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| **Module 1: Forex Market: The Basics of Forex Trading** |
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There are many interesting things that can be pointed out about the foreign exchange market, however there are a few major things that really separate this market from the equities and futures markets.  
  
**24 Hour Liquidity**  
  
Probably the biggest advantages that traders of the forex market will cite is that the market is by far the largest market in the world, and that main currencies can be traded actively 24 hours a day. The huge amount of volume traded in the world’s main currencies each day, dwarfs the volume traded in the equities and the futures markets many times over. This combined with the 24 hour trading day gives traders the ability to determine their own trading hours instead of having to trade within set hours as they would have to when trading stocks and/or futures. More importantly than this however is that as the market is more liquid than the futures and equities markets, price slippage (the difference between where you click to enter or exit a trade and where you actually get in or out) in the forex market is normally much smaller than in the stock and futures market.  
  
The disadvantage here is that real market junkies sometimes cannot pull themselves away from the screen while the market is trading and need the finite trading hours of futures and/or stocks to force them to step away from the market. As my background is in forex I have seen many stock and futures traders burn out when trying to trade forex for this reason.  
  
**Leverage**  
  
There is more leverage provided to traders by most forex trading firms than any other market in the world. Many firms offer you up to 200 to 1 leverage which if fully used would essentially take a .5% move in the market and turn it into a 100% gain or loss on the value of the account.  
  
As the most highly traded currencies rarely move more than a couple of percent in a day, this allows traders to tailor the forex market to their needs, making it a conservative instrument when traded without leverage or the crack cocaine of financial instruments when making full use of the leverage available.  
  
While the availability of leverage is normally seen as an advantage in the above sense, it is also one of the places where forex gets its bad name. Many times new traders are lured to the market after seeing the ability to amplify their returns by making use of all that leverage. What these traders do not fully understand however is that leverage is a double edged sword causing greater losses just as quickly as it can cause greater profits. As a result of this lack of understanding and jackpot mentality, many beginning forex traders loose their money very quickly as a result.  
  
**Only Macro Events Affect the Forex Market**  
  
Unlike stocks where individual company events have a huge affect on price movements the most highly traded currencies are only affected by macro events like the capital flows between countries, and changes in government or central bank policies. This is often pointed to as an advantage by Forex Traders who feel that this brings less uncertainty to their trades than stock trades which can be thrown way off track if a surprise happens such as a CEO quitting or something similar in the micro picture.  
  
This combined with the fact that there is so much liquidity in the market also makes it a much harder market for someone to come in and manipulate the price to their advantage and to the detriment of others.  
  
The disadvantage here is that this also means less opportunities to gain an informational edge and to profit from that edge as well.  
  
**No Upward Bias**  
  
Over the long term the US stock market has always gone up giving stocks in the US an upward bias when trading. As currencies are traded in pairs when the value of one currency is falling this automatically means that the value of another currency is rising. This is an advantage from the standpoint of there is equal opportunity for profit from both long and short trades. This is a disadvantage from the standpoint of not having that upward bias working for you when you are in a long trade.  
  
The last characteristic that we will cover is how the fact that the forex market is an over the counter market affects us as traders. As this is a fairly in depth topic we are going to devote a full lesson to it which will be our next topic of discussion so we hope to see you then.

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| **Lesson 2: The Difference Between Exchange Traded and Over the Counter Markets** |
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When trading stocks or futures you normally do so via a centralized exchange such as the New York Stock Exchange or the Chicago Mercantile Exchange. In addition to providing a centralized place where all trades are conducted, exchanges such as these also play the key role of acting as the counterparty to all trades. What this means is that while you may be buying for example 100 shares of Google stock at the same time someone else is selling those shares, you do not buy those shares directly from the seller but instead from the exchange.  
  
The fact that the exchange stands on the other side of all trades in exchange traded markets is one of their key advantages as this removes counterparty risk, or the chance that the person who you are trading with will default on their obligations relating to the trade.  
  
A second key advantage of exchange traded markets is that as all trades flow through one central place, the price that is quoted for a particular instrument is always the same regardless of the size or sophistication of the person or entity making the trade. This in theory should create a more level playing field which can be an advantage to the smaller and less sophisticated trader.  
  
Lastly, because all firms that offer exchange traded products must be members and register with the exchange, there is greater regulatory oversight which can make exchange traded markets a much safer place for individuals to trade.  
  
