

Title:

All About Forex - What You Need To Know

Word Count:

355

Summary:

In order to succeed successfully in forex trading you need to know what the purpose of trading forex is. Forex trading as you know is the trading of online currency and the key to success is to buy low and sell high just as with any other market. Your task as a forex trader is to try to determine the trend of the particular currency you are looking to either buy or sell and to utilise the forex trading strategies to ensure that a profit is made.

Now that you know the purpos...

Keywords:

forex trading, online currency trading, all about forex, trading forex, forex trader, forex trading

Article Body:

In order to succeed successfully in forex trading you need to know what the purpose of trading forex is. Forex trading as you know is the trading of online currency and the key to success is to buy low and sell high just as with any other market. Your task as a forex trader is to try to determine the trend of the particular currency you are looking to either buy or sell and to utilise the forex trading strategies to ensure that a profit is made.

Now that you know the purpose of forex trading the next step in knowing all about forex is to understand the codes, definitions and numbers used when trading. All currencies used in forex trading are assigned a three letter code. An example of this is the US dollar which is USD or the Euro EUR. Online currency trading is done in combinations that are known as a cross and these are represented by 6 letter words with the more expensive currency coming first. An example of this is GBPUSD which will show you how many US Dollars you will need to pay for one British pound. These rates are shown as five digit numbers for example GBPUSD = 1.6262 which means that 1 British pound is worth 1.6262 US dollars. When the rate changes the change will be displayed in bold, eg GBPUSD = 1.6264 which will mean that the rate has moved by 2 points. Knowing this is the key to successful forex trading and your key to profit.

When you enter the forex trading market you will enter as a buyer or a seller of

a particular currency. If you are a seller your price is known as the ASK price and the buyers price is known as the BID. You can only buy currency from a seller with an asking price the same as the BID price.

These are the main beginner's points to note when it comes to forex trading and knowing what the purpose of trading forex is and knowing all about forex before you enter into the market can make a big difference when it comes to your profits.