

Title:

The Forex Market

Word Count:

1197

Summary:

Trading Forex may be one of the most profitable businesses that you can find today. It is an interesting market which has turned many traders into millionaires. If you . . .

Keywords:

Forex, forex market, trade forex, currency trading, day trading, day traders, become rich trading

Article Body:

* This article is divided into three sections. The first section is for beginners. The second section is for advanced traders. The third section is for everyone.

Section #1. For beginners . . .

On this article I will briefly describe what the Forex Market is for those who don't know about this subject. Also I will describe other trading opportunities that exist today on the Internet. I think that trading is one of those dream businesses that many people rush into, but to start trading online without the required knowledge could be a big mistake.

What's appealing about this business opportunity is the financial freedom it can bring to your life. Successful traders make lots of money working from home with their computers. Keep in mind that on this business . . .

- 1) You don't have to create any product.
- 2) You don't have to advertise anything.
- 3) Basically you just invest some money and multiply it more and more.

There are different trading opportunities on the Internet nowadays. I think that the hottest of them right now is The Forex Market. I will explain you why.

Currencies from many different countries were backed up by gold about one

hundred years ago. It was called The Gold Standard. This basically meant that to print certain amount of paper money a predetermined amount of gold was needed. Also you could walk into the bank and request that your currency bills would be converted to gold. Then you could leave the bank with the gold.

This was a treaty between many countries and it lasted a few decades. Suddenly something happened that changed everything. Due to economic circumstances The Gold Standard was changed into a more flexible economic system.

Now, most countries were not required to back up their currencies with gold anymore, as long as they backed up their currencies with US dollars, everything was OK. Eventually this didn't work well either. So, at the beginning of the 70's decade this rule was totally abandoned and currencies started to float freely on the market.

This means that since that era until present time world currencies are not backed up by gold anymore, nor are they backed by any other particular type of money either. There are exceptions though. For example, some currencies of European countries are pegged to the Euro. Their exchange rate is fixed.

The same happens with the US dollar in relationship with other no so popular currencies. That's another story that I won't explain right now. The point is that most currencies change in value freely on the Forex Market today. Forex is an acronym for Foreign Exchange Market.

For a long time this market was reserved only for 'BIG BROTHERS'. In order for you to access this market you needed astronomical amounts of investment capital.

Everything changed with the computer age. As I have always said, everything is easier on the Internet. So, new online brokers emerged that allowed 'the little guys' play this game. Now you can open an account with as little as \$300 when you needed millions just to think about starting on this business a few years ago.

The good thing about this market is the huge leverage you get. The brokers usually lend you up to 100 times as much as you have for trading. What does this mean? For example, if you open an account with 1,000 US dollars, you can control, as much as 100,000 units of the foreign currency.

Let's say that the EUR/USD pair is trading at 1.2000. In that case with 1,000 US dollars you can purchase approximately 80,000 Euros. The broker lends you the money to do it!

Anyway this is a very interesting topic but it is also wide. I can't give you all the details in here. So, I will proceed to share some advanced ideas for advanced traders and then I will tell you about other trading opportunities on the Internet.

Section #2. For advance traders . . .

Many traders are looking for the perfect trading system. They want to find the Holy Grail of Trading, which is an entry strategy that allows them to win, win, win and never lose. Even advanced traders fail because of this. They can't realize where the money is made.

Online trading can be regarding and profitable but you have to take it seriously. One of the biggest trading secrets of all is that you should use proper money management techniques as well as trading sizing strategies. That's how the BIG DOGS make the money.

Small traders know that they can't be always right. There is not such a thing as the perfect win, win, win and never lose strategy. If something like that exists then very few people know about it. Still, how do you think that many traders can be profitable month after month, year after year? How can they be consistently profitable?

I already gave you the answer above. The secret is on your money management techniques and your trading sizing strategies. Also, it is important to find a good entry and exit trading system.

If you combine these three aspects of trading above, you are almost guaranteed to succeed at it. This is easy once someone teaches you how to do it. Moreover, if you like this business you will have plenty of time to practice your strategies before you start trading with real money. In my book Easy Web Riches you can find valuable information about this subject.

Section #3. For everyone . . .

What else can you do to make money on the Internet without creating anything and without selling other people's stuff? You will find many other trading opportunities out there. For example, there are advance techniques to trade on the Stock Market that most people don't know. These are strategies that allow you to trade like a real professional.

Also there are other markets where you can make a lot of money. Many people

don't know about The Futures Market. They have never even heard about it. I find that some traders are also interested in the options markets. You see, it is a matter of choosing what is right for you.

The Futures Markets is a market where farmers, big corporations, financial institutions and small traders, trade contracts on commodities, which will be executed at some time in the future. This market has existed for hundreds of years but today people trade commodities on the Internet like stocks and currencies.

Options are derivative financial contracts. They derive their value from the underlying securities, commodities, Futures contracts, etc. Options can explosively multiply your buying power, but they are dangerous too. They are always recommended for advanced traders only, not for the novice.

As you can see, there are different trading opportunities for you on the Internet. In fact there are others that I have not mentioned here. There is money to be made on these markets.

Once you learn the details, profiting from this business becomes quick and easy. Remember that this is a business in which you don't have to create anything nor sell anything either. All you do is to invest your money and multiply it.