

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 you 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.

- Execution
 - 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.