Title:
Forex Facts

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381

Summary:
The Forex Exchange was established in 1971. This market grew at a steady rate throughout the 1970's, but in the 1980's Forex grew from trading $70 billion per day to over $1.5 trillion each day.

Keywords:
forex,currency,trading,markets,brokers,money,dollar,exchange,euro,yen

Article Body:
There are many benefits and advantages for trading currencies on the Foreign Exchange, better known as Forex.

The Forex Exchange was established in 1971. This market grew at a steady rate throughout the 1970's, but in the 1980's Forex grew from trading $70 billion per day to over $1.5 trillion each day.

There are many huge players in Forex, but it is accessible to the individual trader. Each lot traded is worth approximately $100,000. By using leverage, an individual trader is only required to have a $1000 investment in the trade. This is a 100:1 leverage. No other market offers this amount of leverage.

Forex is also an extremely liquid market. Because it is so large, you can buy or sell in only seconds where your trade is only a mouse click away. You can also preset an automatic close for your position. This means you don't have to sit and watch your position, just place the trade, set an exit point and go what you want.

Forex trades virtually 24 hours, 7 days a week. It only closes from Friday afternoon until Sunday evening. This makes it possible to set your own trading hours. If you trade part time and want to place your trade at 3am, log into your account and trade. If you are a full time trader, the same applies. No other market lets you pick the hours you trade.

There are no commissions charged on Forex, only a small transaction fee. This is not possible in any other market, as brokers charge a commission on each trade in all other markets.

Because currencies are traded in pairs, so you are buying one currency and selling the other. For example, if an investor believes the US dollar will gain against the euro, you would buy the US dollar and sell the euro. It’s just that simple.

The potential for profit is good as there is always movement between currencies. Even a small change can result in substantial profits because of the large amount of money involved in the transaction.

First and foremost, before just opening an account and blindly making some trades, you need proper training. Study the market, learn the terms used in trading, set up a demo account with a currency broker. Then, and only then, use real money to trade.