INTRODUCTION TO FINANCIAL MARKETS

The Foreign exchange Market

ABSTRACT.

This is a simple guide of the concept of the Financial market for beginner and intermediate level. Provide the basic of understanding of how the financial market operate specifically the Forex market.

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Financial Market.

FINANCIAL MARKET

A financial market is a broad term describing any market place where buyers and sellers participate in the trade of assets such as equities, bonds, ***currencies*** and derivatives. Financial markets can be found in nearly every nation in the world. Some are very small, with only a few participants, while other like the ***New York Stock Exchange*** **(NYSE)** and the **FOREX MARKETS** trade trillions of dollars daily. There are various types of financial market (*or asset types*), but here we are going to look on one type of financial market which is the most liquid.

FOREX.

Forex market is the market where currencies are traded. It is the largest, most liquid market in the world with an average traded value that exceeds ***$7.5 trillion*** per day as of 2022 data from ***Bank for International Settlements (BIS)*** triennial survey. It includes almost all of the currencies in the world. Forex is the largest market in the world in terms of the total cash value traded, and any person, firm or country may participate in this market.

Trading place/area.

There is no central market place for currency exchange; trade is conducted over the counter. The forex market is open 24 hours a day, five days a week and currencies are traded worldwide among the major financial centers of ***London***, ***New York***, ***Tokyo***, ***Zürich***, ***Frankfurt***, ***Hong Kong***, ***Singapore***, ***Paris*** and ***Sydney***, all opens at different times/periods called sessions.

Participants in the market.

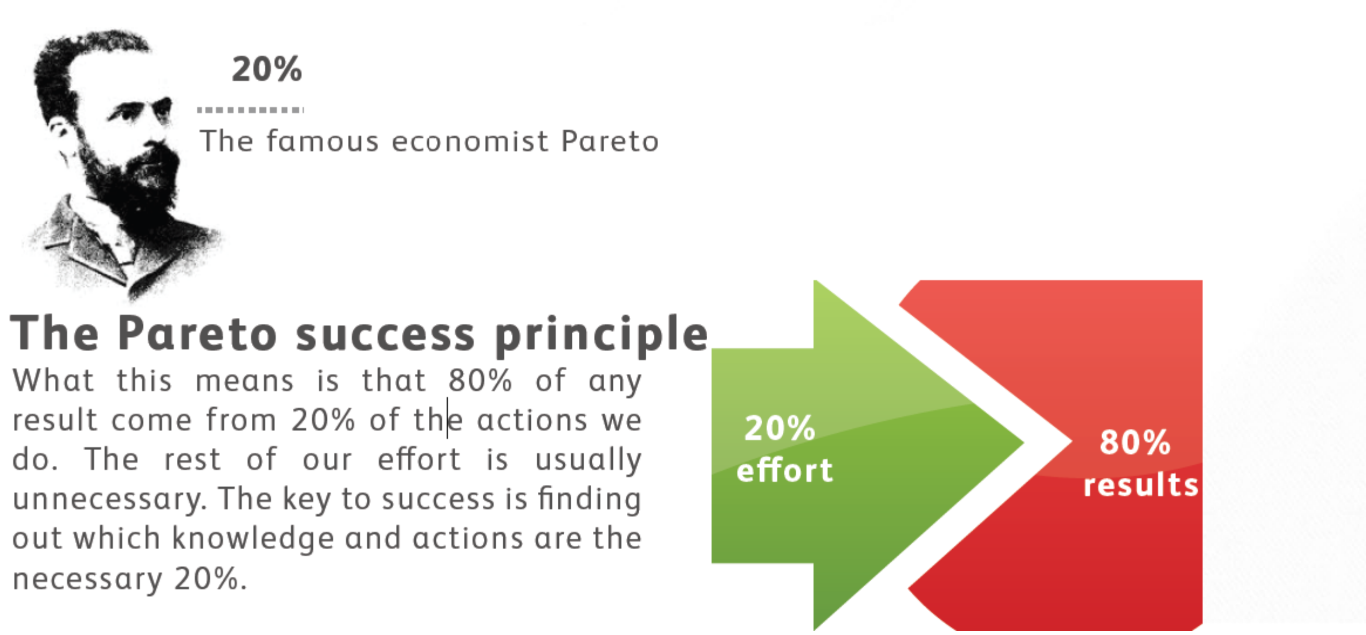
Until recently, forex trading in the currency market had largely been the domain of large financial institutions, corporations, central banks, hedge funds and extremely ***wealthy individuals***. But emergence of the internet has changed all of this, and now it is possible for ***average investors*** to buy and sell currencies easily with the **CLICK** of a mouse through **online brokerage accounts**.

