Title:
A Short Explanation Of “Buying” and “Selling” In Forex Trading.

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Summary:
The forex market has five major currencies: US Dollar, Japanese Yen, British Pound, Euro and the Swiss Franc.

Keywords:
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Article Body:
These days everyone is talking about a new profitable activity called Forex trading and the great opportunity this activity represents for people willing to brake free from the corporate world and start working from home or any where else without losing their current lifestyle and even improving it.

Most experienced traders consider that the best and most profitable of the capital markets is the Forex market. For many years Forex trading was 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 institutions mentioned above that annually and consistently make pretty high profits from trading in the Foreign Exchange market.

You have many advantages when trading the forex markets, for example; you don't have to worry about fees you may have to pay to your broker; there are also none of the usual fees to which futures and equity traders are accustomed to pay always; no exchange or clearing fees, no NFA or SEC fees.

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.

The concept of “Buying” in Forex refers to the acquisition of a particular currency pair to open a trade and “Selling short” refers to the selling of a particular currency to open a trade, i.e, just the opposite. When you Buy, you are expecting the price of the currency pair to increase with time, i.e., you buy cheap to sell high; which is easy to understand. In the case of Selling short, it looks a bit more complicated. Here the way to make money is to initially sell a currency pair that you think will lose value in a given period of time and then, once it happened, you will buy it back at the new price but now you can sell it at the previous greater price the currency had when you opened the trade, so you earn the difference in prices. It may seem kind of tricky when you are starting, but once you are in front of your trading station it will look much simpler.