# *FOREX Market Trading At a Glance*

Introduction

The FOREX (Foreign Exchange) market is one of the biggest markets in the world. No other market can match the amount of revenue that this market generates in a day, as it is almost equivalent to 4 trillion US dollars. This amount is bigger than the economies of most nations; in fact only 3 countries in the world have economies with higher GDP than 4 trillion USD.

Thus, this market has tremendous potential and many people who are active in FOREX market trading earn a lot of money every month through successful buying and selling of currencies.

The participants:

The different institutes that take part in this trade include governments, banks, MNCs, investors and other financial institutions. The trade is centered on financing, export and import of goods. For example, when a country goes to the World Bank seeking a loan, the loan amount is then offered in what is called as the 'global trade currency', the US dollar.

Then this money is converted into the currency of that country, this particular transaction will not only benefit the US treasury but also the investors who had invested their money on the US dollar.

Exchange Rate:

The demand of a currency is the main factor which determines its exchange rate and the other factors that are important for the economic condition of the country. For example, during the global financial recession period, the value of the US dollar decreased dramatically as the economy of the country was not in a good shape.

Beneficiaries:

FOREX market trading benefits the government of various countries, the central banks, companies involved in import and export trade, investors, different financial institutions and common people who are involved with this line of business.

How can we benefit from FOREX market trading?

FOREX market is very similar to the stock market and so people can invest in it. To explain it in a nutshell, common people like us can approach various brokers and buy certain amount of a currency; the same can then be sold off. At the time of selling our share of this currency, if its value increases we will make a profit and if it decreases we will incur a loss.

This process of buying and selling of currencies goes on 24 hours a day; the brokers or financial advisers keep a track of the market and can predict as to which currencies will yield better exchange rates. Based on their predictions, we can make a smart investment.

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