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ADVANTAGES OF FOREX MARKET

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Let's take a look at this forex lesson for beginner traders, we will examine the advantages of the forex market relative to other markets. Here are a few reasons why many traders choose this market.

No commission

One of the most notable advantages of the forex market is that Forex brokers do not charge any fees for their services from traders. Almost all brokers make a profit only at the expense of the bid-ask spread.

No middlemen

When trading on the forex spot market, you trade directly from the markets without any kind of intermediaries.

No trade restrictions

One of the most pleasant advantages of the forex markets is the size of the contracts determined by the exchange. If you are trading on the spot market, you can decide for yourself how much currency to trade. That is, you yourself determine your fate. This allows traders to trade even with accounts that are only 10 dollars (although later we will explain why trading in small accounts is not the best idea).

Low transaction costs

Today, there are the lowest transaction costs on the foreign exchange market, the spreads on the main currency pairs are very small, and some of them may be completely absent.

24-hour trading

No need to wait for the opening of trading on the stock exchange, trading on the foreign exchange market continues from Monday morning to Friday evening, the foreign exchange market never sleeps. You can easily combine trading in the foreign exchange market with work or study, you can trade whenever you want!

No one can monopolize the market

The foreign exchange market is so huge that not one participant can influence the price for their own purposes.

Big shoulder

Trading on the forex market, even with a small deposit, you can trade for amounts many times greater than the amount of your deposit. The financial leverage enables traders to earn well and at

the same time minimize financial risks.

For example, your forex broker gives you a leverage of 1 to 100. What does this mean? This means that with a deposit of \$ 50, you can trade in the amount of \$ 5,000. Same with a \$ 1,000 deposit that would allow you to trade for \$ 100,000. But at the same time, the shoulder is a double-edged sword! Without proper risk management, leverage can lead to large losses, but also to the same profit.

High Liquidity

You now know that the foreign exchange market is the most liquid market on the planet Earth. For you, this means that at any time you can open and close a trading position with one click of the mouse, since there will always be a trader who will be the opposite side of your transaction. You can not hang in the position, and today you can trade, even when you are not in front of the monitor. You can easily give your online platform an order to close your trading position when it reaches the desired level of profit (limited order).

Forex risk free

Low entry threshold

Probably, you thought that currency traders are people who have a wagon of dollars. Perhaps this is partly so. But compared to the commodity market or the market of futures and options - in the foreign exchange market, online brokers offer mini and micro accounts with a minimum deposit of \$ 5. Of course, we do not say that it is necessary to start trading with just such an amount, but nevertheless, forex trading is much more accessible for the average person who does not have a large starting capital.

Lots of free stuff!

Almost all forex brokers offer many valuable resources for learning Forex education and all these resources are free. For example, demo accounts allow you to work out your trading skills in a "live" market, without any investment on your part.

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