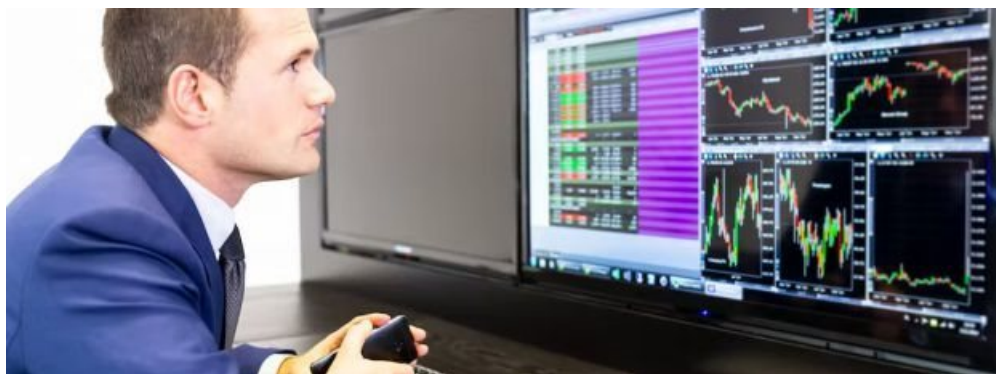


Tips to choose the best forex broker for beginner traders

Issued by [SA Shares](#)

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Brokers enable traders to buy and sell foreign exchange pairs and provide other trading services, such as leverage. Brokers generate revenue through the spread, or the difference between the buy and sell price, in addition to other expenses like commission.



Currency trading using a broker is easier than you might think, even for newcomers. Review the following checklist of must-haves before committing to any one forex broker.

1. Sign up with a regulated broker

You should only work with a broker that is licenced and regulated in South Africa by the Financial Sector Conduct Authority (FSCA). Leading brokers like [IFX Brokers](#) will hold a licence from the FSCA. Traders can rest easy knowing that the broker has met the bare minimal criteria and that if something goes wrong, the trader has the option of filing a complaint with a regulatory agency.

FSCA-licensed Forex brokers are preferred by South African traders, however those regulated by the FCA, CySEC, ASIC, or the FSCA are acceptable alternatives.

2. Find a broker the offers competitive fees

The 'spread' is the difference between the 'bid' and 'ask' prices, or the 'buy' and 'sell' prices. For the trader's benefit, the spread should be as small as possible. It's for this reason that you'll frequently hear brokers boast about their 'low spreads'.

Commission charges may also be applicable in some circumstances. Many brokers provide a wide range of account types to suit a variety of trading preferences, such as IFX Brokers.

Swaps are another consideration for overnight position holders in the foreign exchange market. The search for a broker that provides attractive promotions, such as Forex no deposit bonuses, is also helpful.

3. Use a broker that has a wide asset selection

It's crucial to find a broker that allows you to trade in a variety of assets. Even though currency pairs are where one's focus lies, it is still important to investigate the whole range of trading possibilities. Find a broker that lets you trade CFDs not just on currencies, but also on commodities, stock indexes, equities, and cryptocurrencies.

4. Choose a broker offers good trading platforms

In addition to a plethora of additional trading resources, many [brokers](#) give their clients access to the popular trading platform MetaTrader 4 (MT4). Some brokers, for instance, provide customers with copy trading software that enables them to 'replicate' the deals of profitable traders.

In addition, automated market analysis and insights tools like [PsyQuation](#) and AutoChartist may be available.

5. Find a broker that offers a wide selection of account types

Most brokers offer many account tiers, so they can serve customers with varying budgets and trading preferences. The 'standard' account is the most popular because it has all the features most traders need and is simple to operate.

Traders who want to take advantage of potentially lower fees and more features can sign up for professional accounts.

Specialized accounts include the 'Swap-Free' account, which is tailored to Islamic traders who, for religious reasons, cannot be charged or credited with interest payments, and the 'VIP' account, which is intended for the most active or wealthiest traders.

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