject:** COT reports

Eileen Donovan, Acting Secretary  
Commodity Trading Futures Commission

Dear Ms. Donovan,

I am troubled to learn that the CFTC is contemplating the discontinuation of the Commitments of Traders reports. This report has become a staple for market analysis for traders of all types and sizes. I find it ironic that the Commission is actually contemplating less transparency at a time when the push is on from all quarters for money managers to open up to greater transparency. If there are difficulties accounting for new players in the market, the answer should be more transparency, not less. And there is certainly no reason why any new categories or changes cannot be made in such a way as to make future reports relevant in relation to past reports.

I do hope that you will continue to provide these valuable reports. Discontinuation will only provide cover to those who have always opposed the reports and who attempt to hide their market operations.

Yours truly,

Michael Cuddehe  
NFA ID# 0084916

8/21/2006



**secretary**

---

**From:** massimo zanoni [massimo.zanoni@tin.it]  
**Sent:** Monday, August 21, 2006 7:02 AM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible.

**PLEASE ALSO CORRECT THE HEDGER DATA**

Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject to position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can operate without position limits, and the position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission cannot see that this is the same speculative money, then I would prefer to see it listed under a separate category and reserve the hedger category for traditional hedgers.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

8/21/2006

## secretary

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**From:** Alberto Gallo [avgallo@yahoo.com]  
**Sent:** Monday, August 21, 2006 6:44 AM  
**To:** secretary  
**Subject:** COT reports

To: Eileen Donovan, Acting Secretary  
Commodity Trading Futures Commission

From: Alberto V. Gallo, small futures trader

Dear Acting Secretary:

I could send you a long reply, but all I am going to say is that I cannot understand why on earth the CFTC would even consider discontinuing the publication of the COT reports.

These reports are helpful to the small trader, who certainly needs all the help he can get.

If there is a change I would suggest, it would be publishing the COT reports on Fridays with data as of Wednesdays (instead of Tuesdays), which should be perfectly possible in these times of automated information.

Again, Acting Secretary, I very strongly feel the CFTC should NOT stop publishing these reports, as they help level a field already heavily slanted against the small guy. Instead, it should strive to make them more timely.

Best regards.

Alberto V. Gallo

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Correo Yahoo!

Espacio para todos tus mensajes, antivirus y antispam ¡gratis!  
¡Abrió tu cuenta ya! - <http://correo.yahoo.com.ar>

**secretary**

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**From:** Christian Holzner [christian.holzner@aimhedge.com]  
**Sent:** Monday, August 21, 2006 8:12 AM  
**To:** secretary  
**Subject:** COT reports

Dear Ladies and Gentlemen,

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. Certainly true hedgers should have their own category. In general, any modification must avoid discontinuing, suspending, or delaying the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

Regards,  
Christian Holzner

**secretary**

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**From:** Heitman, Donald H.  
**Sent:** Monday, August 21, 2006 8:56 AM  
**To:** secretary  
**Subject:** FW: Commitments of Traders (COT)

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**From:** Stevie\_B [mailto:AFrayedKnot@cox.net]  
**Sent:** Sunday, August 20, 2006 2:04 AM  
**To:** secretary  
**Cc:** Heitman, Donald H.  
**Subject:** Commitments of Traders (COT)

Please continue the publishing and public distribution of the  
Weekly Commitments of Traders Reports. (COT)  
Thank-you, Steven C. Bailey

**secretary**

---

**From:** Michael Hazeley [michaelhazeley@yahoo.com]  
**Sent:** Monday, August 21, 2006 10:00 AM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Michael Hazeley

**secretary**

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**From:** Michael Hazeley [m.hazeley@yahoo.com]  
**Sent:** Monday, August 21, 2006 10:00 AM  
**To:** secretary  
**Subject:** COT Report

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Thank you for keeping our markets transparent with full disclosure to the public.

**secretary**

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**From:** Michael Hazeley [michaelhazeley@yahoo.com]  
**Sent:** Monday, August 21, 2006 10:00 AM  
**To:** secretary  
**Subject:** COT Report

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Thank you for keeping our markets transparent with full disclosure to the public.

