

Title:

What is Forex

Word Count:

376

Summary:

Foreign Exchange trading (also called Forex, FX or currency trading) describes trading in the many currencies of the world. It is the largest market, which provides a large amount of liquidity to traders.

Keywords:

Make , Money , Online , Trading , Forex , Currencies , Forex , Trading , FX , Charts , Routeforex, Route , Route Forex , Stocks , Shares , Equities

Article Body:

Foreign Exchange trading (also called Forex, FX or currency trading) describes trading in the many currencies of the world. It is the largest market, which provides a large amount of liquidity to traders. Each day the markets trade over \$1.5 trillion, if you compare the New York Stock Exchange which trades \$27 billion a day you can begin to see how massive this market really is.

The spot Forex market trades are settled within two banking days. There is no central exchange like futures, and most of the trades are done electronically. The big boy's in this game are the Banks, Hedge Funds and financial organisations.

However, with new rules and introduction of Trading Platforms across the internet almost anyone can now start trading Currencies.

Unlike any other type of trading currencies are traded in pairs. One currency is bought and the other sold. The Major pairs in The Forex Market are US Dollar (USD) Japanese Yen (JPY) Swiss Franc (CHF) Australian Dollar (AUD) Canadian Dollar (CAD) British Pound (GBP) and the Euro (EUR)

These Currencies can be traded in most order but the most popular pairs are the US Dollar Against the Japanese Yen Shown as USD/JPY, Euro against the US Dollar (EUR/USD), the British Pound against the US Dollar (GBP/USD), the British Pound against the Euro (GBP/EUR) and the US Dollar against the Swiss Franc (USD/CHF).

When quoting currency pairs, the first currency is known as the base currency and the second as the quote, if you think the US Dollar is going to be stronger

than the Japanese Yen, you would buy the base (USD) Hoping that it would rise and sell the USD when you wanted to exit the trade. When you see a quote of USD/GBP1.75 means that for every 1 US Dollar, you get 1.75 British Pounds. One great advantage of trading currencies is you can profit in up and down markets, it is just acceptable to trade to the down side (Short) as it is to the upside (Long).

As in All types of trading Buying and selling Currencies brings with it a degree of risk, don't ever trade with money you cannot afford to lose. Never enter a market without a good trading plan.