The downside that is often cited about exchange traded markets is cost. As the firms who offer exchange traded products must meet high regulatory requirements to do so, this makes it more costly for them to offer these products, a cost that is inevitably passed along to the end user. Secondly, as all trades in exchange traded products must flow through the exchange this gives these for profit entities immense power when setting things such as exchange fees which can also increase transaction costs for the end user.  
  
Unlike the stock market and the futures market which trade on centralized exchanges, the spot forex market and many debt markets trade in what’s known as the over the counter market. What this means is that there is no centralized place where trades are made, instead the market is made up of all the participants in the market trading among themselves.  
  
The biggest advantage to over the counter markets is that because there is no centralized exchange and little regulation, you have heavy competition between different providers to attract the most traders and trading volume to their firm. This being the case transaction costs are normally lower in over the counter markets when compared to similar products that trade on an exchange.  
  
As there is no centralized exchange the firms that make prices in the instrument that is trading over the counter can make whatever price they want, and the quality of execution varies from firm to firm for the same instrument. While this is less of a problem in liquid markets such as FX where there are multiple price reference sources, it can be a problem in less highly traded instruments.  
  
While the lack of regulation can be seen as an advantage in the above sense it can also be seen as a disadvantage, as the low barriers to entry and lack of heavy oversight also make it easier for firms offering trading to operate in a dishonest or fraudulent way.  
  
Lastly, as there is no centralized exchange the firm that you trade with when you trade in an over the counter market like forex is the counterparty to your trade, so if something happens to that firm you are in danger of loosing not only the trades you have with that firm but also your account balance.  
  
It is for these reasons that there is so much focus among forex traders as to which firm to trade with, with special attention being paid to the financial stability of the firm and the execution that they provide.  
  
As we proceed through this forex trading course we will continue to gain a better understanding of the structure of the market and traders should be well prepared after going through those lessons to make an informed decision for themselves on this issue.  
  
That’s our lesson for today, in our next lesson we are going to look at the structure of the forex market so we can gain a better understanding of who actually controls the market, so we hope to see you then.

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| **Lesson 3: The Structure of the Forex Market** |
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In our last lesson we continued our course on the basics of Forex Trading with a look at the differences between an exchange traded market like the stock market and an over the counter market like the forex market. In today's lesson we are going to continue this discussion with a look at the structure of the forex market so we can learn who exactly controls the market and how the forex broker and individual trader fit into this picture.

As we discussed in our last lesson the forex market is an over the counter market meaning that there is no centralized exchange where all trades are made. Because of this, the price that someone receives when trading forex has traditionally differed depending on the size of the transaction and the sophistication of the person or entity that is making that transaction.  
  
At the center or first level of the market is something known as the Interbank market. While technically any bank is part of the Interbank market, when an FX Trader speaks of the interbank market he or she is really talking about the 10 or so largest banks that make markets in FX. These institutions make up over 75% of the over $3 Trillion dollars in FX Traded on any given day.  
  
  
There are two primary factors which separate institutions with direct interbank access from everyone else which are:  
  
**1. Access to the tightest prices.** We will learn more about transaction costs in later lessons however for now simply understand that for every 1 Million in currency traded those who have direct access to the Interbank market save approximately $100 per trade or more over the next level of participants.  
  
**2. Access to the best liquidity.** As with any other market there is a certain amount of liquidity or amount that can be traded at any one price. If more than what is available at the current price is traded, then the price adjusts until additional liquidity enters the market. As the forex market is over the counter, liquidity is spread out among different providers, with the banks comprising the interbank market having access to the greatest amount of liquidity and then declining levels of liquidity available at different levels moving away from the Interbank market.  
  
In contrast to individuals who make a deposit into their account to trade, institutions trading in the interbank market trade via credit lines. In order to get a credit line from a top bank to trade foreign exchange you must be a very large and very financially stable institution, as bankruptcy would mean the firm that gave you the credit line gets stuck with your trades.  
  
The next level of participants are the hedge funds, brokerage firms, and smaller banks who are not quite large enough to have direct access to the Interbank market. As we just discussed the difference here is that the transaction costs for the trade are a bit higher and the liquidity available is a bit lower than at the Interbank level.  
  
The next level of participants has traditionally been corporations and smaller financial institutions who do make foreign exchange trades, but not enough to warrant the better pricing  
  
As you can see here, traditionally as the market participant got smaller and less sophisticated the transaction costs they paid to trade became larger and the liquidity that was available to them got smaller and smaller. In a lot of cases this is still true today, as anyone who has ever exchanged currencies at the airport when traveling knows.  
  
