

**Title:**

Forex Mini Accounts, Powerful Leverage from the Start

**Word Count:**

593

**Summary:**

This article describes leverage clearly and the benefits of trading with a mini account as opposed to a regular sized Forex account. It enables and inspires novice traders to get started quickly with a couple of added benefits and make use of the awesome Forex. A must read for novice traders, it also includes link to further resources, arguably the best available anywhere.

**Keywords:**

Forex, Forex Trading, Technical Analysis, Mini Account, Trading, Leverage, Rapid, RapidForex, Investment, Business, Online, Charts, Trend, Charting

**Article Body:**

Leverage is essentially the amount used in a trade compared with the security deposit needed by the broker, for that trade. Forex offers the most leverage of any form of investing, which for most brokers, is 100:1, so if you put in \$1000, the broker will make that \$100 000 when you are trading.

So by investing \$1000, you are able to control \$100 000 worth of currency on the market. This is what allows traders to pull in such impressive incomes and is also the downfall of less experienced traders if you don't manage your equity properly and use stop losses. I'm going to introduce you to mini account trading where you can get started and lose a number of times without losing any hair in the process. Regular, full-sized accounts require \$5000 to \$10000 to really start implementing an effective equity management plan, that is, you can only lose a few times before you're out of the game if you don't have that much money and as we all know, by trading intelligently, you can maximize the odds in your favour.

For someone who likes to stay completely out of debt, Forex is the best investment option; you can only lose what's in your trading account and nothing more. In fact, if your open positions are risking more than you have in your account to pay for them, your brokerage software will automatically close them until you can afford the 'at risk' amount. Futures markets are prone to sudden and dramatic moves against which you can't protect yourself and you're liable for any resulting deficit in your account. You can lose more than what you have

in your account and potentially everything you own!

### Mini Account Benefits

For someone wanting to maximize profits and a few thousand to spend, a mini account may sound retarding (maybe that's just me) but it actually offers more benefits than a regular account if you don't have a lazy \$5000 US to spend. The major benefit is that you win US \$1 per pip instead of 8 or 10, and a \$50 account will move about \$10 000 at a time instead of a \$1000 moving \$100 000. Your leverage is 200:1 with a mini account and you still get all of the benefits of the latest trading software, charts, resources and tools without the pressure to make a win on every trade. Just remember by using an equity management plan, even if you lose 7 times in a row, you can still come out on top by minimizing loss and maximizing profit. Good traders know that the odds are stacked in their favour.

An account size of \$2000 will get you well on your way with a mini account, considering you generally want to risk no more than 5% maximum on any given trade. Preferred ratio is 2% of your margin account.

You also can trade more than 1 lot at a time, to increase your returns as you grow in confidence. So as your account grow, so does your trading capacity and hence 2% of your account may be much more than the risk involved in a trade. There's no maximum trade volume on the mini accounts.

Trading a mini account keeps you in the game without focusing too much on profit and loss. Trader may resist on closing out an unsuccessful trade in the hope that it will turn around or lock in profits too early rather than allowing profits to increase. With a mini account you can develop discipline needed to be successful and the confidence without anxiety or distractions associated with large profit and loss swings.