8/21/2006

## secretary

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**From:** david felix [david\_c\_felix@hotmail.com]  
**Sent:** Sunday, August 20, 2006 2:31 PM  
**To:** secretary  
**Subject:** COT reports

Hello,

I am writing in response to your request for comments regarding the Commitments of Traders Reporting Program.

I am an individual trader who trades for his own personal account. I would not characterize myself as a sophisticated trader as I am still learning the tricks of the trade. As such, I do not feel qualified to respond to many of the questions identified in your request for comments as published in the Federal Register (11 questions in total). However, I do have comments on several items.

Firstly, I believe the data included in the COT report is very useful in helping me to determine whether any particular trade is worthwhile. I would like to continue to access this information in the future and I feel it would put me at a great disadvantage to those of well-established traders if the report was no longer available. I request that the COT report continue to be published.

I would also like to request that the report be published more frequently, daily if at all possible, with as little delay between the "as of" date and the date that the data is published.

Thank you for your interest in my input.

Sincerely,

David Felix

432 Queen Charlotte Road S.E.  
Calgary, Alberta T2J 4H7  
CANADA



## secretary

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**From:** gregory szal [gregszal@gmail.com]  
**Sent:** Sunday, August 20, 2006 3:58 PM  
**To:** secretary  
**Subject:** COT Reports

I am an individual investor. I have found the COT reports extremely useful in trading. The COT reports are essential to us individual traders because they help level the playing field. In fact, it is the ONLY piece of information that we can rely on to be accurate and timely. Most recently, the information is valuable to give us an idea of how extensively commodity funds are involved in a particular commodity, and therefore gives a clue as to how volatile prices might react if the funds were to suddenly change course. This is especially helpful as it relates to the stability of the current trading ranges vis a vis the traditional commercial hedgers. I strongly urge the CFTC to continue to publish the reports. It would significantly injure the ability of the individual trader to make informed decisions about trades if this report were no longer available, especially now with so many commodity funds involved.

Thank you. - Gregory J. Szal

## secretary

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**From:** mwoestman@centurytel.net  
**Sent:** Sunday, August 20, 2006 9:02 PM  
**To:** secretary  
**Subject:** COT

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible.

PLEASE ALSO CORRECT THE HEDGER DATA

Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject to position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can operate without position limits, and the position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission cannot see that this is the same speculative money, then I would prefer to see it listed under a separate category and reserve the hedger category for traditional hedgers.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Mike Woestman  
Trempealeau, WI.

**secretary**

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**From:** mitch [mitchmad@microsoft.com]  
**Sent:** Sunday, August 20, 2006 8:57 PM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

8/21/2006

**secretary**

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**From:** Lesly Dormus [ldormus@integrity.com]  
**Sent:** Sunday, August 20, 2006 1:55 AM  
**To:** secretary  
**Subject:** COT Report

I'm a trader that is simply requesting that the report continue to be available to traders.

Respectfully,  
Les

8/21/2006

**secretary**

---

**From:** Stevie\_B [AFrayedKnot@cox.net]  
**Sent:** Sunday, August 20, 2006 2:04 AM  
**To:** secretary  
**Cc:** Heitman, Donald H.  
**Subject:** Commitments of Traders (COT)

Please continue the publishing and public distribution of the  
Weekly Commitments of Traders Reports. (COT)  
Thank-you, Steven C. Bailey

8/21/2006

## secretary

---

**From:** kinof@mbe.nifty.com  
**Sent:** Sunday, August 20, 2006 8:06 AM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

In response to your request for comments about the COT report, I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Takeo Fukino

**secretary**

---

**From:** Ambrose Nnaemeka [emmy@ikenga.com]  
**Sent:** Sunday, August 20, 2006 10:12 AM  
**To:** secretary  
**Subject:** COT Report

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Ambrose Nnaemeka, M.D.

**secretary**

---

**From:** JnAIRob@aol.com  
**Sent:** Sunday, August 20, 2006 12:45 PM  
**To:** secretary  
**Subject:** COT Report

Hello.