To give you an idea of just how large a difference there is between participants in the Interbank market and an individual trading currencies for travel, Interbank market participants pay approximately $.0001 to exchange Euros for Dollars where Individuals in the airport can pay $.05 or more. This may not seem like much of a difference but think about it this way: On $10,000 that is $1 that the Interbank participant pays and $500 that the individual pays.  
  
The landscape for the individual trader has changed drastically since the internet has gone mainstream however, in many ways leveling the playing field and putting the individual trader along side large financial institutions in terms of access to pricing and liquidity. This will be the topic of our next lesson.

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| **Lesson 4: How the Forex Broker Provides Access to Individual Traders** |
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| In our last lesson we looked at the structure of the forex market and how the market has traditionally been a very country club type environment where the size and sophistication of the market participant determined the price they received. In today's lesson we are going to continue this discussion with a look at how the internet and the invention of online trading platforms has begun to level the playing field, giving the individual trader much greater access to reasonable pricing.  Before the internet, very few individuals traded foreign exchange as they could not get access to a level of pricing that would allow them a reasonable chance to profit after transaction costs. Shortly after the internet became mainstream however several firms built online trading platforms which gave the individual trader a much higher level access to the market. The internet introduced two main features into the equation which were not present before:  **1. Streaming Quotes:** The Internet allowed these firms to stream quotes directly to traders and then have them execute on those quotes from their computer instead of having to deal over the phone. This automated trade processing, and therefore made it easier for firms to offer the ability to trade fx to the individuals and still be profitable.  **2. Automatic Margin Calls:** What is not so obvious but what was perhaps even more key is that the internet allowed an automated margin call feature to be built into the platform. This allowed firms to accept cash deposits from clients instead of having to put them through the process of signing up to trade via a credit line. As we discussed in our last lesson it is very difficult to get a credit line to trade FX and for those who do it is a lot of paperwork and hoops to jump through before they can begin trading. This would have made it impossible to offer FX trading to smaller individual traders as the cost involved in getting them set up to trade would not be worth it.  As the electronic platform allowed clients to deposit funds and then automatically cut them out of positions if they got to low on funds, this negated the need for credit lines and made the work to get an individual account open well worth it to the forex broker from a profit standpoint.  If you don't understand all the ins and outs of margin at this point don't worry as this is something that we are going to go into much more detail on in a later lesson.  For now it is simply important to understand that what these firms did was take all the traders who were not big enough by themselves to get access to good pricing and routed their order flow through one entity that was. This allowed these firms access to much tighter pricing than would otherwise have been possible which was then passed along plus a little for the brokers to the end client.  So now you can see why although the forex market has been around for a relatively long period of time, individuals have only started to trade the market over the last few years.  Anther key thing that it is important to understand here is that the larger a firm gets in terms of trading volume, the greater access that firm has to tighter prices and liquidity and the more likely that firm is to be able to pass on better pricing and execution to their clients.  This is another reason that many traders will evaluate the size of a firm as one of the key factors in deciding who to trade with.  That's our lesson for today. In our next lesson we are going to look at the different categories of participants in the fx market so we hope to see you in that lesson.                  **Lesson 5: Forex Market Participants 1: Central Banks** |
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In our last lesson we looked at how the advent of online trading platforms has begun to level the playing field for individual traders, allowing a much greater access to favorable pricing than was previously available. In today’s lesson we are going to continue our discussion on the structure of the FX market, with a look at who the different players in the market are and how the motives of each affect us as individual traders.  
  
While the 10 largest banks which make up the forex Interbank market account for over 75% of the over $3 Trillion in daily trading volume, there is actually a level of participants with even more clout in the market. While generally no where near as active as the banks just mentioned, the Central Banks of countries also participate in the forex market, and as they have such deep pockets, have huge clout when they decide to enter the market.  
  
There are two main reasons why a central bank would participate in the forex market which are:  
  
**1. To fix the value of its currency to a particular level**: Unlike the main currencies which we are going to be focusing on in this course, the currencies of many developing countries are fixed in value to the dollar or to some other currency or basket of currencies. This is done to try and promote international competitiveness in the market and a currency environment that is more conducive to economic stability.  
  
