

Title:

Forex vs. Stocks

Word Count:

348

Summary:

Learn the advantages of Forex Exchange as to other markets.

Keywords:

forex foreign exchange currency day trading investing

Article Body:

First of all, what is Forex? It is a short version of FOReign EXchange. It is also called FX and 4X, but regardless of the name you use, it is the largest financial market in the world. From 1997 to the end of 2000, daily Forex trading has skyrocketed from \$5 billion to over \$1.5 trillion..

Let's look at some reasons why Forex trading is rapidly gaining popularity over other markets.

Trading hours: The Forex market is traded 24 hours per day from about 7pm EST on Sunday until about 3pm EST on Friday. The stock market is only traded Monday thru Friday with limited hours.

Liquidity: Forex markets trade over \$1.5 trillion each day while the stock market only around \$200 billion. There are only 7 major currencies traded on the Forex while there are more than 40,000 stocks from which to choose.

Commissions: No commissions are charged on the Forex while the stock markets charge high commissions and transaction fees.

Leverage: Forex Market offers great leverage power. Brokers usually offer from 100:1 to 400:1 leverage. This means a trader using 100:1 leverage you control \$100,000 with only \$1,000 margin. Stock market investors pay full price for stock when purchased unless they have a margin account and the leverage with margin is usually only 2:1.

Low Minimum Investment: The minimum initial investment to open a Forex trading account is as low as \$300. Most stock brokers require several thousand dollars as a minimum to open an account.

This is the perfect market. Foreign Exchange trading has long been recognized as a superior investment opportunity by major banks, multinational corporations and other institutions. Now the internet has propelled Forex trading among private individuals tremendously. Trade from home, the office, or virtually anywhere in the world. Trade virtually anytime day or night. Work part time or full time.

It is obvious that the Forex Market offers a substantial opportunity to those willing to invest energy, focus, and a little money.

It is difficult for a new Forex trader to become successful in the Forex market without understanding the basics and how it works. This knowledge can be obtained in a free Forex training program.