**Why Forex Account Management**

An important advantage of letting a licensed money manager manage your forex account, is that it allows you the freedom to use your time to engage in other endeavors. A person that has a career or is involved in another business that cannot deal with the day-to-day forex trade analysis, execution and other activities required for effective trading in the forex market, can be an ideal candidate for opening a managed account. By working with a money manager to manage their personal forex account, the owner of that account does not have to personally deal with the decision processes and challenges of day-to-day trading.

Merits

Managed forex accounts offer exposure to an asset class much different than stocks or bonds. Unlike these more traditional securities, which deliver returns in the form of share growth, interest payments, or dividends, forex trades gain in value as the value of one currency will rise or fall in relation to another.

More advantages of trading forex include:

* Accessibility
* Time Flexibility
* Profitability
* Equality
* Liquidity

At its simplest, forex trading is similar to the currency exchange you may do while traveling abroad: A trader buys one currency and sells another, and the exchange rate constantly fluctuates based on supply and demand.

Currencies are traded in the foreign exchange market, a global marketplace that’s open 24 hours a day Monday through Friday. All forex trading is conducted over the counter (OTC), meaning there’s no physical exchange (as there is for stocks) and a global network of banks and other financial institutions oversee the market (instead of a central exchange, like the New York Stock Exchange).

A vast majority of trade activity in the forex market occurs between institutional traders, such as people who work for banks, fund managers and multinational corporations. These traders don’t necessarily intend to take physical possession of the currencies themselves; they may simply be speculating about or hedging against future exchange rate fluctuations.

A forex trader might buy U.S. dollars (and sell euros), for example, if she believes the dollar will strengthen in value and therefore be able to buy more euros in the future. Meanwhile, an American company with Indian operations could use the forex market as a hedge in the event the rupee weakens, meaning the value of their income earned there falls.