

## How to Start Forex Trading and Rack up Profits

Can you really make a profit with Forex Trading? The short answer... yes you can, and it's one of the surest ways to earn impressive money. Of course, you'll need to know how, when, and what to trade, but if you take the time to learn what you're doing, you can realistically expect some very large profits. It's absolutely true that many who trade in the currency market build huge successes, but don't expect it to happen overnight

As a trader, you're looking forward to seizing the opportunity to earn big money and - of course - start a trading career in Forex. The Forex market is the largest and the most liquid financial market in the world. Whereas the stock market and other financial markets have centralized locations, the Forex market does not, being diffused throughout the world. On the plus side, it operates 24 hours a day at many different locations. Trading in the currency market is done through the worldwide communication network - the Internet.

The Forex (Foreign Exchange market) didn't come into existence until the US went off the gold standard and the many currencies of the world began drifting up and down in relation to the value of other currencies.

And until faster and more efficient communication networks were developed, the Forex was limited to the largest multinationals and financial institutions because of the high financial requirements. However, with more advanced communications technology came the high speed Internet, and in the nineties smaller, more agile investors began dipping their toes into the Forex market. Now virtually anyone who is interested in trading can enter this market.

Forex trading is simply the act of buying and selling different world currencies. This may seem simple on the surface, but it's important to bear in mind that, simple or not, many inexperienced traders - and some experienced ones - have suffered very large financial losses because they dropped their guard and stopped respecting the power of the Forex.

So, whether you are a beginner or not, this matter of respect is one way you can put yourself on equal footing with even the most seasoned veteran trader. Always remember that the Forex market can give you great gains, but it can also wipe those gains out in a flash if you begin taking it for granted. Therefore, even before you enter this market, you must be aware at all times of a few crucial things you'll need for making a success of this investment venture.

We're talking about the most liquid market in the world, but before starting, you must first actually know how to trade currencies. To begin trading, all you need is access to a computer (preferably your own, for security reasons) that has an active Internet connection, a Forex account with funds in it, and a Forex trading system or strategy to guide your buying and selling. Many websites offer Forex trading.

When you're ready to start trading, you'll need to start an account with the broker (trading service) of your choice, and fund it (pay an initial amount of money into it). Then you're ready to begin trading.

One important point - you will definitely need a fast Internet connection if you hope to keep up with the constant updates and rapid price movements, and to prevent slippages (a lag between your buy or sell order and its execution).

Another crucial point - look for a Forex broker's website that offers dummy accounts so that you can practice and build up your skills with before you ever risk real money.

Now that you know how to trade in the Forex market, the next thing you need to know is what to trade. The Forex market involves buying and selling various currencies from all around the world. These currencies are traded in pairs, such as the ones in this list.

EUR/USD

USD/JPY

GBP/USD

USD/CHF

AUD/USD

USD/CAD

NZD/USD

EUR/GBP

EUR/JPY

GBP/JPY

CHF/JPY

GBP/CHF

EUR/AUD

These currency pairs are the ones most commonly traded in the Forex market. To guide your investment decisions, you'll be watching market trends as well as world news, and with experience you'll learn to predict how events may affect these world currency pairs. As you build up your skill levels, you can begin earning a very substantial income.

As mentioned, the Forex market is highly liquid, meaning you can get in or out at any time, 24 hours a day. The most important question will always be whether profits will result from each of your decisions.

Although most Forex traders are speculators who attempt to predict which currencies will go up and which will go down, that does not mean they are all gamblers. This is where a system (or strategy) becomes vitally important. Traders who go only by "gut instinct" are seldom consistent winners, leaving the real profits to those who are guided by careful and methodical decision making rather than by the excitement or "juice."

Now that you know the basic outline of trading in the Forex market, you can begin checking out trading websites for a service that fits your situation and goals.

Always remember that in all trades done in the financial market, you are working to build an upward trend, which will inevitably include both some gains and some losses. The goal is to keep the losses small while you maximize the gains. If you continually hold a long-term view, you will maintain emotional stability so that losses never discourage you and gains never over-excite you.

And this is exactly how you can begin building a profitable career in Forex trading.

### About the Author

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your Forex trading career up-to-speed and turning you a profit far faster with Max Conner's FREE [15-Day Forex mini course](http://www.ForexTradingNewbie.com). Read more at <http://www.ForexTradingNewbie.com>

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