

# Facebook Meets Forex

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Last month in the story "[Tweets on the Street](#)," which appeared in the 11/22 issue of FORBES magazine, we reported on the impact of social networking on the brokerage industry. Looks like that trend is making its way into the world of Forex trading.



Currensee: Yet another expression of social media in the world of finance.

At the top of this emerging field is [Currensee](#), founded by an Israeli currency trader and his tech-savvy partner in 2009 as a social network for people interested in Forex. Earlier this year Currensee launched the Trade Leaders investment program, which allows users to piggyback on the trades of over 100 top traders by linking their brokerage accounts to the service. The goal: to make the complex world of trading foreign currency accessible to the masses.

"It's almost like fantasy football," says affable Currensee CEO and startup veteran Dave Lemont. "Anybody can play in the Forex world now."

For the privilege of automatically mirroring the moves of Currensee's Forex experts, users must fork over 2% of assets and 20% of profits annually (much like a hedge fund), most of which goes to the mirrored trader. Currensee get a cut of that, plus a few basis points on the spread of every trade. A bit steep, perhaps, but Lemont believes it's a fair price for access to traders like one who's up 50% this month alone.

Traders may choose to have their trades automatically Tweeted, and there's nothing to prevent a user from hyping a currency as one might hype a stock. But there's little danger of such nefariousness with Forex trading, says Lemont, who points out that Currensee only covers supports the 20 most actively-traded currency pairs.

"Maybe if [someone] had a billion Twitter followers," he says, noting that \$4 trillion changes hands in world currency markets every day. "Our volume is nothing compared to the banks."

Currency trading is not for the faint of heart, and Lemont is quick to admit that 60-80% of Forex daytraders will lose. In fact, since February, Currensee's community of traders is down 54%. All the more reason, says Lemont, to join up and mirror a top trader like the one who gained 460% over the same time period (see chart below).

This publication tends to recommend that readers focus on stock and bond investments rather than Forex trading, but if you decide to dip your toe into the currency pool, it's best to entrust your funds to an expert. There are no shortage of those on Currensee's network—just remember that picking the hot hand isn't easy, as past performance is no guarantee of future results.

If you insist on taking the plunge, what's a reasonable proportion of your portfolio to allocate to Forex trading? Take Lemont's advice: "I think 5-10% for an alternative investment would be a fair thing to say."

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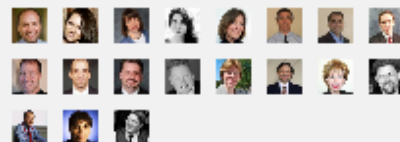
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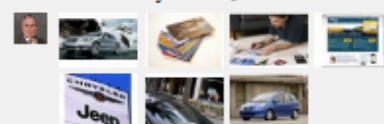
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