I have recently learned what the COT report represents to many investors and it appears it is a very usefull tool that guides their decision making, so much so that many would like it published more frequently. To eliminate the COT Report has many questioning this decision, and after reading several comments I also find myself wondering why someone would choose to eliminate it.

It may be prudent to talk to others who would be affected by the elimination of this report before your final answer.

Thank you.

Joan M.

8/21/2006



**secretary**

---

**From:** Tino Reisenweber [tbreisenweber@online.de]  
**Sent:** Friday, August 18, 2006 1:24 PM  
**To:** secretary  
**Subject:** COT-report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

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Thank you for keeping our markets transparent with full disclosure to the public.

**secretary**

---

**From:** Harshad [HarshAmi@hotmail.com]  
**Sent:** Sunday, August 20, 2006 12:31 AM  
**To:** secretary  
**Subject:** COT reports

Secretary, CFTC

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. Certainly true hedgers should have their own category. In general, any modification must avoid discontinuing, suspending, or delaying the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

Harshad Patel

8/21/2006

**secretary**

---

**From:** orbarts [orbart@netvigator.com]  
**Sent:** Sunday, August 20, 2006 1:29 AM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Jason Orbart

Private Trader

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No virus found in this outgoing message.

Checked by AVG Free Edition.

Version: 7.1.405 / Virus Database: 268.10.10/419 - Release Date: 15/08/2006

8/21/2006

**secretary**

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**From:** kim schultz [kimkds@yahoo.com]  
**Sent:** Saturday, August 19, 2006 6:53 PM  
**To:** secretary  
**Subject:** Regarding the discontinuation of COT reports

As a Tax paying citizen of the US, I here a rumor about eliminating the COT reports published for use by the public. I for one use the reports to make judgements about market direction and wouldn't appreciate having them no longer accesible to the public. Thank You,

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Do You Yahoo!?

Tired of spam? Yahoo! Mail has the best spam protection around <http://mail.yahoo.com>

## secretary

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**From:** GaryNichols@comcast.net  
**Sent:** Sunday, August 20, 2006 12:27 AM  
**To:** secretary  
**Subject:** COT Reports

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

In response to your request for comments about the COT report, I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

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## secretary

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**From:** GaryNichols@comcast.net  
**Sent:** Sunday, August 20, 2006 12:27 AM  
**To:** secretary  
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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

**secretary**

---

**From:** Chris Long [clong@imagin.net]  
**Sent:** Saturday, August 19, 2006 2:59 PM  
**To:** secretary  
**Subject:** COT reports

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. Certainly true hedgers should have their own category. In general, any modification must avoid discontinuing, suspending, or delaying the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

**secretary**

---

**From:** JOHN LIEBERMAN [invest\_2005@yahoo.com]

**Sent:** Saturday, August 19, 2006 2:55 PM

**To:** secretary

**Subject:** COT REPORTS

**Dear Secretary**

**I am strongly opposed to discontinuation of weekly publishing of the COT reports.**

**The small speculator is already at a great disadvantage in the futures markets and weekly COT reports at least give us a bit more of a chance to participate.**

**It would seem unfortunate that now, as speculation in futures markets is finally beginning to grow in popularity among the public, that you would remove one of the more useful tools the small speculator has to work with. If it is in the interest of the CFTC to promote itself and attract more traders, then the move you are considering would seem counterproductive to the future of the futures markets (no pun intended) and therefore the CFTC.**

**I will be very discouraged should you decide to stop publishing this document and will likely curtail my futures trading significantly.**

**As to your request for comments re: format changes, all I have to say is the less lag time in the report, the more useful it is.**

**If you continue to put it out on fridays after trading has closed, it should include data through at least the end of trading thursday;**

**Thank you for reviewing my comments**

**John Lieberman**

**Colorado Springs, CO**

**invest\_2005@yahoo.com**

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**secretary**

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**From:** Lyle Pugh [lpugh5@cox.net]  
**Sent:** Saturday, August 19, 2006 2:27 PM  
**To:** secretary  
**Subject:** COT reports

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. Certainly true hedgers should have their own category. In general, any modification must avoid discontinuing, suspending, or delaying the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

Thank you for your time

Lyle Pugh

**secretary**

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**From:** mikekissell@prodigy.net  
**Sent:** Saturday, August 19, 2006 1:36 PM  
**To:** secretary  
**Subject:** COT Report

Dear CFTC Members:

Thank you for the work you have been doing with regard to market transparency. I am pleased you have now determined it is time to review and update the way your valuable agency does it's reporting and formatting.

