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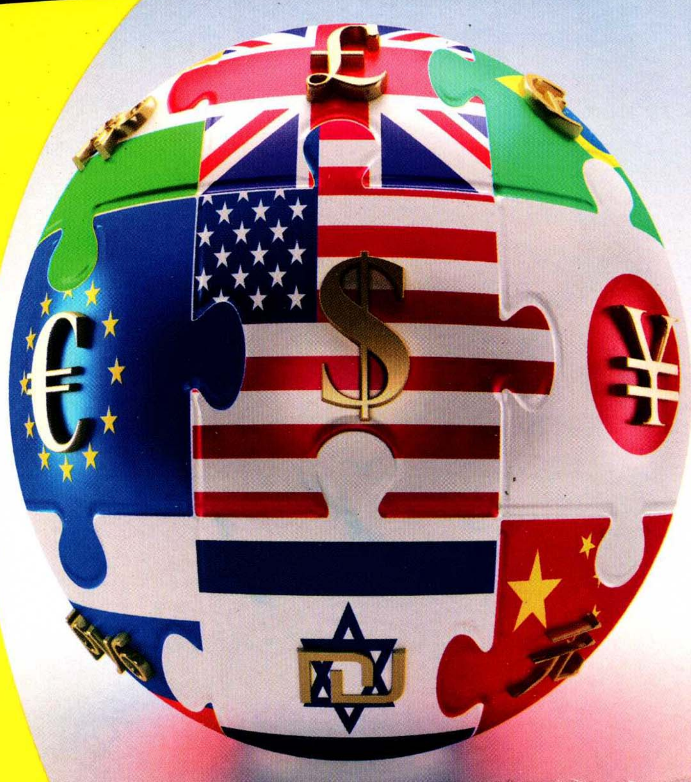

Brian Dolan

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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.

Brian analyzes the G10 currency markets with a blend of fundamental and technical analysis to provide actionable trading strategies.

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.

In addition, he has written numerous articles on currency trading, risk management, and technical analysis for trading and investment journals such as *Currency Trader, Active Trader, SFO Magazine, Technical Analysis of Stocks & Commodities,* and *Futures.*

Prior to joining GAIN Capital, Brian was a vice president at Bank Julius Bär, where he advised hedge funds and high-net-worth individuals on currencies. He spent the first 12 years of his FX career trading major currency pairs in the interbank market in New York at some of the world's largest banks, including Credit Suisse, Dai-Ichi Kangyo Bank, and American Express Bank, as well as two years in Bermuda as a proprietary trader at Butterfield Bank. Brian is a graduate of Dartmouth College.

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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My efforts to translate a career's worth of currency trading experience into a book would be extremely thin were it not for the many lessons I garnered from colleagues in the market over the years. Readers of this book will benefit from the experience I've gained from many of you. Thanks to Mark Galant, for founding GAIN Capital and offering me the opportunity to write this book. To the trading team at GAIN: Tim O'Sullivan, Anthony Piccolo, Paul Spirgel, Rob Voorhees, Mike Goret, Damon Gallo, and Alan Viola — it's an honor and pleasure to work with some of the best in the business. To Glenn Stevens and Samantha Roady, for setting the whole process in motion and encouraging me to go the full distance. To Christa Conte and Henry Feintuch of Feintuch Communications, for getting the word out to the media and then some. To my research team for picking up the slack while I wrote: Eric Viloria, CMT; Chris Tevere, CMT; Kathleen Brooks; and Dan Hwang. To Susan Hobbs for her fine editing assistance that made me get to the point, clearly. To McLean D. Giles for his technical review. And to the editors and staff at Wiley Publishing, especially Stacy Kennedy, for organizing the book in the first place.

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We're proud of this book; please send us your comments at `http://dummies.custhelp.com`. For other comments, please contact our Customer Care Department within the U.S. at 877-762-2974, outside the U.S. at 317-572-3993, or fax 317-572-4002.

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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