The investor in the currency market takes for granted that a pair of currencies can be bought or sold at a moment's notice. Once an order is placed with a broker, the trade is executed within seconds.

It is, of course, not as easy as that.
Whenever a pair of currencies is bought or sold, there must be someone at the other end of the transaction. It is very unlikely that the investor will always find someone who is interested in buying and selling the same two currencies at the same amount, and at the same time. Hence, the question remains, "How is it possible that the forex investor can buy or sell at any time?" This is where the forex market makers come in.

The forex market maker is a bank or brokerage company that stands ready, every second of the trading day with a firm bid and ask price. This is good for the investor because when the investor chooses to buy and sell a pair of currencies, the market maker will purchase from and sell to the investor, even if they do not have a buyer and seller lined up. In doing so, they are literally "making a market" for the currencies.

Forex market makers ensure that the market is always functional and that the currencies in it will always fetch the market rate. Forex market makers do so by updating their prices at intervals of at least 30 seconds and undertaking to trade if this is requested. Forex market makers must fulfill their obligations irrespective of whether the economic situation is favorable or unfavorable, or whether they lose or profit by doing so.

Until recently, central banks, commercial banks and investment banks dominated the forex market. Due to the entry of forex market makers, other market players like international money brokers, large multinational companies, registered dealers, global money managers, and private speculators have entered the market in large numbers. E4-Group (Data Provider)