I understand that with your review of the current way the COT Report is compiled the CFTC is taking comments on ways to improve it. My concern is the lumping of Managed Pension Funds under the blanket Commercials category.

As you are well aware, the commodity markets have become very large in recent years and has drawn more and more into them from all categories. This necessitates an overhaul of the format of the COT Report to better expand and define who is in the market. I believe a seperate reporting category to reflect the Managed Pension Funds will further your responsibility of providing full disclosure and transparency of markets. The Category of "Commercial Funds" or some like named category to reflect their market position should be adopted.

Another factor to be considered is the frequency and timeliness of COT Reports. In this day of super computers and high speed data transfer, it is laughable that the COT Report is available after several days; and, is outdated for over a week until the next COT Report is released. I believe more timely and more frequent updating and release of the COT Report is in the best interest of market transparency. I hope you are looking into major changes in this area of timley reporting.

Thank You  
Mike Kissell

8/21/2006

**secretary**

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**From:** Phillip Adams, O.D. [pgadams1@our-town.com]  
**Sent:** Saturday, August 19, 2006 1:12 PM  
**To:** secretary  
**Subject:** COT Report

I just want to express my thoughts on the status of the COT report. The original purpose was to provide some much needed transparency to the markets. The current format no longer does that effectively. The report is needed and so are some changes. The variety of pension funds and SWAPS etc that have entered the markets have made it difficult to interpret positions and I believe that there is a need for additional categories. I believe these changes are essential for the integrity of the marketplace. Any consideration along those lines would be welcomed by individual traders.

Sincerely,  
Phillip Adams

From: Craeghton Nordahn 2063 Lewis Ave. Altadena, Calif. 91001 helios@dock.net

To: the Commodity Futures Trading Commission  
secretary@cftc.gov

Subject: COT Report

I appreciate the diligent work that goes into the invaluable Commitments Of Traders reports, as an American and as a trader. It is one of the things that bring full disclosure to the public in the Futures markets. It is one of the very best functions of government for and by the People. I use it on a very regular basis in making determinations in my trading.

Besides the large number of visitors directly to the CFTC/COT site, please bear in mind that the actual number of users of this information is in actuality far larger. Many of us get these reports in .pdf files from our brokers, on their websites, and the COT information is also in graphical form in many charting services.

While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible.

Frankly, I suspect that the CFTC is under pressure from the well financed interests of the Hedge funds, who would rather the COT information not be public; or made more obscure, or delayed.

One might as well attempt to trade without the use of charts!

If the COT reports were to cease or be made less available in any way, it would only serve to create a new category of INSIDER INFORMATION and demonstrate that this is government for sale to the highest bidder. If that were to happen, it is predictable that the CFTC would find itself embroiled in fierce class action litigation as well.

#### HEDGER DATA

Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject to position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can operate without position limits, and the position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission cannot see that this is the same speculative money, than I would prefer to see it listed under a separate category and reserve the hedger category for traditional hedgers.

I urge you to continue publishing and improving the COT report.  
Thank you for keeping our markets transparent with full disclosure to the public.

Respectfully,  
Craeghton Nordahn

**secretary**

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**From:** Suzy Kindel [suzykindel@yahoo.com]  
**Sent:** Saturday, August 19, 2006 11:37 AM  
**To:** secretary  
**Subject:** Please continue the COT report

To whom it may concern:

I trade futures and use the COT reports weekly which are very very helpful.

