

## Trend Trading in the Forex Market

When you trade in the Forex market, you want to make sure to avail yourself with all possible tools. Your online broker can readily assist with you advice and trading recommendations, but it's always best to have as much trading knowledge as possible. That way you can either choose to have your online broker place your trades or place the trades yourself. If you do choose to place your Forex trades yourself, then it's highly recommended that you become familiar with Forex trend trading.

What is a Forex trend?

A Forex trend is any movement in the market that shows a tendency for a particular currency to go up or down. In other words, it utilizes technical analysis data to establish ongoing trends. If you're able to track the trends successfully, then your chances of earning a profit on a particular trade increase. Basically, an up trend occurs when the movement of a currency has higher and higher tops and bottoms, and a down trend is just the opposite – lower and lower tops and bottoms. Trends quickly change as well, so it's vital to keep track of these trends on a regular basis, especially if you're involved in day trading.

Drawing a trend line

Drawing a trend line on an online Forex chart is fairly simple. Simply draw a line through at least two of the lowest lows for an upward trend and two of the highest highs for a downward trend. In other words, if the movement of the line is going upwards, then you'll have an upward or positive trend, and if the movement of the line is going downwards, then you'll have a downward trend. For instance, if the euro goes from a low of 1.55567 at 8:00 am against the dollar to 1.55575 at 12:00 pm, and then again to 1.55596 at 5:00 pm (with even higher peaks during the day), then you'll have an upward trend in the market for that day. On the other hand, if the euro falls against the dollar (i.e. 1.55567 at 8:00 am, 1.55556 at 12:00 pm, and 1.55549 at 5:00 pm), then you'll have a downward trend.

## About the Author

Online [Forex trading system](#) platforms provide all the conveniences of Forex trading in a user-friendly environment.

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