



the
money
cloud

Everything you need
to know: **automated online
trading platforms**

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It's not just the technology powering our TVs, smartphones and computers that's constantly developing. These days, international money transfer systems are also evolving rapidly.

Foreign exchange brokers are increasingly using automated trading platforms to make trades faster, more flexible and cheaper. This guide will talk you through how this new technology works, what the benefits are and where to look for a reliable trading platform.



How do automated online trading platforms work?

An automated trading platform is a lot like internet banking, but with your broker instead of your bank. The specific features vary depending on the broker, but they might include showing you the live exchange rate, letting you make instant transfers, tracking your payments and helping you manage your payees.

You can make transfers through them in the same way that you'd send money online. Once you've signed up for your account and decided to make a trade, you just need to transfer the funds to your broker through the platform. The platform takes care of the rest, and usually you'll be able to check how your transfer's progressing.

Some trading platforms will give you more detailed information, like changes in rates over time. This gives you a clearer understanding of how good a deal you're getting, helping you decide whether to wait for a better rate or to trade straight away. The 'automated' part comes in how you pre-programme your account on the platform. You might, for example, want to set up an automated 'limit order'. These set the exchange rate you'd like to trade at – say you're happy exchanging anything under 8p for one Swedish krona. When the rate reaches this point, the platform will automatically make the order for you.

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What are the benefits?

Firstly, going through a broker is the fastest way to send money overseas. For mainstream currencies, like US dollars, the transfer will normally be processed within 24 hours. Most banks will take two to five days. It's also the cheapest way to send money overseas. Brokers won't normally charge fees on transfers over £3,000, and they'll typically save you 3-4% on the exchange rate. This is because they buy currency in bulk, getting them better rates that they can then pass onto you. The savings can be even greater with automated trading platforms, with some offering a fee-free service for all transfers.

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The two main benefits of using a broker's automated trading platform are speed and control. The value of currency changes very quickly, so the time it takes to phone the broker may mean you miss a good rate. Using the platform's automated software lets you simply click to instantly make

a trade at a rate you're happy with. Some brokers also give you the option to trade through a secure app, so you can transfer funds on the move.

As well as empowering you to make trades quickly, automated trading platforms can help you make more informed decisions. By monitoring exchange rates through the platform, you can see general trends in the market for yourself, and base your financial choices on concrete knowledge. Tracking changes in the market helps you work out the timing of your trades as well.

Take the plunge of the rouble as an example. When it depreciated in 2014, many Russians decided to effectively 'store' their roubles in the more stable Swiss franc. If they'd converted 25,000 roubles into Swiss francs on 10 August 2014, they would have received around 630 francs. Converting francs back into roubles on 16 December of the same year would have bought over 45,000 roubles. Just by timing their transactions, they'd have made 20,000 roubles, or enough for thirty trips to the cinema in Moscow.

Where can I find automated online trading platforms?

More and more forex brokers are recognising how powerful automated trading platforms can be for their customers. You'll be able to register for the service on the broker's site, but before signing up you should ask:

“This tech is still fairly new to the industry, so you won't find it with all brokers.”

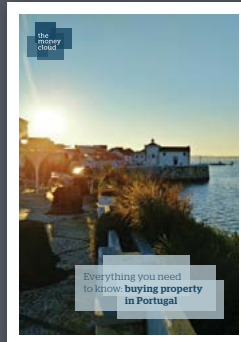
- 1 Is it free to use? Leading providers' platforms are, so there's no reason you should have to pay.
- 2 Is the interface intuitive? This is more important than just appearances – the easier it is to use, the easier it is to make the right trade at the right time.
- 3 What are the safety checks? In the UK, you should expect brokers to be authorised by the Financial Conduct Authority and registered with HM Revenue & Customs as an overseas Money Service Business.

