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semi;semi; This is not a physical exchange but a decentralized;
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worldwide network where large international banks [trade](#) currencies directly
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title="Liquididity - Refers to how easily and quickly an asset can be bought or sold at stable prices without causing a big change in price";>A highly liquid forex market like EUR/USD has abundant buyers and sellers and small bidask spreads, allowing large orders to transact with minimal price impact. Illiquid markets may have volatile price jumps and larger spreads.

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This market is dominated by the largest global commercial and investment banks located in major international financial centers like London

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[Banks as Global Market Makers](#) and [Liquidity Providers](#)

Liquidity - Refers to how easily and quickly an asset can be bought or sold at stable prices without causing a big change in price.

A highly liquid forex market like EUR/USD has abundant buyers and sellers and small bid-ask spreads, allowing large orders to transact with minimal price impact.

Illiquid markets may have volatile price jumps and larger spreads.

[Read More:](#) [Forex Robots Glossary: Liquidity](#)

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[Facilitate Global Client Order Flow](#)

Liquidity - Refers to how easily and quickly an asset can be bought or sold at stable prices & without causing a big change in price.

A highly liquid forex market & like EUR&USD has abundant buyers and sellers and small bid&ask spreads, allowing large orders to transact with minimal price impact.

Illiquid markets may have volatile price jumps and larger spreads.

Read More:

<https://forexalgorithms.com/forex-robots-glossary/liquidity/>

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This involves the bank committing its own capital to take speculative positions in the forex market with the aim of generating profits for itself

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[central bank policy rates are paramount&;colon; higher domestic rates tend to](#)
[attract capital and strengthen the currency&;comma; all else](#)
[equal&;period; Traders watch rate announcements](#)
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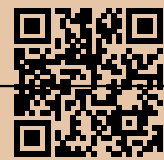
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;>;Arbitrage<;/span>;<;/h3>;<;div
v [class](#) equals;"";wpg-tooltip-
content";>;<;p>;Arbitrage - A rule-based strategy that
exploits pricing inefficiencies between markets or related instruments. In
Forex, arbitrage algorithms detect tiny price differences across currency pairs or
exchanges and [buy](#) low/[sell](#) high simultaneously, locking in near-risk-free
profit. True arbitrage opportunities are rare and fleeting (often
milliseconds), so cBots use high-speed execution to capture them before the
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Algorithmic Trading - The use of algorithms

Computer programs are used to execute trades automatically according to pre-set rules. In algorithmic trading, strategies are encoded as logic in software which places orders when specified market conditions arise. This removes emotional decision-making, allowing high-speed execution of

Forex robots often implement algorithmic trading so that they can enter and exit positions based on data-driven criteria. [class](#)

Forex robots often implement algorithmic trading so that they can enter and exit positions based on data-driven criteria. [class](#)

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A significant portion of

Institutional Forex Trading&

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Forward contracts to lock in an
Exchange Rate
The price of one currency in terms of another period; For example, an exchange rate of USD 0.90 means 1 USD can be exchanged for 0.90 EUR; Exchange rates fluctuate based on supply and demand; interest rates; and economic fundamentals; period; Read More
https://forexalgorithms.com/forex-robots-glossary/exchange-rate/ for a future transaction

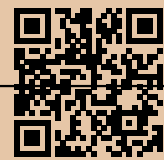
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content";;;p>;Liquidity - Refers to how easily and quickly

an asset can be bought or sold at stable prices ∥without causing a big change in

price∥;A highly liquid forex market ∥like EUR/USD∥ has abundant

buyers and sellers and small [bid](#)/[ask](#) spreads, allowing large orders to transact

with minimal price impact. Illiquid markets may have volatile price jumps and larger

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More<;;a>;;;p>;;;div>;" href&eq

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glossary/liquidity/">liquidity-providing strategy where the robot continuously posts

both [bid](#) and [ask](#) orders around the current price;period;

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Maker<;;

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t;;div [class](#) equals;";wpg-tooltip-