Probably the most talked about example of a country that does this is China who up until recently maintained a fixed value of their currency against the US Dollar. A central bank normally accomplishes this by buying their own currency when the value gets too weak creating more demand for the currency and therefore driving the value up, and selling their own currency when it gets to strong creating a greater supply of that currency and therefore lowering its value back to the desired level.  
  
**2. To protect the value of a floating currency from extreme movements:**Unlike China and many other developing economies in the world, the US, The Euro Zone, Japan and the other major economies of the world have what is known as a floating exchange rate. Very simply what this means is that instead of having the value of the currency pegged to something else which therefore determines its value, the value of the currency is determined by market forces.  
  
Although the values of these currencies float freely in the market most of the time, as a currency’s strength or weakness in the market has such a dramatic affect on a country’s international competitiveness, there are rare instances where a central bank will intervene in the market even with the major currencies. Normally this is only seen after large one directional moves in the market over a long period of time, to the point where the country’s stability or competitiveness is being severely damaged. As Japan’s economy relies heavily on exports the most notorious central bank for interventions is the Bank of Japan, however both the European Central Bank and the Federal Reserve have intervened in the currency markets in the pasts.  
  
While some interventions have limited affect on exchange rates others, as you can see from the chart here of a past Bank of Japan intervention, can have a dramatic affect on the market.  
  
Because of this often times a central bank can do what is termed a verbal intervention, where simply the talk of intervention is enough to have the desired affect on the market.  
  
That’s our lesson for today, In tomorrow’s lesson we will look at the next level of participants in the market and how they affect us as individual traders, so we hope to see you in that lesson.

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| **Lesson 6: Forex Market Participants 2: Banks, Hedge Funds, and Corporations** |
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In our last lesson we looked at how central banks are involved in the foreign exchange markets and how their deep pockets sometimes allow them the ability to control the level of their currency for their country's economic benefit. In today's lesson we are going to continue our discussion on the different participants in the foreign exchange market with a look at how the rest of the participants in the market affect us as individual traders.  
  
Behind central banks in terms of size and ability to move the foreign exchange market are the banks which we learned about in our previous lessons which make up the Interbank market. It is important to understand here that in addition to executing trades on behalf of their clients, the bank's traders often times try to earn additional profits by taking speculative positions in the market as well.  
  
While most of the other players we are going to discuss in this lesson do not have the size and clout to move the market in their favor, many of these bank traders are an exception to this rule and can leverage their huge buying power and inside knowledge of client order flow to move the market in their favor. This is why you hear about quick market jumps in the foreign exchange market being attributed to the clearing out the stops in the market or protecting an option level, things which we will learn more about in later lessons.  
  
The next level of participants is the large hedge funds who trade in the foreign exchange market for speculative purposes to try and generate alpha, or a return for their investors that is over and above the average market return. Most forex hedge funds are trend following, meaning they tend to build into longer term positions over time to try and profit from a longer term uptrend or downtrend in the market. These funds are one of the reasons that currencies often times develop nice longer term trends, something that can be of benefit to the individual position trader.  
  
Although not the typical way that Hedge funds profit from the market, probably the most famous example of a hedge fund trading foreign exchange is the example of George Soros' Quantum fund who made a very large amount of money betting against the Bank of England.  
  
In short, the Bank of England had tried to fix the exchange rate of the British Pound at a particular level buy buying British Pounds, even though market forces were trying to push the value of the Pound Down. Soros felt that this was a losing battle and essentially bet the entire value of his $1 Billion hedge fund that the value of the pound would decrease. The market forces which were already at play, combined with Soro's huge position against the Bank of England, caused so much selling pressure on the pound that the Bank of England had to give up trying to prop up the currency and it preceded to fall over 5% in one day. This is a gigantic move for a major currency, and a move which netted Soros' Quantum Fund over $1 Billion in profits in one day.  
  
Next in line are multinational corporations who are forced to be participants in the forex market because of their overseas earnings which are often converted back into US Dollars or other currencies depending on where the company is headquartered. As the value of the currency in which the overseas revenue was earned can rise or fall before that conversion, the company is exposed to potential losses and/or gains in revenue which have nothing to do with their business. To remove this exchange rate uncertainty many multinational corporations will hedge this risk by taking positions in the forex market which negate any exchange rate fluctuation on their overseas revenues.  
  
Secondly these corporations also buy other corporations overseas, something which is known as cross boarder mergers and acquisitions. As the transaction for the company being bought or sold is done in that company's home country and currency, this can drive the value of a currency up as demand is created for the currency to buy the company or down as supply is created when the company is sold.  
  
