
trading commodities Advantages of Trading FOREX Over Stocks and Commodities

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There are many advantages to Trading FOREX as your main income generator. Let's start by something that may be worrying you already. Do I need a Diploma or some kind of Certification to trade FOREX? The answer is this: When attempting to make more profit than losses on the fluctuation of exchange rates between major currencies (i.e., Trading the FOREX), nobody is going to ask you for a diploma, a formal license or verify the amount of hours you've spent studying the Foreign exchange market and banking industry. All you need is the proper training. But this is not the only advantage you get when trading FOREX, compared to other ways of investment and speculation; i.e. Stocks and Commodities. You have a whole bunch of advantages over these other options that will be enumerated in the following paragraphs. The Main Benefits of Trading the FX Spot Market: 1): FOREX is the largest financial market in the world. With a daily trading volume of over \$1.5 trillion, the spot FOREX market can absorb trading sizes that dwarf the capacity of any other market. In fact, when compared with the \$50 billion daily market for equities or the \$30 billion futures market, it becomes quickly apparent this gives you, and millions of other FOREX traders, almost infinite trading liquidity and flexibility. 2): FOREX is a TRUE 24-hour market. The FOREX Market never sleeps. Trading positions can be entered and exited at any moment - around the globe, around the clock, six days a week. There is no waiting for an opening bell as in the case of trading stocks. It is a 24- hour, continuous electronic (ONLINE) currency exchange that never closes. This is very desirable for you if you want to trade on a part-time basis, because you can choose when you want to trade: morning, noon or night. 3): There is never a Bear Market in FOREX. You can have access to a seamless, mutually-inclusive (two- way) exchange of currencies. Meaning, because currencies trade in pairs (for example, US dollar vs. yen or US dollar vs. Swiss franc), one side of every currency pair (for example, USD/JPY - JPY = YEN) is constantly moving in relation to the other. Thus, when you buy a particular currency, you are actually simultaneously selling the other currency in that particular pair. As the market moves, one of the currencies will increase in value versus the other. Of course, it is up to you to choose the correct currency to be long or short. Since currency trading always involves buying one currency and selling another, there is no structural bias to the market. This means you have equal potential to profit in both a rising or falling market. 4): High Leverage - up to 200:1 Leverage. You are permitted to trade foreign currencies on a highly leveraged basis - up to 200 times your investment with some brokers. This is primarily attributed to the higher levels of liquidity within the currency markets. Standard 100,000- unit currency lots can be traded with as little as 1% margin, or \$1,000. Mini FX accounts are permitted to trade with just 0.5% margin

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