1. Please continue to make these reports available to the general public.
2. It would be more useful if the reports came out before Friday since the numbers are available to you on Tuesdays.
3. The reports would also be even more valuable if there was more market transparency. I would suggest pulling the Hedge Funds out of the Commercial Category and be shown as a separate category.
4. I suggest that the formatting of the report be reviewed every 5 years or even less because of how rapidly various markets/entities around the world are taking an interest in trading futures.

And finally, thank you for these reports!  
Suzanne Kindel

Suzy

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**secretary**

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**From:** paige\_ryan@ilerian.com  
**Sent:** Saturday, August 19, 2006 9:16 AM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less.

In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible.

PLEASE ALSO CORRECT THE HEDGER DATA

Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject to position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can operate without position limits, and the position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission cannot see that this is the same speculative money, then I would prefer to see it listed under a separate category and reserve the hedger category for traditional hedgers.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

**secretary**

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**From:** karl kriese [kkriese@kvcommodity.ca]  
**Sent:** Saturday, August 19, 2006 8:51 AM  
**To:** secretary  
**Subject:** COT REPORTS

To Whom it May Concern: The COT Report (provided by the CFTC) helps create a level playing field for all traders, including hedgers, funds and speculators. The information provides an invaluable glance at the overall bias of the various interest groups thereby providing the decision maker with a little more information to further assess his/her commitment to the trade. Abolishing the COT Report would be a travesty. This say I and all of my associates. Long live the COT!

Sincerely

Karl Kriese  
Canada

**secretary**

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**From:** Michael Quah [mikeq72@yahoo.com]  
**Sent:** Saturday, August 19, 2006 7:36 AM  
**To:** secretary  
**Subject:** Please don't discontinue COT report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible.

PLEASE ALSO CORRECT THE HEDGER DATA

Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject to position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can operate without position limits, and the position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission cannot see that this is the same speculative money, then I would prefer to see it listed under a separate category and reserve the hedger category for traditional hedgers.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

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## secretary

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**From:** Kelly Presti [kellyp62@hotmail.com]  
**Sent:** Saturday, August 19, 2006 7:16 AM  
**To:** secretary  
**Subject:** COT report

Greetings:

I am writing this letter to thank you for the hard work that you all do in preparing the COT reports and in support of improving the COT reports. The purpose of the report is to provide market transparency (at some level) to the commission and to the public, as a means to help prevent large scale market manipulation. It needs to reflect today's market environment, which has changed substantially in recent years! The current COT report format was created before many of these markets even existed, such as ETF's and before today's global market and electronic exchange environment (where the same markets are traded all over the world and becoming easier to access from any one location).

Managed pension fund money is entering into the futures markets under the classification of "commercial hedger". This did not occur (on a very wide scale anyway) at the time the original COT report format was first established. That is one of the main points I want to bring up. As pension funds enter commodities, they do so through the OTC market via a SWAP Dealer. A swap between a fixed rate and variable rate of return is agreed and established for a fixed period of time (between a swap dealer and managed fund). The variable rate is pegged to the future performance of an index of commodities, such as the GSCI for example, for a fixed period of time per the SWAP agreement). During this period of time, the underlying positions (in the INDEX) must be established and maintained in the futures markets. This is typically handled by a bank, where a trader working on behalf of the bank is responsible for entering all positions, managing the rolls and the entire position for the duration of time agreed upon in the swap. At the end of that period a profit or loss is generated. The percent profit or loss in the futures should match the performance of the index (GSCI) for that period of time. The managed fund (pension fund) will determine what the index will be.

The futures positions entered are long positions only (to replicate the performance of the index of commodities). The bank reports the position as "hedged", as profits or losses get passed from the bank to the swap dealer, therefore the bank is not exposed. These positions are counted as "Commercial" because the bank is using a "hedger" classification. The way the system is setup, all hedgers are reported as the same and get lumped together in one category "commercials". The system (for the COT report) is essentially outdated. This position help by these banks should be categorized as a new commercial category called "Commercial Index funds". If this new category is created, it will improve our system and enhance the transparency of the COT report significantly.

Today the integrity of the market place is more important than ever before. Our society depends on these markets today more than ever. Currencies are floated (there is no gold standard) and interest rates (on everything) are controlled by markets. The markets have become so large in recent years (via global participants) they have the power to keep long-term rates low even when the Fed is raising short-term rates for example. Its a different world that is for sure, but integrity and market transparency is absolutely crucial today!

