

Choosing Your Forex Broker....Important Facts

The best advice I can give to you is to conduct yourself like a boss interviewing a potential employee. This employee will be making major decision on your financial future (or lack there of) and therefore it is of most importance that you ask the right questions. This decision cannot be taken lightly as must be well thought out. I would interview (more like grill) at least 5 potential Brokers before picking the final two.

When choosing a forex broker there are many factors to take into account.

- Trust
- Experience
- References from past clients
- Level of success
- Amount of advice to be given
- Convenience
- Amount of margin offered
- Speed

All of the above are of course important. In any financial transaction it is important to trust the broker you work with. This trust is garnered by the experience level the broker has. Of course there are some new brokers starting out who are quite trustworthy, but most people would rather work with an experienced broker. For that reason most new brokers attach themselves to a firm where they can be mentored and gain experience.

References from past clients are important. If your broker has helped someone else is successful in the past and that person is willing to speak up for him that says a lot. You can gage the level of success your broker has had by speaking with past clients and seeing how well they did working with this broker. Next, take a look at the amount of advice your broker is willing to give you. Of course, you make your own decisions and will never take another person's word for everything, but it is good to have knowledge to work with, and advice from an experienced broker is key information to factor in. Convenience is also impotent. If you live in California then an Ohio broker might not be the best choice. But in the age of the internet that factor has become less relevant. With fax and email where you and your broker live has become less important.

The amount of margin offered is important. Margin is used to leverage your money. A broker who gives you a 50 to one margin is more valuable than one who gives you 20 to one. And of course speed. Is your broker quick? Does he return phone calls and emails promptly? If so, perhaps you can work with him.

Your broker will be a trusted advisor and someone that you may be working with for years to come so choose the relationship carefully. Ask friends and acquaintances who are active in forex trading what broker they use and how they met. It is quite possible that you can get a referral from a friend or acquaintance you trust and acquire a good forex broker that way.

Another good way to find a forex broker is to go online. There are message forums, chat rooms, and email groups through portals like Yahoo, Google and MSN that contain a wealth of information. Getting onto one of these online communities and asking other people for advice is the way that many people found their broker. If a broker has several clients in an online community who are happy with what he has accomplished for them, then that is a good indication that you might be happy with him as well. Take advantage of the number of people who are on the internet and join some of these online communities. Ask question and you'll probably learn a great deal from the experiences that other people have had. Also find trade journals, magazines and ezines to subscribe to. Read as much as you can about the subject of forex trading before going into it. Become a smart shopper and smarter trader.

Finding a good forex broker is a job in itself. When you visit with a forex broker you are in essence conducting an employment interview to determine

if this is the broker you wish to handle your financial affairs, so be thorough. Ask plenty of questions. Ask for references. Don't be shy. Also check with other people in the office of the broker and see if you would trust them to fill in for your broker if he were not available. And, see if the broker is willing to offer you a demo account to use to get in some practice before you actually make an investment. If the broker is able to do so and encourages you then it means that the broker wants educated clients and is not just out for the quick buck. See what kind of training and tutoring the broker is willing to offer. A good broker will offer to answer your questions and help you through the learning process.

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