

Mosotho Le Chelete

The truth ea Nnete about Forex Trading



What are Global markets *le mebaraka*?

In the past two decades everywhere you turned you heard of Globalisation *le boikopanyo ba lefatse*. What does this mean *ho Mosotho*? It means at any given time you are eating food from South Africa, using an Apple product designed in America and manufactured in China. While *o khanna import ea mojapane* that you *purchased ka li dollara*, paid for its transportation *ka li ranta* and tax *ka Maloti*. The world is a global village where every country is selling and buying from one another. It is a single "GLOBAL MARKET". Global markets *li tsoana le mmaraka o setopong sa litaxi*. The difference is rather than *ho rekisetsa Mosotho ea palamang*, they sell to a global customer at any part of the world. *Ha ka stopong ba rekisa liapole le ice quava* (my favorite), in financial markets they sell anything from Gold, oil, and company stocks.



What is a Trader?

If you sent two people to the same retail store at the mall to buy you an apple, they would come back having paid the same price. But if you send them to go buy the same apple *ka setopong* global markets, to the same *motho ea tsoanang*, they could come back possibly having paid different prices. In global markets *ka setopong*, if you negotiate *theolelo ea apole ea M3.00 you can buy for M2.50*. But if you show up with a suit of *fasitse thae* it can appreciate from M3.00 to M3.50. *Joale ha o ka e kopa* and negotiate in English *o buoa sekhoaa* it can sky rocket from M3.00 to M5.00 *lekhoaa la ka*. This seller who is moving the price depending on who the buy is and *hore na o tseba eng* is called a trader *ka moitsukuli*.



What is the role *le bohlokoa* ba Forex in Global Markets?

Having stated that global markets *ka setopong* the customer may be coming from anywhere in the world, the trader *le moitsukuli* find themselves selling or buying from a customer or supplier who does not necessary speak the same language. Basotho speak Sesotho and Maloti, while Americans speak English and Dollars. In doing business with each other, countries have to overcome the language barrier to reach an understanding as they exchange goods, stocks *le liapole*. This gives rise to the need for a translator *le tololo*. The pure role of forex exchange in global markets is to translate *le ho toloka* between the countries doing business to make sure *haba qhekellane* and they exchange fair value between themselves. Behind forex transactions is real economic activity. *Mosotho ea rekisitseng liapole* and products to an American and got paid \$100.00, has a need *le thloko* to go into global markets *ka setopong* to sell the dollars in their possession. *Mosotho e mong* who wants to buy *Mojapane oa \$100.00* also has a need *ho ea setopong* to buy dollars to pay for their import car. Basotho bana ba babeli are functioning as traders, one a seller of dollars and the other a buy of dollars. So what do we call people who go into the global markets without an under pinning real economic activity and hope for gain? They are called speculative traders *kapa bomalekelle*.



How does *Malekelle* hope to make money trading Forex?

Unlike *bobeli ba Basotho* above mention who are selling and buying \$100.00 due to real economic activity, *malekelle* buys dollars they don't need hoping to sell them for more. This is called being long dollars. At times *malekelle*'s risky activity goes as far as selling dollars they have been borrowed hoping they will buy them back cheaper. This is called being short dollars. If you go on 1 month holiday and *o siea malekelle ha hao*, he will sell your favourite jacket *kapa jase* first week you are gone for M500.00 because *a e bone shopong* for the same amount and *retsoa mariheng* into summer. *Malekelle* has realised *hore* that shop normal has a 50% winter sale when summer starts so hopefully he will buy it back *ka* M250.00 and you will find it there when you come back in a month. Thus *malekelle* makes M250.00 in speculative profits. Should the sale not happen or the jackets *le lijase* run out, *malekelle* could find themselves in serious trouble and paying well above M500.00 as they try to convince people to let of their priced jackets. This premium is a heavy lose to the desperate *malekelle*. This exercise of studying the behaviour of the shop and when it is likely to have a sale is called fundamental analysis.



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