HOW TO PARTICIPATE SUCCESSFULLY IN THE FOREX MARKET.

From the idea that "***Forex is for specialists not for generalists***" we need to have a certain condensed (***simplified***) way for easily understanding Forex trading. In Forex Market there are many things to consider in order becoming successful trader. When you're learning Forex, your Mentor may insist you to stick in certain major aspects or trading system for success in trading because forex knowledge is very wide.

Therefore, to be successful in Forex you must be ***more specific than general***. This means you have to understand few potential aspects of Forex trading.

Consider the case below from ***Pareto success principle (****the 80/20 rule****)*** which generally shows how the power of doing few things effectively or efficiently can have positive impact than running for many things at a time inefficiently.



Focusing on knowledge and actions which are necessary in Forex, this book is going to analyze aspects of successful Forex trading in major groups of three (***Three's Setup in Forex***). Despite the fact of being in group of three, be aware that some things work efficiently when occurs in groups and others are effective following the rank from 1 to 3.

THE THREE'S SYSTEM IN FOREX.

The Three's Set-up in Forex have compacted down Forex trading as simple as possible in as clear and understandable way as follows: -

i. **Three analysis tools (*Price action tool*).**

- Lines (*Trend lines & Support and resistance lines*).
- Candlestick pattern (MCP, DCP & TCP).
- Chart pattern (***Squares*** i.e. *multiple tops / Bottoms*. ***Triangles***, ***Channels*** and ***Wedges***).

ii. **Three trading techniques**.

- Trend following.
- Trading reversal.
- Trading breakout.

iii. **Three key indicators**.

- Moving averages (MA).
- Relative Strength Index (RSI).
- Moving Average Convergence Divergence (MACD).

iv. **Three important currency pairs to trade**.

- EUR/USD.
- GBP/USD.
- USD/JPY.

v. **Three fast paying sessions to trade.**

- London.
- New York.
- Tokyo.

vi. **Three foremost market (*Price*) cycles.**

- Up trend.
- Consolidation.
- Down trend.

vii. Three major features of the price chart/patterns traded.

- Chopping pattern.
- Bouncing pattern.
- Surfing pattern.

viii. Major market orders.

- Stop orders (*buy stop / sell stop & stop-loss order*).
- Limit orders (*buy limit/ sell limit*).
- Take profit order.

ix. Three fast and profitable trading styles.

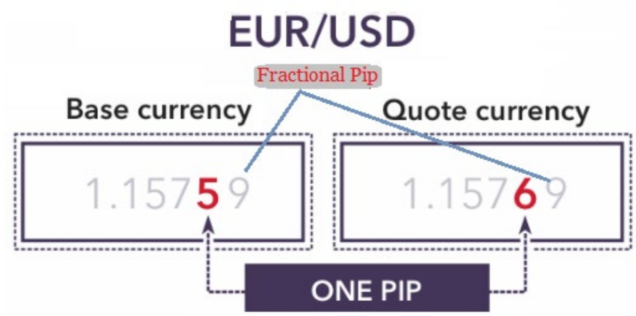
- Scalping (*5-10 pips per trade in secs to mins, M1 & M5*).
- Day trading (*20-40 pips per trade in day, M15 & H1 to H4*).
- Swinging (*50-150 pips per trade in less than a week, H1 and H4*).

x. Three things to become successful in Forex.

- Trading system.
- Risk management.
- Psychology.

CURRECY PAIRS.

