

## Forex - What is it?

The international currency market Forex is a special kind of the world financial market. Trader's purpose on the Forex to get profit as the result of foreign currencies purchase and sale. The exchange rates of all currencies being in the market turnover are permanently changing under the action of the demand and supply alteration. The latter is a strong subject to the influence of any important for the human society event in the sphere of economy, politics and nature. Consequently current prices of foreign currencies evaluated for instance in the US dollars fluctuate towards its higher and lower meanings. Using these fluctuations in accordance with a known principle "buy cheaper – sell higher" traders obtain gains. Forex is different in compare to all other sectors of the world financial system thanks to his heightened sensibility to a large and continuously changing number of factors, accessibility to all individual and corporative traders, exclusively high trade turnover which creates an ensured liquidity of traded currencies and the round - the clock business hours which enable traders to deal after normal hours or during national holidays in their country finding markets abroad open.

Just as on any other market the trading on Forex, along with an exclusively high potential profitability, is essentially risk - bearing one. It is possible to gain a success on it only after a certain training including a familiarization with the structure and kinds of Forex, the principles of currencies price formation, the factors affecting prices alterations and trading risks levels, sources of the information necessary to account all those factors, techniques of the analysis and prediction of the market movements as well as with the trading tools and rules. An important role in the process of the preparation for the trading on Forex belongs to the demotrading (that is to trade using a demo-account with some virtual money), which allows to testify all the theoretical knowledge and to obtain a required minimum of the trade experience not being subjected to a material damage.

## About the Author

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