



# Think you've been trading the Forex? Think again

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*A new blog, The Forex Non-Dealing Desk Trader, takes a fresh look at foreign exchange trading and, in doing so, may help to bring about much needed industry reform. At the very least the blogger hopes to help traders avoid making the same mistakes he has made over the years."*

PR9.NET February 02, 2006 - LOS ANGELES, CA - Phil Davis, a balding, well tanned 59 year old self-described loner, doesn't portray himself as a crusader but writing a steady stream of articles about the hazards of Forex trading, he certainly comes off like one. "I don't have a bone to pick with anyone in particular, but I'm convinced the industry is in dire need of reform," he said.

The inspiration to create his blog, The Forex Non-Dealing Desk Trader, came early last Fall when he had a conversation with a retired Forex broker he'd met at a community function in downtown LA. "When I started talking [bragging] about my experiences as a 'Foreign exchange trader', he listened politely and then, after I'd pretty much revealed how little I knew, he asked me a predictable question - 'Who's your broker?'"

"At the time I thought that he was asking the question just to be polite but the statement that followed my response made me realize how little I knew about the industry. "I don't mean to burst your bubble, Phil, but you aren't trading the Forex."

That, Davis describes, as his Dan Quayle moment.

"I tried, of course, to contest his observation but it didn't take very long for me to realize that he knew what he was talking about - I didn't. In the end, he convinced me that I wasn't trading the Forex. I was trading on an artificial, off-exchange market created, controlled, and manipulated by a broker for the ultimate benefit of the broker," Davis reported.

"Ultimately he led me to understand that I was no more a Forex trader than the tourist who visits the currency exchange counter at a local bank," he said.

During the course of the ensuing conversation, Davis also learned that he could, indeed, trade the Forex but that he would have to trade standards lots through a broker offering direct market access through a non-dealing desk.

Those revelations paired with a search for a non-dealing desk broker led Davis several months ago to create a blog to help other traders overcome the natural disadvantages every trader faces trading the foreign exchange. "If through my research and commentary, I can help at least one trader avoid making the mistakes I've made, I'll be satisfied," he said.

And he believes the blog fills a definite need.

Industry insiders like Drew Niv, chief executive of FXCM, one of the biggest dealing desk, Forex brokerage houses in the US, acknowledged in an article appearing in the Wall Street Journal that few traders are profitable. "Niv doesn't attribute the failure rate to anything specific, but I have come to believe it's more a function of broker manipulation than the vagaries of the foreign exchange itself," Davis reported.

Davis's own research seems to confirm that. According to Davis, unlike their dealing desk counterparts, non-dealing desk brokers offer the trader a leveler playing field. Instead of trading with a single broker offering contrived pricing, spot traders have the opportunity to trade against dozens of banks and FCMs. "It doesn't take a genius to understand that the trader is better off when he has more options to choose from," he said.

Davis's blog first came on line in April. The Forex Non-Dealing Desk Trader ([www.nondealingdesk.blogspot.com](http://www.nondealingdesk.blogspot.com)) is a non-commercial blog so he doesn't use it (nor does he allow anyone else to use it) to recommend any Forex related service provider.

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