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terms, a market maker is an entity that continuously quotes [buy](#) and [sell](#) prices for an

asset, providing liquidity. In the <;strong data-

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end=";20344";

emi;>;[broker](#) context<;;strong>;;;";Market

Maker&rdquo; usually refers to a ;;strong data-

start=";20381"; data-

end=";20429";;[broker](#) that operates a dealing desk

∥[B-Book](#)∥<;;strong>;;;and fills client trades

internally. The [broker](#) effectively &ldquo;makes the market&rdquo; for you

by offering fixed spreads and ensuring orders are filled ∥even if external liquidity is

low, the [broker](#) takes on the risk∥;The benefit is you often get a

predictable trading cost and your [order](#) is always executed ∥since the [broker](#) is the

counterparty∥;The downside is the [broker](#)&rsquo;s profit can be inversely

related to yours ∥conflict of interest∥;That said, many market maker

brokers manage risk by [hedging](#) clients&rsquo; aggregate positions in the real market



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;>;MetaTrader<;/span>;<;/h3>;<&semi
;div [class](#)="";wpg-tooltip-
content";>;<;p>;MetaTrader - A popular electronic trading
platform (MetaTrader 4 and MetaTrader 5) widely used in forex trading.
MetaTrader (developed by MetaQuotes Software) supports charting,
technical analysis, and automated trading through Expert Advisors.
It&rsquo;s known for its user-friendly interface and MQL programming language which
allows traders to create and use custom indicators and EAs (forex
robots).<;/p
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more";>;<;a href="";https://forexal
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More<;/a>;<;/p>;<;/div>;" href&eq
uals;"https://forexalgos.com/forex-robots-
glossary/metatrader/" >MetaTrader&;comma; an EA can simulate
market making by placing pending [buy](#)-limit and [sell](#)-limit orders at calculated offsets
each [tick](#)&;period; High-frequency market-making bots constantly
cancel&;sol;replace orders to stay at the top of the
book&;period; This strategy requires sophisticated risk rules
&;lpar;e&;period;g&;period; inventory
limits&;rpar;&;period; In Forex&;comma;
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title";>;<;span [class](#)="";wpg-tooltip-term-title"
;>;Arbitrage<;/span>;<;/h3>;<;di
v [class](#)="";wpg-tooltip-
content";>;<;p>;Arbitrage - A rule-based strategy that
exploits pricing inefficiencies between markets or related instruments. In
Forex, arbitrage algorithms detect tiny price differences across currency pairs or
exchanges and [buy](#) low/[sell](#) high simultaneously, locking in near-risk-free
profit. True arbitrage opportunities are rare and fleeting (often
milliseconds), so cBots use high-speed execution to capture them before the
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i; <semi;p [class](#) = "semi;wpg-read-more"semi; >semi; <semi;a href = "semi;https://forexalgos.com/forex-robots-glossary/arbitrage/"semi; >semi;Read More<semi;/a>semi; <semi;/p>semi; <semi;/div>semi;" href = "https://forexalgos.com/forex-robots-glossary/arbitrage/" >arbitrage & amp;lpar;buying on one venue& amp;sol;selling on another& amp;rpar; is a form of market-neutral making& amp;semi; cBots can also exploit triangular [class](#) = "wpg-linkify wpg-tooltip" title = "<semi;h3 [class](#) = "semi;wpg-tooltip-title"semi; >semi; <semi;span [class](#) = "semi;wpg-tooltip-term-title" ; >semi;Arbitrage<semi;/span>semi; <semi;/h3>semi; <semi;div [class](#) = "semi;wpg-tooltip-content"semi; >semi; <semi;p>semi;Arbitrage - A rule-based strategy that exploits pricing inefficiencies between markets or related instruments. In Forex, arbitrage algorithms detect tiny price differences across currency pairs or exchanges and [buy](#) low/[sell](#) high simultaneously, locking in near-risk-free profit. True arbitrage opportunities are rare and fleeting (often milliseconds), so cBots use high-speed execution to capture them before the market self-corrects. <semi;/p>semi; i; <semi;p [class](#) = "semi;wpg-read-more"semi; >semi; <semi;a href = "semi;https://forexalgos.com/forex-robots-glossary/arbitrage/"semi; >semi;Read More<semi;/a>semi; <semi;/p>semi; <semi;/div>semi;" href = "https://forexalgos.com/forex-robots-glossary/arbitrage/" >arbitrage by simultaneously trading in multiple currency pairs& amp;period; & amp;lt& amp;semi; & amp;sol;p& amp;gt& amp;semi; & amp;lt& amp;semi;p [class](#) & amp;equals; & amp;quot& amp;semi;wpg-read-more& amp;quot& amp;semi; & amp;gt& amp;semi; & amp;lt& amp;semi;a href& amp;equals; & amp;quot& amp;semi;https& amp;colon; & amp;sol; & amp;sol;forexalgos& amp;period;com& amp;sol;forex-robots-glossary& amp;sol;market-making& amp;sol; & amp;quot& amp;semi; & amp;gt& amp;semi;Read More& amp;lt& amp;semi; & amp;sol;a& amp;gt& amp;semi; & amp;lt& amp;semi; & amp;sol;p& amp;gt& amp;semi; & amp;lt& amp;semi; & amp;sol;div& amp;gt& amp;semi; "semi; href& amp;equals; "semi;https& amp;colon; & amp;sol; & amp;sol;forexalgos& amp;period;com& amp;sol;forex-robots-glossary& amp;sol;market-making& amp;sol; "semi; >semi;market making<semi; & amp;sol;a>semi; & amp;amp& amp;

