

Forex Checklist

By John F. Smith

- ☐ Select a Broker
 - ☐ Check what other traders say about the broker.
 - ☐ Check the home country of the broker.
 - ☐ Check their customer service/dealing desk.
 - ☐ Check what regulatory organizations they are registered with and what protections this affords you.
 - ☐ Check if client funds are insured against fraud.
 - ☐ Check if client funds are insured against bankruptcy.
- ☐ Account
 - ☐ Check the minimum balance required to open an account.
 - ☐ Check the minimum trade size.
 - ☐ Check if you can adjust the standard lot size traded.
 - ☐ Check if you can earn interest on the unused margin balance in your account.
- ☐ Margin
 - ☐ Check the margin requirement.
 - ☐ Check if it changes for different currency pairs or days of the week.
 - ☐ Check if the broker increases it in volatile market conditions.
 - ☐ Check at what point the broker will issue a margin call or close open positions.
 - ☐ Check if the same applies for standard and mini accounts.
- ☐ Trading
 - ☐ Check reliability during fast moving markets and news announcements.
 - ☐ Check how many different currency pairs you can trade.
 - ☐ Check for any special features.
- ☐ Spread, Slippage and Commissions
 - ☐ Check how tight is the spread.
 - ☐ Check if it's fixed or variable.
 - ☐ Check how much slippage can be expected in normal/fast moving markets.
 - ☐ Check if they charge commissions.

- ☐ Execusion
 - ☐ Check the business model they operate.
 - ☐ Check how fast is their order execution.
 - ☐ Check if the orders are manually or automatically executed.
 - ☐ Check what is the maximum trade size before you have to request a quote.