Since FOREX is a short form of FOREGN EXCHANGE, therefore there are various currencies traded in the Forex market. They occur in pairs where by each currency is traded against the other, that means ***when you are buying one currency at the same time you are selling the other***. Currency are represented inform of letters like EUR for euro, USD for United States Dollar, JPY for Japanese Yen e.t.c. therefore the first two letters have something to do with the ***name of the country*** and the last letter carries the ***name of the specific currency***.



NOTE: Base currency commonly has a value of "1" with respect to quote currency.

Currency pairs can be categorized in various categories like ***major currencies***, which means ***currency pairs containing USD*** or ***currencies which are most popular*** as one of the component e.g. EUR/USD. Also currency pairs can be grouped as ***Cross currency*** which means a pair lacking US Dollar EUR/JPY. ***Exotic currency*** pairs, these are currency pairs made up of major currency and emerging currency i.e. *currency from countries with strong but small economy from global perspectives* e.g. EUR/ZAR.

For successful trading especially for beginners you have to choose currency pairs that does not exceed three from major currencies. These currencies have ***high liquidity*** which will help you to have small positions with greater move. Also they create ***high trading opportunities*** by showing clear patterns of the price chart.

Before you choose your currency pairs to trade understand how selected currencies can affect each other in different aspects like ***currency strength fluctuations with time***. What is important enough is to have currency ***pairs with tight spread*** (*small spread*). Therefore, currencies selected should be: -

i. *The one with best trade.*
ii. *Have tight spread from the broker.*
iii. *Traded the most i.e. high liquidity.*
iv. *That crosses trading sessions.*

Below are the first three currency pairs with the best trades: -

a) UER/USD.
b) GBP/USD.
c) USD/JPY.

Reasons for selected currency pairs.

- **EUR/USD**, *support trading the range i.e. buying at support and selling at resistance.*
- **USD/JPY**, *support trend trading especially up trend.*
- **GPB/USD**, *support trend trading in both directions and forms clear distinct trends. i.e. up trend is long with many bullish candles and down trend is long with many bearish candles.*

What moves Forex market?
Forex market is not static rather it is dynamic and that is how traders can make or lose money. Dynamicity of the currency pair during trading depends on the pair you are trading because there are various factors behind the movement of the currency.

The key factors for the movements of currencies are the ***central banks***. Therefore, you have to understanding clearly few pairs of currencies and the factors behind their movements; this will ***reduce but not eliminate at all*** the risk of losing trades. Therefore, the key is the ***CENTRAL BANKS***. From pairs of currencies selected above each currency is moved by the following banks:

- ***US Dollar***, *by the Federal Reserve System (USA).*
- ***Euro***, *by European Central Bank.*
- ***Pound***, *by bank of England.*
- ***Yen***, *by bank of Japan.*

Therefore, as a trader you have to be up-to-date with all news that seem to affect currency concerning a specific central bank for your currency selected. Also be aware with news that may affect people's perceptions on currency.

NOTE: *Don't trade minor currencies which are less liquid and those with high volatility in news. Always trade currency pairs that you monitor central banks information that may affect currency.* **CLICK HERE to access a news calendar**.

Currency nicknames.
Sometimes currency pairs are named by using their nicknames, below is the list of major currencies with their nicknames.