This tech is still fairly new to the industry, so you won't find it with all brokers. Ones that do offer automated trading platforms to their customers include Currencies Direct, which also creates in-depth reports and videos to keep you informed about currency market changes. World First's platform is available as an app for Android and iOS and, like Currencies Direct, produces regular, easy-to-follow market updates. The final major broker to provide this service is UKForex, which offers optional rate alerts as well. ■

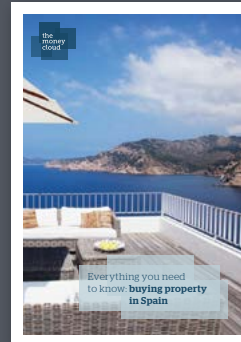
If you'd like to find out more about any aspect of international money transfer, have a browse through our practical guides. They cover everything from how to make regular overseas payments cost-effectively to how to make your holiday home budget stretch further. If there's anything else we can help you with, or if you have any other queries, feel free to contact us directly.

Our guides

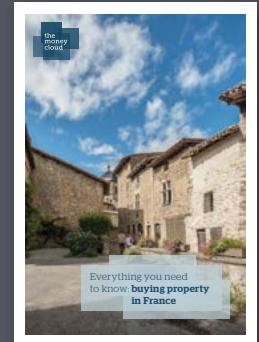
In this series of comprehensive guides, you'll find everything you need to know about all areas of international money transfer. We've designed them to provide clear answers to your money transfer questions, whether you're putting down a deposit on a beachfront villa in Antigua, packing up and moving across continents or paying for a Serengeti safari. They cover all the essentials, from the costs you'll need to account for to the processes you'll need to follow.



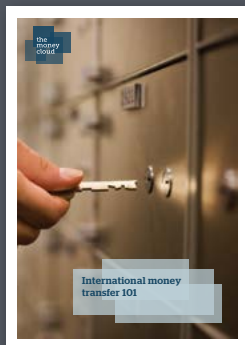
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Everything you need to know: buying property in Spain



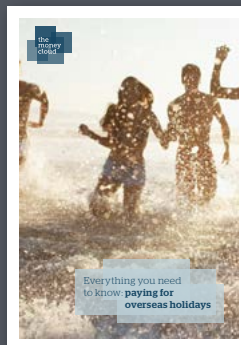
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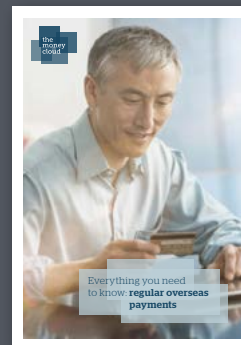
International money transfer 101



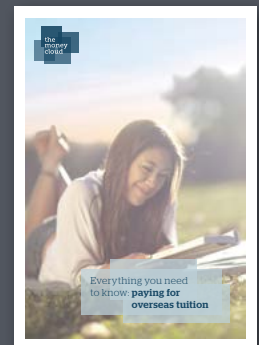
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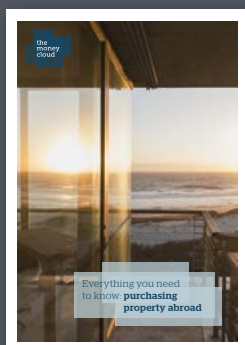
Everything you need to know: paying for overseas holidays



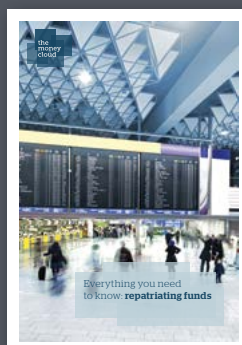
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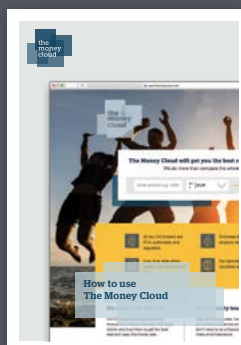
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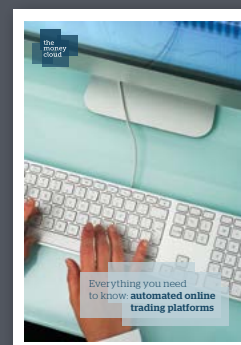
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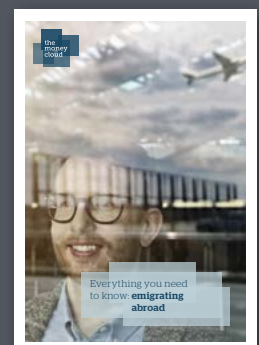
Everything you need to know: repatriating funds



How to use The Money Cloud



Everything you need to know: automated online trading platforms



Everything you need to know: emigrating abroad