

Forex Symbol «EURO vs Great Britain Pound» or «EURGBP»

This trading instrument is very popular in Western Europe, as in EURGBP currency pair there are two of the most popular world currencies, which have very high liquidity. Britain is a member of the European Union. For this reason, it has very close economic relations with the countries of Western Europe. Most active trading on this trading symbol occurs during Western Europe working hours.

A feature of this currency pair is its high volatility and low predictability. When trading on this financial instrument, there are often observed unstable and short-term fluctuations. For this reason, many traders are not really trust it in carrying out their trading activities in the foreign exchange market.

Price fluctuations for this currency pair can be considerable, up to 140 points and above. EURGBP currency pair is very highly liquid at Western Europe working hours, the rest of the observed decline in activity in the direction of low liquidity, which is especially noticeable during the East Asian working hours. At the beginning of work on the international Forex market, traders often do not recommend starting their business activities with this currency pair, because of its violent and unpredictable fluctuations. Newcomers at the Forex often advised to begin their trading activities with other currency pairs.

When you'll start forecasting the future course of the EURGBP trading instrument, you must take into account all the major economic changes in the UK and in EU. In addition, you must to monitor the declarations of officials of Great Britain and the European Union, since these declarations may greatly affect the rate for this currency pair.

EURGBP is the cross rate against the U.S. dollar. Although the U.S. Dollar obviously is not present at this currency pair, it still has a significant influence on it. This can be seen, if you combine two charts: EURUSD, GBPUSD. By combining these two charts in the same price chart, you can get an approximate EURGBP chart.

The U.S. dollar has a significant influence on both currencies. For this reason it is necessary to take into account the major U.S. economic indicators for the correct prediction of a future course of this financial instrument. These indicators include: the discount rate, GDP, unemployment, new created workplaces indicator and many others. It is necessary to note that discussed currencies could respond with different speed on changes in the U.S. economy, therefore, EURGBP currency pair may be a specific indicator of change at these currencies.

If you trade cross rates, it is necessary to remember that brokers are usually set a higher spread than the more popular currency pairs, so before you start working with the cross-rates, it should be carefully acquainted with the conditions offered by the broker to trade with specified trade instrument.