Forex Trading For Profit

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Add to My Profile | More Videos Forex Trading For Profit Forex is seen as an investment for some, where as a car or a house may be an investment for another, buying stocks and investing in low interest term deposits is another investment, Forex has gained a large following in recent times and a few smart Brokers are making money - (while it is said) over 95% are loosing money on Forex. What sets the winner from the looser is the common question, is it luck or is it a skill. Forex is the Foreign Exchange Market, the trading of currencies and between the currencies, basically buying one currency and then selling it back for a profit, for instance you can buy the Euro while the price is low and then when the value rises you can sell it back for a profit - but if the value of the Euro goes down then you have blown your money. Making informed decisions and calculated risks is the game, once you master the process and can read the rise and falls then you are partly on your way, trying to figure out what creates the rise and falls is the next part of the procedure, there are many influences that can effect the global markets (Foreign Currencies) and these will vary - although it can be based on the popularity or demand. Forex trading is different to the stock markets as it's open 24 hours a day and 5 days per week, so you can always trade, meaning you can pick and choose the times that suit you best. This also means that you can monitor the market and currencies around the clock - not just when the markets are open. So the only influence on your decisions is the currency rate so that you can sell and buy when markets turn to your favor. The basic rise and falls of the Forex or Currency rates are largely due to the demand in the market, if one currency increases in popularity then there will be buyers who are interested and are willing to pay more for the currency and in turn the traders who purchased the currency cheaper - then they will be willing to sell it for a profit. Similar to a car yard or housing, if there's more interest in the property then the price is likely to be higher. There's a few different traders and qualities, there's the trader who makes frequent trades and these can be every few minutes, hours or even in the seconds if they are really keen - this type of trading is faster and requires a keen eye and monitoring of the Currencies and reports is extremely important, the associated risks are variable and the amount of profit is low - this type of trader is a Short Time Trader. The Long Time Trader tends to invest more and wait days, weeks or even months for a change in the Currency rate and often sets goals for the long term or sets a pin pulling point - the pin pulling point is previously determined at either the profit they wish to gain or when they're at a loss and these are usually strict rules set by the trader. For instance the buyer may enter with the USD at 83 cents, they will set their profit at 86 cents and walk away when it reaches 86 cents to gain a profit of 3 cents per $1 invested or set the loss pin pulling point at 80 cents, so when the USD drops to 80 cents they walk away and loose 3 cents per dollar.

About the Author

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