



FOREX MARKET MAKERS Poised Against Forex Traders

Market Makers; creating trading opportunities or killing them. www.investtechfx.com

Toronto, Canada (PRWEB) August 12, 2009 -- InvestTechFX the leading 1 PIP Forex Co. reported that some Forex market makers are now operating against traders, while others are shamelessly exploiting their position in the market. Since this is not true of all market makers all of the time, it can be difficult to pin a specific instance of misconduct on a specific market maker. It is also that it is not necessarily illegal for a market maker to buy and sell against the interests of a trader, though it does go against the spirit of their intended role in the market. It is important to remember that market makers have fundamentally the same goal as a private trader: to buy low and sell high.

InvestTechFX the leading 1 PIP Forex Co. offering the MetaTrader4 trading platform described the concept of a market maker as essentially a financial institution that works like a wholesale operation; buying and selling assets in bulk and bearing the burden of depreciation risk. Market makers use their superior buying and selling power to maintain large inventories of assets (in the context of Forex, the assets are lots of currency). Because they can pool greater resources, market makers can use banks to hedge risk more effectively. In theory, market makers are supposed to literally "create" a fertile trading environment by guaranteeing the option to buy or sell a currency. In a market as liquid as Forex currency trading, the ability to buy and sell at the click of a mouse is an absolute prerequisite, especially for short term traders like scalpers. A market maker creates a situation in which there is a perpetual supply and demand for the same currency; if a trader wants to sell a certain currency, the market maker will be willing to buy it, and if a trader wants to buy that same currency, the market maker will be willing to sell it: guaranteed, regardless of market conditions.

InvestTechFX the leading NDD Forex Co. offering 1 PIP on 6 majors explained that because market makers will usually pass on your order to buy or sell to another independent trader ("covering" the order), however market makers will also sometimes hold on to the purchased currency (or whatever the relevant asset is). When a market maker takes this step, they essentially become a competing trader. The market makers can capitalize on their position in the market to trade from a position of authority and reduced risk, making them essentially a trading institution that pools resources to gain a trading edge and influence the market.

InvestTechFX the leading NDD 1 PIP Forex Co. stated that not all market makers are predatory, and that within Forex trading a market maker role is a simple necessity. There are upsides to working with a market maker: they can have a more user-friendly software interface, they can provide more consistent prices, and often provide free market news and software. However market makers do have significant disadvantages from the perspective of the private trader. Market makers shun scalpers, and will often put them in special account groups to slow trade execution. Trade execution can also be severely slowed during news and other trading rushes. Finally, there is the continuing issue of a fundamental conflict of interest; a market maker always has the option to trade against you, becoming a competitor instead of a neutral party.

InvestTechFX the leading NDD 1 PIP Forex Co. is a No Dealing Desk alternative broker that works directly with a clearing partner and never deals against traders. With a 1 PIP fixed spread on 6 majors, InvestTechFX creates an atmosphere of transparency that allows traders to focus on the market instead of on broker spreads. InvestTechFX is a software solution Co. supporting the entire diversity of traders and their strategies, including scalpers, expert advisor users, and Islamic traders. For more information on account groups and trading options, visit InvestTechFX's website.



InvestTechFX the leading 1 PIP Forex Co. offers the MetaTrader4 trading platform, as well as mutually beneficial white label partnerships for other brokers and Forex institutions. The concept of a white label is simply that of one product that is marketed under different brand names. A white label partnership allows other Forex institutions the ability to offer InvestTechFX's top-of-the-line and fully supported MetaTrader4 platform under their own name. A white label partnership helps both organizations provide superior technology and service while expanding client base. InvestTechFX is committed to making the best possible technology available to all Forex traders.

InvestTechFX is a No Dealing Desk Forex software solutions Co that works directly with a clearing partner.
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