



WHAT IS TRADING

BEGINNER FOREX

RUBAN PILLAY

HARBINGER GROUP



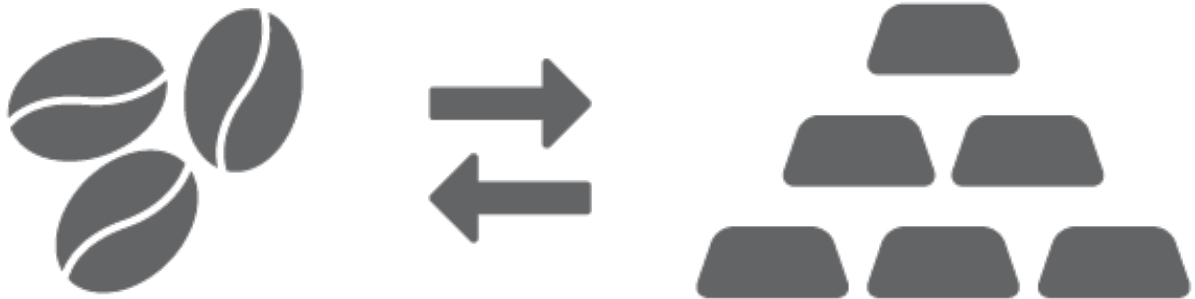
WHAT IS TRADING?

Trading has always been part of mankind. Before modern currencies were invented, bartering was a common way to **buy** and **sell** goods.

The earliest form of trading (bartering) would have most probably occurred when two cave men/women decided to exchange coffee beans for some gold with another group of cave men/women. Obviously, I was not there to witness that exchange but it's the most likely event I can picture and yes, these are some fancy cave men/women with some expensive taste buds.

Bartering, just like trading later on, was based on two main factors:

1. Products that were needed (the spearhead and the berries) by others and
2. Negotiation between seller and buyer to reach an understanding and close the deal.



Over time, some of the items like precious metals or barley grains became so easy to barter that they were used as long-term medium of exchange. There was a need to standardize all trading that a common denominator, known as money (or gold here) began making itself known. This is how the first gold and silver coins emerged in many different parts of the world such as in ancient Greece or Persia.



All That Glitters is Gold

As one of the first known metals in recorded history, **GOLD** has been the symbol of wealth, beauty and power. **GOLD** has no real use case, even today the stock generally rises although there is no real application for it in science or biology thus **GOLD** has its inner value that remains independent of authorities or political regime. It is no wonder why until recent decades international trading was largely based on gold, or why it has been widely used as a means of monetary exchange.



Gold standards were established as early as the Byzantine Empire (If you have no idea about the Byzantine Empire, stop here and go Google search it). In one form or another gold trading standards remained in effect until 1971, when President Nixon ended the convertibility of the US dollar to gold. Since then all major currencies have been fiat (*Fiat money is a currency without intrinsic value that has been established as money, often by government regulation. Fiat money does not have use value, and has value only because a government maintains its value, or because parties engaging in exchange agree on its value. Wikipedia*) currencies, which means that their values are not backed by gold and are free to change according to supply and demand.

And Trading Goes On



Ever since the first goods and objects were exchanged between people many thousands of years ago, trading has been a popular form of **buying and selling**, and even of **making a profit**.

Furthermore, today even **trading money for money** is possible. In 1971 the so-called **foreign exchange market** began to develop, and foreign currency exchange has become one of the most popular ways of trading.

Just as with the oldest forms of trading, the buying and selling of one currency for another is done directly, with no interference from a third person. Moreover, anyone can do it online, at any time and from anywhere. If you want to start investing in stock, use this link <http://bit.ly/2TpUXcW>