

DJ FOREX VIEW: Web Site Brings Social Networking To Currencies

By Bradley Davis
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NEW YORK (Dow Jones)--The average Facebook profile probably sports cute baby pictures and the latest gossip on who's dating whom. It's not likely to offer the scoop on whether to buy the euro and ditch the dollar.

But that's exactly what Currensee, a start-up Web site for retail currency traders, aims to do: Match the strength-in-numbers power of social networking--think Facebook--with financial analysis.

"It's an educational process to see how other people do it and succeed and understand what you should be doing," said Currensee co-founder Asaf Yigal.

Logging onto the Currensee home page (<http://www.currensee.com>) brings up a "Trading Dashboard," with small boxes--called widgets--that users can mix and match to fit their particular needs. They can add a list of members' recent trades, and so-called "social indicators" on its Market Watch feature, which shows the percentage of investors who are betting for or against different currency pairs and calculates whether the aggregate is "winning."

In the Hot Topics section, members put trading ideas up for discussion. Some recent ones included "Indicators and their Downfall" and "Is it possible to earn a living from trading only?" (So far, one response: Yes.)

"People on there are serious traders," said Clair Wyant, who trades stocks by day and currencies as a hobby by night and plugged his Forex.com account into Currensee in April. "You look at that to see what everyone else is thinking," he said.

So now, when all your friends are piling into the euro, you'll know. But would that have saved a retail trader from losing his or her shirt during Monday's correction, when the euro dipped from past \$1.50 to \$1.4845 within a few hours?

Maybe, according to co-founder Yigal. Ahead of the euro's drop, Currensee's 1,000 or so members were asked to take part in a poll on whether the euro would continue its advance against the dollar. A majority--48%--of Currensee participants said yes, but in a discussion on the site attached to the poll, canaries in the coal mine warned that the euro had advanced too far.

One member posted technical charts--similar to what currency strategists at big banks produce--and warned the exuberant euro bulls the common currency's bubble was about to pop.

Holding a mouse over the euro-dollar listing on the site's Market Watch indicator brings up a box that lists the number of people trading the pair and whether they've bet for or against the euro gaining on the dollar.

Clicking on the euro-dollar pair on Monday would have revealed a sharp uptick in volume for the pair as the downtrend started to pick up steam, Yigal said, which could have helped investors know it was time to flee the common currency.

Currensee's volume calculations could be especially valuable for traders because a sharp swing in volume oftentimes indicates a currency will break past a key technical resistance.

The site doesn't offer actual trading; instead, its members keep their own trading accounts--through Forex.com or dbFX, for instance--which are plugged into the Currensee aggregator. A spokesman said Currensee, which accepts only actual currency traders who agree to link their brokerage accounts to the site, doesn't pay to access trading information from the approximately 40 participating brokerages. Participating in the site is free.

Wyant, the Currensee member from Boston, invites other users into his "trading room," where members gather to discuss strategies and trading tips.

Members post on their profiles the length of time they've traded currencies, their favorite trades and the strategies they use. They also can post recommendations for future trades, and if they want, can make public every trade they make. That way, novice traders can learn from traders who have been particularly successful, said Dave Lemont, Currensee Chief Executive.

A real-time, trading-floor environment for retail traders could spur investors to make trades they might not have otherwise considered, said Brian Dolan, chief currency strategist at Forex.com in Bedminster, N.J.

But, a follow-the-crowd mentality could also lead to losses, he said. "You run the risk of going along with someone else, but what if they're wrong?"

A social network buzzing with currency investors could tempt investors into trading more often than they otherwise might, Dolan said, which is good for brokers.

But ultimately, the investor is the person who has to push the "buy" button. "Trading is an extremely solitary business," Dolan said.

Currensee aims to make it less so.

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