

Title:

Why do Forex Trading?

Word Count:

514

Summary:

Tips, tricks and techniques to make huge money in forex trading NOW!

Keywords:

forex trading

Article Body:

So.. you want to make lots of money in forex trading..? Well, before you get your feet wet....let me refresh your mind why forex trading is such a hot money maker...

Here's a few reasons why....

The cash/spot FOREX markets have certain unique attributes that offer an unmatched potential for profitable trading in any market condition or any stage of the business cycle. It leaves one to wonder why bother in the first place? The answer to that is very simple. Forex trading offers people who trade:

A 24-hour market: A trader has the chance to take advantage of all of the profitable market conditions at any time; which means that there is no waiting for the start like the New York Stock exchange.

Highest liquidity Possible: The FOREX market is the most liquid market in the world. That means that a trader can enter or exit the market whenever they want during almost any market condition minimal execution barriers or risk and no daily trading limit.

High leverage: It has a leverage ratio of up to 400 is normal when compared to a leverage ratio of 2 in the equity markets. Of course, this makes trading in the cash/spot forex market awkward a swell because it makes the risk of the down side loss much higher in the same way that it makes the profit potential on the upside much prettier.

Low cost per transaction: The retail transaction cost is actually less than 0.1% under the normal market conditions. At larger dealers, the spread could be less

than 5 pips, and may expand a great deal in fast moving markets.

Always a good market: A trade in the FOREX market means selling or buying one currency against another. In essence, a bull market or a bear market for a currency is defined in terms of the outlook for value against other currencies. If the outlook is positive, you get a bull market where a trader profits by buying the currency against other currencies.

Inter-bank market: The foundation of the FOREX market consists of a global network of dealers that communicate and trade with their clients through electronic networks and telephones. There are no organized exchanges like in futures that are there to serve as a central location to facilitate transactions the way the New York Stock Exchange serves the equity markets.

No one can corner the market: The FOREX market is so large and has so many participants that no single trader, even a central bank, can control the market price for an extended period of time.

It is not completely Unregulated: The FOREX market is seen as an unregulated market although the operations of major dealers like

commercial banks in money centers are regulated under the banking laws.

For the average person who is willing to get into forex trading, this market is just a better bet. With it being so wide open like it is, you have a higher gross potential than with any other trade type.

Wishing you success

KC Yap
info@nicheinfosite.com

Copyright 2005
by KC Yap forex-trading-tricks.blogspot.com