

Title:

Interesting Facts About FOREX.

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Summary:

Most experienced traders consider that the best and most profitable of the capital markets is the FOREX market.

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Article Body:

Most experienced traders consider that the best and most profitable of the capital markets is the FOREX market. During many years FOREX trading had been the sole domain of major banks, large financial institutions and countries central banks; for example the U.S. Federal Reserve Bank. But these days, thanks to the internet the market has been opened to everyone willing to learn the best techniques in forex trading and with the intention of making substantial profits as the before mentioned institutions that annually and consistently make pretty high profits from trading in the Foreign Exchange market.

Forex is a market that is continually oscillating and in consequence with good trading opportunities during the whole trading day; this behavior is in part due to the increase in global trade and foreign investments during the last two decades that has made the economics of all countries more dependent upon one another. This means that as a country's currency fluctuates as a result of economic activity it affects the currency of other countries. For example; economic factors usually affect a currency by altering the interest rate structure and these will either appreciate or devalue the currency of that particular country and reflect the monetary health of its economy.

It is known that some banks allocate as much as 20-30% of their funds into the FOREX market, making 40-60% of all their profits trading currencies. In fact there are experts that consider that banks will cease their loan transactional business in a few years, and better focus on currency trading as their primary revenue source.

The forex market has five major currencies: US Dollar, Japanese Yen, British

Pound, Euro and the Swiss Franc. It is due to their great popularity in world's commerce transactions and its high activity that these five currencies account for over 70% of North American trading. Of course there are other tradable currencies; they include the Canadian, Australian and New Zealand Dollars. These minor currencies account for 4% - 7% of the total market volume. Together, all this five majors and minors currencies constitute the backbone of the FOREX market.