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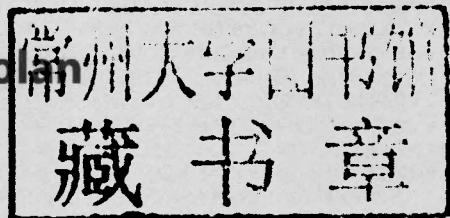
Brian Dolan

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FOR
DUMMIES®
2ND EDITION

by Brian Dolan



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About the Author

Brian Dolan is the chief currency strategist at GAIN Capital Group, and a 20-plus year veteran of the interbank currency market. Brian provides research and market analysis to trading clients of GAIN Capital and FOREX.com, the retail division of GAIN Capital Group.

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A frequent commentator on currency-market developments and outlooks for major news media including the *Wall Street Journal*, Reuters, Bloomberg, Dow Jones, CNN Money, and MarketWatch.com, Brian has also appeared regularly as a currency analyst on financial TV networks CNBC, Bloomberg Television, Fox Business News and BNN in Canada.

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Dedication

To Brigid, for her love and for hanging in there through the ups and downs; and to Frank and Catherine, for inspiring me to create a work for the future, just as you are. In memoriam to my mother Peg, father Chuck, and sadly missed brother Tim, who taught me that life is not a dress rehearsal.

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Introduction

The forex market was forever the private domain of hedge funds, global banks, multinational corporations, and wealthy private investors the world over. But this all changed a few years ago when the Internet-based technological revolution of online trading spread over to the forex markets. Today, tens of thousands of individual traders and investors all over the world are discovering the excitement and challenges of trading in the forex market.

No question about it, forex markets can be one of the fastest and most volatile financial markets to trade. Money can be made or lost in a matter of seconds or minutes. At the same time, currencies can display significant trends lasting several days to weeks and even years. Most importantly, forex markets are always moving, providing an accessible and target-rich trading environment.

In contrast to stock markets, which are more familiar and relatively intuitive to most investors,, the forex market somehow remains more elusive and seemingly complicated to newcomers.

I've spent my career in the forex market as a trader at some of the world's largest financial institutions. I've written *Currency Trading For Dummies* to pull back the curtain and strip away the mystique of the currency market.

In this book, I show you how the forex market really works, what moves it, and how you can actively trade it. I also provide you with the tools to develop a structured game plan you need to trade in the forex market and not lose your shirt. I cover

- ✓ Getting a handle on the forces that drive currency movements
- ✓ Understanding forex market trading conventions and strategies
- ✓ Interpreting economic data and official statements
- ✓ Finding sources of data and market intelligence
- ✓ Gauging market psychology, sentiment, and positioning
- ✓ Identifying key traits of individual currency pairs
- ✓ Utilizing technical analysis to spot trade opportunities
- ✓ Developing a regimented and disciplined approach to trading currencies
- ✓ Focusing on risk management to minimize losses and keep more of your gains