The recent skewing of the traditional commercial data in the COT report is occurring because of the merging of different entities and interest. This is impacting what was originally a "traditional" commercial category in the COT report.

Thank you for this wonderful government report. I want to express my concern that the report continue to be published. In addition however, I am requesting to improve the report and improve market transparency. The purpose of the report is to provide market transparency (at some level) to the commission and public, as a means to help prevent large scale market manipulation. Please add the "commercial index funds" category to the report to keep the original spirit of the COT alive and functioning correctly.

Sincerely:

**secretary**

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**From:** Bruce Fisher [bruce@fisherca.com]  
**Sent:** Friday, August 18, 2006 7:42 PM  
**To:** secretary  
**Subject:** COT reports

As an individual trader, I rely heavily on the COT report to assist me in making market decisions. In response to your request for comments about the COT report, I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. The Enron fiasco demonstrated the need for increased transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report

The Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible. The COT report information cut-off is a Tuesday, but is released on Friday. It would be more useful if the data were released on the same day as the cut-off.

A problem that needs clarification is with the hedge fund: it can be categorized as a Commercial trader without position limits by using an intermediary swap dealer.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

Bruce Fisher

**secretary**

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**From:** Pete Seykora [sseykora@hotmail.com]  
**Sent:** Saturday, August 19, 2006 7:43 PM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

I am therefore deeply concerned that the CFTC would even consider discontinuing such a popular and insightful service. Your own site shows close to 500,000 users last year. The report has been the subject of over 40 University studies and two best selling books.

While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. In general, any changes should not result in discontinuing, suspending or delaying, the Commitments' report, and the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Absent historical reference, the report becomes nearly unintelligible.

**PLEASE ALSO CORRECT THE HEDGER DATA**

Under the Commission's rules a hedge fund buying futures contracts is listed as a speculator and is subject to position limits. However, if the same hedge fund acts through an intermediary swap dealer, it can operate without position limits, and the position is categorized as a Commercial under the guise that the swap dealer is now a "bona fide hedger." If the Commission cannot see that this is the same speculative money, then I would prefer to see it listed under a separate category and reserve the hedger category for traditional hedgers.

I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

**secretary**

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**From:** Herman, Daryl L [Daryl.Herman@carlislebelts.com]  
**Sent:** Friday, August 18, 2006 6:50 PM  
**To:** secretary  
**Subject:** COT reports

In response to your request for comments, I am deeply concerned that the CFTC would consider discontinuing such a popular and insightful report. While the report may need modification, the number and size of exemptions granted by the Commission would seem to demand more transparency, not less. Certainly true hedgers should have their own category. In general, any modification must avoid discontinuing, suspending, or delaying the Commitments reporting. And the Commission should take precautions to implement report changes in such a way as to maintain continuity with historical data. Finally, I would request that if the Commission should decide to make changes that could negatively affect the continuation, continuity, or promptness of the COT report, that it submit such proposed changes for further specific public comment.

I use this report and do not want to see it discontinued.

Thank you,

Daryl Herman

8/21/2006

**secretary**

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**From:** Larry Kurceba [larrykur@telus.net]  
**Sent:** Friday, August 18, 2006 5:21 PM  
**To:** secretary  
**Subject:** COT Report

As an individual trader, I rely heavily on the COT report to assist me in making market decisions.

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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

## secretary

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**From:** Pro Marco [mark\_prospacelab@hotmail.it]  
**Sent:** Friday, August 18, 2006 5:54 PM  
**To:** secretary  
**Subject:** COT Report

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Thank you for keeping our markets transparent with full disclosure to the public.

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## secretary

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**From:** Pro Marco [mark\_prospacelab@hotmail.it]  
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**Subject:** COT Report

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I urge you to continue publishing the reports. They are a valuable tool for investors throughout the world.

Thank you for keeping our markets transparent with full disclosure to the public.

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Ami viaggiare?Ma non sai dove andare?

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