Lastly are individuals such as you and I who participate in the forex market in three main areas.  
  
**1. As Investors Seeking Yield:** Although not very popular in the United States, overseas and particularly in Japan where interest rates have been close to zero for many years, individuals will buy the currencies or other assets of a country with a higher interest rate in order to earn a higher rate of return on their money. This is also referred to as a carry trade, something that we will learn more about in later lessons.  
  
**2. As Travelers**: Obviously when traveling to a country which has a different currency individual travelers must exchange their home currency for the currency of the country where they are traveling.  
  
**3. Individual speculators who actively trade currencies** trying to profit from the fluctuation of one currency against another. This is as we discussed in our last lesson a relatively new phenomenon but most likely the reason why you are watching this video and therefore a growing one.  
  
That's our lesson for today. In tomorrow's lesson we are going to look at the main cities and time zones where the majority of forex trades flow through and the differing characteristics of the 24 hour trading day so we hope to see you in that lesson.

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| **Lesson 7: A Breakdown of the Forex Trading Day** |
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In our last lesson we finished up our discussion on the different participants in the forex market and how each can affect the market. In today’s lesson we are going to look at the major cities where foreign exchange is traded and the characteristics of each of the 8 hour trading sessions that make up the 24 hour trading day.  
  
Unlike the futures and equities markets, the forex market trades actively 24 hours a day with active trading hours following the sun around the globe to each of the major money centers.  
  
As the foreign exchange market is an over the counter market where two counterparties can trade with each other whenever they want, technically the market never closes. Most electronic trading platforms however open for trading at around 5 PM Eastern Time on Sunday, which corresponds to the start of Monday’s business hours in Australia and New Zealand. While there are certainly banks in these countries which actively make markets in foreign exchange, there is very little trading done in these countries when compared to other major money centers of the world.  
  
The first major money center to open and there fore the start of the first major session in the forex market is the Asian Trading session which corresponds with the start of business hours in Tokyo at 7pm Eastern Time on Sunday.  
  
While still considered 1 of the three major money centers, only 7.6% of forex transactions flow through Tokyo trading desks, so the Asian trading session is the least active of the three. While there is active trading in Yen based currency pairs during Asian hours the market for currencies outside of Yen based pairs is relatively thin, making Asian trading hours a time when the larger banks and hedge funds in the market will sometimes try and push the market in their favor.  
  
Next in line is the European trading session which begins with the start of London business hours at 2 AM Eastern Standard Time. While New York is considered by most to be the largest financial center in the world, London is still king of the forex market with over 32% of all forex transactions taking place in the city. Before the Euro there were more than a dozen additional currencies in Europe making foreign exchange part of every day life for both individuals and businesses operating in the region. In addition to this, London is situated perfectly from a time zone standpoint with business hours for both the large eastern and western economies taking place during London trading hours.  
  
As London is the most active session in the forex market it is also the session with the most volatility for all the currency pairs which we will be studying in this course.  
  
Last but not least is the US session which begins with the start of New York business hours at 8 AM Eastern Standard Time. New York is a distant second to London in terms of forex trading volumes with approximately 19% of all forex transactions flowing through New York Dealing Rooms.  
  
The most active part of the US Trading session, and the most active time for the forex market in general, is from about 8am to 12pm when both London and New York trading desks are open for business. You can see very large volatility during this time as in addition to both New York and London trading desks being open, most of the major US economic announcements are released during these hours as well.  
  
The trading day winds down after 12pm New York time with most electronic platforms closing for business at around 4 PM Eastern Standard Time on Friday.  
  
That’s our lesson for today, in our next lesson we will look at the main currencies of the world which we will be learning to trade throughout the rest of this course so we hope to see you in that lesson.

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| **Lesson 8: An Overview of the Main World Currencies** |
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In our last lesson we learned about the 3 major money centers of the world and the characteristics of the three, eight hour trading sessions which make up the forex market’s 24 hour trading day. In today’s lesson we are going to look at the main currencies of the world which we will focus on throughout the rest of this course.  
  