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semi;lt&;semi;p&;gt&;semi;[Order](#) Execution - The
process of filling &;lpar;executing&;rpar; a [buy](#) or [sell order](#) in
the market&;period; When an automated system or trader places
an [order](#)&;comma; [order](#) execution is the [broker](#) or exchange accepting
that [order](#) and completing the transaction on the market&;period; It may be
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quality&;sol;speed of execution can affect the actual entry price
received&;period; In automation&;comma; ensuring fast and
correct [order](#) execution is critical&;comma; as delays or [slippage](#) can impact
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forex traders to understand that the extensive forex operations of international banks are
subject to significant regulatory oversight by financial authorities in the major global
jurisdictions where they operate &;amp&;semi;amp&;am
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;>;Regulation<;/span>;<;/h3>;<;
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content";>;<;p>;Regulation - Refers to the oversight and
rules imposed by financial authorities on brokers to protect traders. A <;strong
data-start="";26025"; data-
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5";>;regulated [broker](#)<;/strong>; ;must
comply with standards for things like ;<;strong data-
start="";26089"; data-
end="";26169";>;capital adequacy, client fund
segregation, fair pricing, and risk
management<;/strong>;. Different jurisdictions have different
regulators (e.g., CFTC/NFA in the USA, FCA in the
UK, ASIC in Australia, CySEC in Cyprus,
etc.), and each may impose certain trading rules: for
example, ESMA (EU) limits [leverage](#) to 1:30 for retail traders and
requires negative [balance](#) protection; US regulators enforce [FIFO](#) and no [hedging](#) for



retail forex, and require brokers to be well-capitalized. For traders and especially automated strategies, regulation can affect how you [trade](#) through those rules. It also provides confidence that the [broker](#) is not a scam and that your deposits are safer, often held in separate accounts, segregated from the [broker's](#) funds. When deploying a forex robot, it's wise to use a [broker](#) regulated in a reputable jurisdiction — not only for safety, but also because regulated brokers typically have more transparent execution which is critical for accurate EA performance. Always verify what regulatory constraints might apply to your strategy, the [hedging](#) ban in the US or [leverage](#) limits in the EU.

[Read More](#) [regulation aims to ensure the stability of the financial system](#)

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or international banks are far more than just participants in the forex market&semi&
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title="Liquidity" class="text-align: center;">Liquidity

Liquidity - Refers to how easily and quickly an asset can be bought or sold at stable prices without causing a big change in price. A highly liquid forex market like EUR/USD has abundant buyers and sellers and small bid/ask spreads, allowing large orders to transact with minimal price impact. Illiquid markets may have volatile price jumps and larger spreads.

<https://forexalgorithms.com/forex-robots-glossary/liquidity/> >liquidity and price discovery in the world

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