

Title:

From Beginner To Forex Trader.

Word Count:

894

Summary:

The case for trading foreign currencies instead of stocks and futures is strong.

Keywords:

forex, home based, day trading, profit, foreign currency, boss.

Article Body:

When you begin to investigate this business of day trading a plethora of information comes at you. Type in day trading, do a search and you get close to a million choices. That's a lot of info to sieve through. So where do we start?

There are some basic necessities that you must have before you can begin. A fairly good computer is a must. The prices are going down and the power is increasing all the time. So these days you can pick up a new machine for about \$800 that will do the job. A high end trading machine with all the bells whistles will set you back about \$1500. One thing you must consider is how many monitors are needed. I recommend 2 because you can't go wrong with screen real estate in this business. Believe me it won't go to waste. This will push up the price a little, but it is well worth it. Make sure you get a flat panel LCD which comes standard when you buy a new machine. Remember your eyes. Don't try and save a couple of bucks by purchasing an old fashion flickering monitor. Hours in front of the screen can be a daily occurrence in this business. Computer auctions are a good option.

The second item is a fast internet connection. There are many options available here, but do not go below ADSL. The speed of the information coming to your computer is very important.

Finally, on the hardware side, make sure your setup is comfortable. The desk should be at the right height and a swivel type reclining business chair is really nice.

Now you are all set, so what do we trade? There are 3 basic categories to choose from. These are stocks and options, futures and commodities and foreign currencies.

Let us look at stocks. There are thousands of them. Then there are the exchanges such as The New York Stock Exchange for the big boys then there is the NASDAQ for the internet type younger companies. We also have pink sheets for stocks with low trading volume. How do you decide which stocks to trade. There are various software packages that screen stocks for whatever parameters you input. You can screen for gapers, which are stocks that have gone up or down by a fairly large amount when compared with the previous days close. Then there are lows and highs, unusual volume, earnings reports, other reports that affect the stocks price, sector performance and on and on it goes. It can be a daunting task deciding "how" if you want to trade stocks. What about options? They are too specialized for the beginner in my opinion. Learn something simple and then you can graduate to options if you so desire.

Futures and commodities on the other hand offer the trader a much smaller basket of goods to choose from. I would stay out of commodities if you are just learning. Commodities such as grains, orange juice, coffee and pork bellies etc. require the trader to acquire knowledge about the peculiarities of the commodity. For instance, when is the end of the grain harvest? How has the weather affected the harvest, and a host of other variables. There is an easier way!

When we take a close look at foreign currency trading we see some decided advantages compared to the other instruments already mentioned. Foreign currency trading, commonly called forex, involves the buying and selling of one currency against the other. One of the huge advantages of forex is its' liquidity, which is the volume of transactions measured daily, weekly or annually. The liquidity in forex is second to none. This is important because it means when you trade you will almost always get your fills. Can you imagine buying a stock and it starts to dive and you can't get rid of it because of lack of liquidity! This would not happen in forex trading. Another advantage is its high daily range. This means every day the currencies increase and decrease in price enough to allow the trader to have opportunities for trades every day. The forex market also gives you flexible work hours. All around the globe the same currencies are being traded from almost sunrise to sunrise. You can literally choose when you want to trade. It is ideal for learning and practice if you have a current job and want to transition to trading over a period of time, or if you want to just trade on the side. One of the biggest advantages of trading foreign currencies is the leverage it gives the trader. This means you can start with as little as US\$2000 or sometimes less and start to trade right away. Another advantage is that you can focus on one or two pairs of currencies and really learn to trade them very well because you will get to know them so well. You do not have to wonder which stock should I going to trade today.

Finally the opportunity exists for you to be trained by experts on all aspects of forex trading for a very reasonable price. You do not need to try and reinvent the wheel. It has all been done for you already. Researched, experimented, tried, tested and proven to work.

Click on the link to find out how!