Although there has been much press recently about the US Dollar loosing its status, there is no doubt that as of this lesson and most likely for the foreseeable future, the US Dollar still reigns supreme over all other currencies of the world. The price for the majority of traded commodities such as oil is quoted in US Dollars and the US Dollar represents over 60% of the worlds currency reserves (the currency held by central banks to back their liabilities). These facts combined with the fact that the US Economy is by far the largest economy in the world has resulted in a market where over 80% of all currency transactions involve the US Dollar. As you can probably imagine after hearing this, currency traders pay heavy attention to what is happening with the US Economy, as this has a very direct affect not only on the US Dollar but on every other currency in the world as well.  
  
The rising power of the currency world is the Euro which was introduced in 1999 as part of an overall plan to unify Europe into something known as the European Union. In short the differing laws and currencies of the different European countries were making them less competitive in the global market place. To try and fix this problem and create one entity with a common set of laws and a common currency, 15 countries joined what is now referred to as the European Union and 12 of those countries adopted the Euro as their common currency. While the economies of the individual countries that make up the Euro Zone don’t come anywhere close to the size of the US Economy, when combined into one Euro Zone economy they do, and therefore some say the Euro will eventually rival or even replace the Dollar as the main currency of the world.  
  
Japan, which is the second largest individual economy in the world, has the third most actively traded currency, the Japanese Yen. After experiencing impressive growth in the 60’s, 70’s and early 80’s Japan’s economy began to stagnate in the late 1980’s and has yet to fully recover. To try and stimulate economic growth, the central bank of Japan has kept interest rates close to zero making the Japanese Yen the funding currency for many carry trades, something which we will learn more about in later lessons. It is also important to understand at this stage that Japan is a country with few natural energy resources and an export oriented economy, so it relies heavily on energy imports and international trade. This makes the economy and currency especially susceptible to moves in the price of oil, and rising or slowing growth in the major economies in which it trades with.  
  
While the United Kingdom is a member of the European Union it was one of the three countries that opted out of joining the European Monetary Union which is made up of the 12 countries that did adopt the Euro. The UK’s currency is known as the Pound Sterling and is a well respected currency of the world because of the Central Bank’s reputation for sound monetary policy.  
  
Next in line is Switzerland’s currency the Swiss franc. While Switzerland is not one of the major economies of the world, the country is known for its sound banking system and Swiss bank accounts, which are basically famous for banking confidentiality. This, combined with the country’s history of remaining neutral in times of war, makes the Swiss Franc a safe haven currency, or one which attracts capital flows during times of uncertainty.  
  
When traded against the US Dollar, the Euro, Yen, Pound, and Swiss Franc make up known as the “major currency pairs” which we will learn more about in coming lessons.  
  
For the purposes of this course we will focus on currencies that trade actively 24 hours a day allowing the trader to move in and out of positions during the trading week at anytime as he or she pleases. Although not considered part of the major currencies there are three other currencies in addition to the ones just listed which trade actively 24 hours a day and which we will be covering in this course. Known as the commodity currencies because of the fact that they are natural resource rich countries, the Australian Dollar, New Zealand Dollar and the Canadian Dollar are the three final currency pairs we will be covering.  
  
Also known as “The Aussie” the Australian Dollar is heavily dependant upon the price of gold as the Australian economy is the world’s 3rd largest producer of gold. As of this lesson interest rates in Australia are also among the highest in the Industrialized world creating significant demand for Australian Dollars from speculators looking to profit from the high yield the currency and other Australian Dollar denominated assets offer.  
  
Like the Australian Dollar the New Zealand Dollar which is also known as “The Kiwi” is heavily dependant on commodity prices, with commodities representing over 40% of the countries total exports. The economy is also heavily dependant on Australia who is its largest trading partner. Like Australia, as of this lesson New Zealand also has one of the highest interest rates in the industrialized world, creating significant demand from speculators in this case as well.  
  
Last but not least is the Canadian Dollar or otherwise affectionately known as “The Loony”. Like its commodity currency brothers, the Canadian Economy, and therefore the currency, is also heavily linked to what happens with commodity prices. Canada is the 5th largest producer of gold and while only the 14th largest producer of oil, unbeknownst to most; it is also the largest foreign supplier of oil to the United States. Its relationship with the US does not end here either as the country exports over 80% of its goods to the United States, making the economy and currency very susceptible to what happens not only with commodity prices, but to the overall health of the US Economy as well.  
  
That’s our lesson for today. In our next lesson we are going to introduce the Forex Trading Platform so we can begin learning how to place some trades using paper money as we learn more about the foreign exchange market and potential ways to profit from the movement in the world’s main currencies.