

Title:

FOREX: The Other Investment Vehicle

Word Count:

606

Summary:

Before you begin shouting that the FOREX Currency Exchange is anything but a bona fide investment vehicle, it is necessary to step back and re-examine the current state of affairs within the more traditional choices for investing your money.

Keywords:

Article Body:

An investment, as defined by Merriam-Webster, is "the commitment of funds with a view to minimizing risk and safeguarding capital while earning a return". Generally speaking, investments are made for the "long haul", with the belief that the value of the investment vehicle of choice will increase in value. When you say investment to most people in the United States, the first "vehicle" of choice in their minds is the Stock Market, with Mutual Funds in second place, followed more recently by property in third place, and Bonds in a distant fourth. Commodities and currency trading are rarely considered investments because of the speculative nature of those markets. Speculation, as defined by Merriam-Webster, is the "assumption of unusual business risk in hopes of obtaining commensurate gain".

A quick review of the definitions of "investment" and "speculation" immediately highlights the "inherent amount of risk" as the major difference between both practices. If you were to survey all those people who "invested" their life savings in the Stock Market and Mutual Funds just prior to the market crash of September 2000, do you think that they would agree that the Stock Market and Mutual Funds still fit the definition of a safe investment? Bonds in reality are extremely low risk trading vehicles and are therefore considered "investments". While bonds were also affected in the market correction, they are still primarily an institutional trading vehicle and did not affect individual investors as broadly. While the ownership of private property seems to have escaped the dark shadow of a high risk investment, recent market forces and speculation in private property have eroded the quality of this investment. As of today, the housing boom in the United States has apparently run its' course

due to rising interest rates and increased inventory of discounted properties due to default and foreclosure. Many of the "paper millionaires" which this market has created will soon feel the pinch of paying off properties mortgaged much higher than their present values. And to all those owners of property which has long been paid for, you are in possession of a wasting asset against the forces of inflation and the intentional devaluation of the dollar.

It would seem that the "safest" investments would be in the purchase of hard assets. Gold immediately comes to mind, but its' greatest value is as a universal currency standard. A man with a silo filled with corn will not starve in the near future. A home will keep a family safe from the elements no matter what it is worth. The only problem is that these assets will only earn you money when they are sold, assuming that their value has increased. These investments are not typically made for the purpose of earning a suitable return on one's capital. Speculation, on the other hand, is synonymous with large and fast gains on your capital with the higher risk of loss.

The additional risk introduced into traditional investments by current market forces has made the FOREX Currency Exchange an attractive option to investors by blurring the lines between investment and speculation. The FOREX is the most liquid of all the exchanges, trading in excess of 1.5 trillion dollars daily, 24 hours per day. Trading practices include everything from intra-day to trend following. Paper trading is highly recommended to sharpen your skill, and an account balance of as little as \$300.00 will get you started.

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I invite anyone who would like an informative report, and to enroll for a free trading course to visit my website at <http://www.Trade-Forex.Online-HQ.com> .

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