

## **ECN Forex**

ECN, standing for electronic communication network, is essentially a way to describe the different financial circles for a type of computer system. This computer system is a way to allow others to trade to other people with different financial products outside of regular stock changes. It was created in 1998 by the SEC, and helped allow others to trade after normal trading hours. ECN Forex trading, however, is essentially currency trading electronically. The purpose of the ECN forex market is to essentially make trading and investing internationally easier. With the two different theories combined, it essentially is more simple than before.

The fact that the ECN forex market is so simple makes it one of the largest financial markets in the world. Nearly every type of trader uses this market, including governments, central banks, currency speculators, and other different financial institutions. The market for ECN forex is constantly growing, with London reportedly at its center for foreign exchange. Nearly every country that is developed permits forex trading on their exchanges. Between the years 2007 and 2008, the market for the ECN forex economy grew at about forty seven percent. This is mostly possible because of its growing importance and the increase in fund management assets.

Due to its growing number of usage, original politics can affect the economy of this market internationally, regionally, and even internally. This is because the constant instability of politics can cause a change in the exchange rates, causing negative impacts. The value of a certain currency can change if their country is have some financial instability- it is no longer a currency that many will be using.

There are, of course, at least eight different participants in the ECN forex trading industry. The banks, commercial companies, central banks, hedge funds, investment management firms, retail foreign exchange brokers, non-bank foreign exchange companies, and money transfer remittent companies are just a few different groups who play a part in the ECN trading industry. The banks use this industry the most, trading nearly billions everyday. Although most of it is for different customers, the banks will also use it for the banks own account. Commercial companies use ECN forex to pay for the different items that they are buying globally, while central banks simply try to control the interest rates for their currency. The hedge funds speculators do not exactly use the ECN forex trading to really use that currency, rather, they will use the system to simply watch the transaction.

In the end, it does not really matter who is using the system for what cause. Essentially it is used to trade money easier. With this system, it is completely possible to buy from other countries without worrying about transferring the money to another format, because it is possible to electronically do so at any time of the day or night. It is possible to invest in other countries if the investment opportunities suit what you are looking for, and in addition, it is possible to trade with foreign companies far easier than you would have been able to do so before.