

# FX

TRADER MAGAZINE

**CENTRAL BANKS  
DISREGARDING  
THE DOLLAR?**

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**BROKER REVIEWS**

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**GREEN SHOOTS  
RECOVERY**

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**CLS GLOBAL  
MARKET GATE**

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**MAJORS  
REPORT**

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**TRADING PSYCHOLOGY  
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**brokers**  
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**THE IMPACT OF NEW US REGULATIONS  
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Forex Brokers  
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The traders opinion from  
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# SURVIVAL GUIDE FOR FX BROKERS



## CURRENT BROKER LANDSCAPE

Over the course of the past two years, regulatory oversight in the US and the global financial meltdown have changed the landscape of what it takes to be a competitive FX broker.

As you read this a few regulated FX brokers are teetering on the verge of going out of business, most unregulated brokers are complacently moving on, while a new batch of brokers are entering the market, probably unprepared, driven by the allure of profits or by the zeal of sponsoring a perceived technological or business improvement.

The FX broker market is consolidating in regulated countries like the US, Switzerland and Japan. If a FX broker regulated by the U.S. National Futures

Association (NFA) were to fail, chances are that one morning clients might receive an e-mail from the broker's CEO informing them that their accounts will be serviced by some big firm within days. In other words, the transition to a new broker would be a bit disconcerting, but smooth. But what about if a firm is regulated elsewhere or not regulated at all?

This article takes a hard look at how client perceptions of brokers may be leaving some firms more vulnerable than others in light of regulatory changes.

Even if you followed FX brokerage news over the past 18 months, it is very likely that each announcement was evaluated in isolation. A clearer image of industry trends emerges as we evaluate these announcements as a whole.

