

Career Spotlight

Foreign Exchange Trader

A foreign exchange trader looks at the various factors that influence local economies and rates of exchange, and then takes advantage of any misvaluations of currencies by buying and selling in different foreign exchange markets.



EDUCATION

Mathematics, economics, and statistics majors have a distinct advantage in applying for positions in this field, as do history majors whose coursework included economics. A bachelor's degree is required. Any experience in a trading environment is valued, as is any work that demonstrates the ability to work hard, make fast and accurate decisions, and manipulate numbers. Many employers appreciate study abroad, international work experience or fluency in a foreign language.

MATH REQUIRED

- College Algebra
- Trigonometry
- Geometry
- Calculus I and II
- Statistics

WHEN MATH IS USED

Some of the most important characteristics learned from studying math as a foreign exchange trader are quick decision-making skills, problem-solving skills, and a sharp analytic mind.

Low-end Salary: \$90,008/yr
Median Salary: \$154,786/yr
High-end Salary: \$204,995/yr

POTENTIAL EMPLOYERS

The foreign exchange market includes trading between large banks, central banks, currency speculators, corporations, governments, and other institutions. As a result, foreign exchange traders are employed by these various organizations.

FACTS

Foreign currency trading is the practice of trading and investing in foreign currencies (forex). Foreign exchange traders study charts and analysis reports of foreign currency pairs and take advantage of inefficiencies in the currency markets. Forex traders also assist in international investment and trade, by providing market liquidity for currency conversions. Foreign exchange traders must act fast to exploit valuation differences: "You've got seconds to decide how millions of dollars should be spent," said one trader, "so you have to have confidence." Confidence ranked second right after "guts" in qualities important in new traders.

CITATIONS

<http://www.princetonreview.com/Careers.aspx?page=1&cid=70>
<http://www.salary.com>