

Title:

Beginning Forex (Currency) Trading

Word Count:

430

Summary:

Foreign exchange (forex) currency trading, the largest financial market in the world, requires a minimum of capital to invest and the profits can be substantial. Once you have learned the basics of forex, you're on the way to making money through the simultaneous buying or selling of currencies. Forex trading is instantaneous; as soon as you click the mouse, it's done. The most commonly traded currencies, easiest to liquidate, are the U.S. dollar, Japanese yen, British pound,...

Keywords:

forex, forex trading, currency trading, forex training, forex trading system

Article Body:

Foreign exchange (forex) currency trading, the largest financial market in the world, requires a minimum of capital to invest and the profits can be substantial. Once you have learned the basics of forex, you're on the way to making money through the simultaneous buying or selling of currencies. Forex trading is instantaneous; as soon as you click the mouse, it's done. The most commonly traded currencies, easiest to liquidate, are the U.S. dollar, Japanese yen, British pound, Swiss Franc, the Canadian dollar, Australian dollar, and the Eurodollar.

Unlike the stock market, forex trading has no central exchange. With forex, you can make a profit whether the market is up or down vs. only making money when the stock market is on the rise. By taking the long position with a pair of currencies, the forex trader buys at one price and sells when it reaches a higher price. The other option for the forex trader is to go short by selling currencies, anticipating depreciation, and then buying back when the value falls. The forex trader can pick either direction, long or short, and if correct, he will generate a profit. You can also set up a certain point (limit order) based on the amount of profit you want to earn to automatically limit the order. In the same way, you can stop or close an order to automatically liquidate if the currency trade is going against you.

In general, the strength of a country's economy determines the value of its

currency. Other factors to take into consideration in forex trading are the political and social status of the country, interest and employment rates, and the overall stability of its government. You will learn to see patterns or trends as you become more familiar with the in's and out's of forex trading.

The Forex market is a 24-hour trading place, Sunday through Friday, giving you the option of trading at any time of the day or night. Unlike the stock market, it doesn't close with the ringing of the bell. Forex online firms provide demos, guidance, and market news for the beginning investor. You can practice your skills in forex trading before actually investing real capital. Once you've learned the basics, a minimum investment is made, sometimes as low as \$200.00. These "mini-trading" accounts are a good way to begin forex trading and often there is no commission attached to your trading. You don't have to be a seasoned market analyst or economist to learn, enjoy, and make money with forex currency trading.