

Title:

Seven Come Leverage-7 Reasons Why Forex Is a Superior Trading Arena for Individuals

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703

Summary:

Why the small speculator should consider foreign currency trading over stocks, bonds, commodities and mutual funds.

Keywords:

forex trading, day trade, currency, 4x

Article Body:

Over the last decade or so, the Foreign Currency Exchange markets and trading platforms have become a superior arena for active individual investors. Trading world currencies for the difference in exchange rates can be a lucrative hobby and a very satisfying lifestyle. Following are some points to ponder when comparing the Forex market with stocks, bonds, commodities and mutual funds.

### 1. Liquidity

An average day in the Forex market sees approximately 1.9 trillion US dollars worth of trade. Almost every country in the world has institutional and individual traders who are active and have a personal interest in this largest of commodities. Over 7000 international banks and small and large speculators make up the largest market in the world.

### 2. Leverage

Leverage is the use of a tool to influence the directional trend of a mass that would otherwise be much more difficult to control, if not impossible. Previously only master traders with a \$100 million account had access to the inter-bank currency exchange.

With the recent enormous international growth this market is now open to the home computer. Individual traders now have the same leverage guarantees that international banks have had for years. A very small amount of money can be used to control a very large contract of foreign currency. Up to 200:1 leverage is available, and higher in some cases. This means \$1000 can be used to hold

\$200,000 worth of another currency, with a large account.

### 3. Brokers

As a trader gains experience, a full service paid broker is no longer necessary. All trades can be initiated and terminated from the trader's choice of office. The home office needs high speed internet, a telephone line, and a computer. Location is only limited to these requirements. The Forex market is operated online by several hundred large banks processing trades of governments and large companies, and has no real central location.

### 4. Software

A number of free software applications are offered by brokerage houses specifically written for the average home computer. The greater power the computer has will naturally offer more local speed, but most current computers will work fine. These programs offer real-time charting, several dozen indicators, live price feed, or a minimal 10 second delay, and the capability to sell and buy currency pairs immediately online.

Software programs costing \$2000 and up are available with advanced features, but are not necessary for the beginning trader. More complicated software may only increase the education period, and hinder time better spent learning trading strategies.

### 5. Hours of Trading

The Forex market is truly global, trading 24 hours a day every day. Short periods during the weekend have slower activity, but with time differences around the world, these periods are minimal. The Asian market opens Sunday evening in North American time, and all markets run continuously until Friday afternoon. Someone is actively trading somewhere virtually round the clock.

### 6. Live Practice

Most brokers offer a free demo version of their live software, easily downloaded and installed. No account deposit is needed. The programs work exactly like the real versions, with buy/sell capability, real-time data updates; a realistic \$50,000 account with active profit and loss; open, pending and closed trades; and actual stop, limit and market trades.

The trader can practice trading tactics until confident and successful.

### 7. Initial Investment

Recent developments now allow a minimum account deposit of US\$250. This mini-account offers lower leverage, but also lower profit and loss. Once a broker learns to trade profitably, this can easily be built into a larger and fully leveraged account.

A minimal \$300 investment can realistically be compounded into a \$30,000 account in six months, with access to proper training. Brokers naturally offer conservative training courses, so the trader should look elsewhere for more advanced mentoring. Much training is available on the internet, and a website called [Precise4XSuccess.com](http://Precise4XSuccess.com) offers access to cutting-edge successful strategies developed by a mathematician. Not all successful strategies are made public. Do your due diligence to find the methods that work for you.

8-45. This article promised to stop at seven, but there are at least several dozen more reasons why the individual speculator might consider foreign currency trading. It is a lucrative, fascinating and very rewarding occupation that can be done almost anywhere and any time you choose to trade.

Good trading, Kelly Archibald.