

Title:

What is an Online Forex Trading?

Word Count:

384

Summary:

For-ex stands for Foreign Exchange; it is a global market for dealing currencies at floating exchange rates. The foreign exchange is world's biggest currency market, on an average everyday dollar one to two trillion is traded in the foreign exchange. The trade is mostly done over the internet and te

Keywords:

Forex Trading, online forex trading

Article Body:

For-ex stands for Foreign Exchange; it is a global market for dealing currencies at floating exchange rates. The foreign exchange is world's biggest currency market, on an average everyday dollar one to two trillion is traded in the foreign exchange. The trade is mostly done over the internet and telephone lines. Online forex trading is a fast, safe and easy mode of investing. It offers huge returns like twenty to thirty percent every month, yes unbelievable but truth, however that's only in some cases and you need a lot of experience to be able to extract that amount of interest!

There is no fixed centre for the trade so all the trade is done over telephone, internet and fax. The foreign exchange trade witnessed a massive boom only after online forex trading systems were introduced, internet and telephone has helped the trade grow from \$70 billion a day in the 80s to around \$1.5 trillion to \$2 trillion today.

The currency market is made up of around five thousand institutions most of which are international banks, central government banks, commercial companies as well as big brokers and all these are connected with each other and do business on the go through online forex trading system. The major centers for online forex trading are New York, Frankfurt, London, Paris, Tokyo, Hong Kong, Bombay among others, and all these centers also communicate and deal through online forex trading. The benefits of online forex trading are listed below:

- Currency market never sleeps: online forex trading allows you to keep track and deal from anywhere at anytime.

- Mini accounts: some websites offer mini accounts that allow you to get started with as less as \$200.
- No Commission! - Online forex trading is commission free, there's no exchange or hidden fee either. Your broker earns from the spreads.
- Instant: it's instant unlike offline trade which may involve paperwork.

The nature of the market is such that risk comes inherent and can not be separated but risk can be minimized if you are trading at the right point of time and the right point of time can be anytime only online forex trading allows you to be there at the right time as all other methods as explained above are slow and usually take up a lot of time in processing.