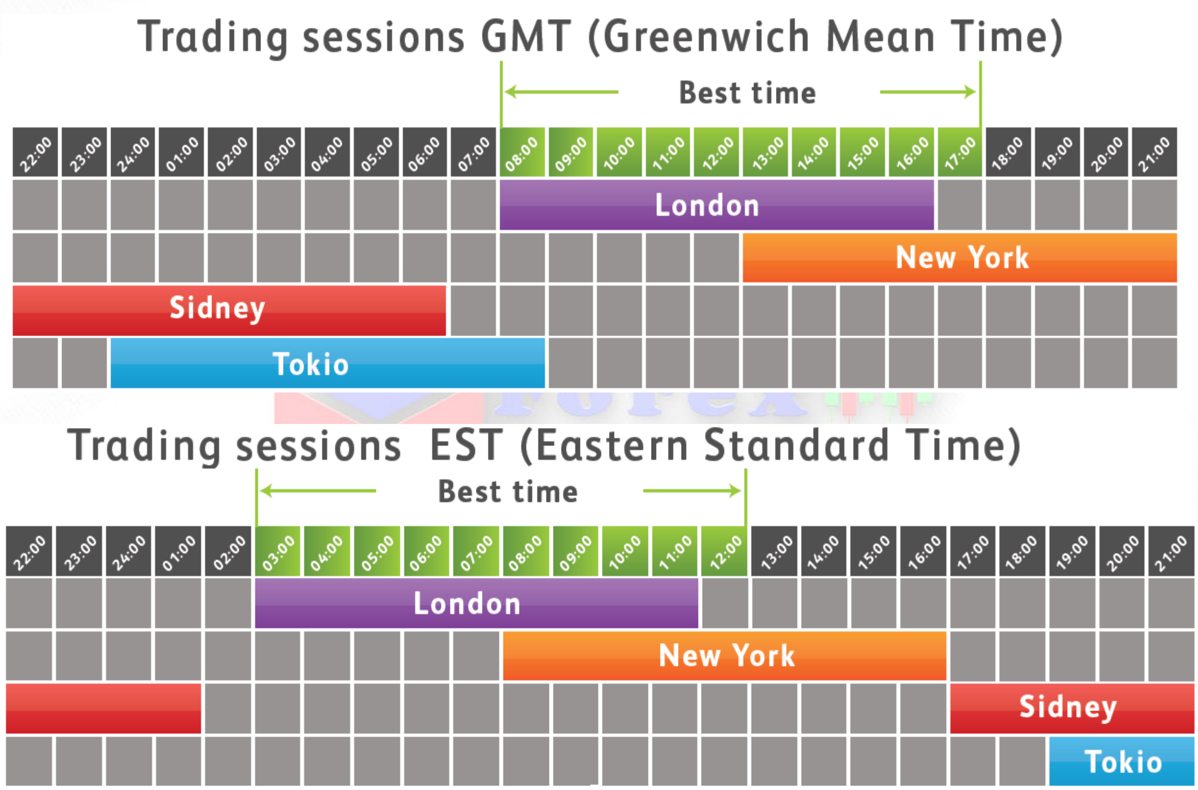
CURRENCY PAIR	NICKNAME
EUR/USD	Fiber
USD/JPY	Yen
GBP/USD	Cable
USD/CHF	Swissy
USD/CAD	Loonie
AUD/USD	Aussie
NZD/USD	Kiwi

TRADING SESSIONS.

Trading session ***refers to the period of time when one market open and close***. For successive Forex trading you must have awareness on behavior of your selected currencies at different time. Generally trading time is not so specific because is much linked with many factors that can affect currency movement. Example news may occur at certain point in time and affect people's perception on a certain currency hence change currency movement.

Trading sessions include:

- Asian session (*Tokyo*).
- European session (*London*).
- American session (*New York*).



Other sessions are;

- Moscow session.
- Australian session.

The most active trading hours occurs around the opening of London markets (*around **8:00 GMT***), and ends when markets close in US around **22:00 GMT**. But the busiest time is when London and US marketing time overlaps between **13:00** to **16:00 GMT**. This is the most liquid *i.e. most traders make trade.*

For day traders these are key hours to trade because you have a chance to take quick profit but remember that most news also occurs here.

Characteristics of major sessions.

i. London session.

- *Starts around **8:00 GMT** and winds down around **16:00 GMT**.*
- *The most active currencies are EUR, GBP and USD.*
- *This is the more volatile session.*
- *It is good to trade breakouts.*

ii. New York session.

- *This starts around **13:00 GMT** and winds up around **22:00 GMT**.*
- *The most active currencies are AUD, EUR, GBP, JPY and USD.*
- *It is the second volatile session from European session which is the most volatile.*

iii. Asian session.

- *Is the most quit session in most of the days.*
- *All pairs are slowly moving hence not good time for day traders.*
- *Only one currency which shows slow activity is JPY to small extend the AUD. This event continuous until major events (NEWS) occur especially Chinese news data.*

NOTE: *The overlap between London and New York session is the most volatile where most scalpers and day traders take advantages through trading **EUR/USD** and **GBP/USD** pairs.*

Days with best trades.

As Forex open up five days a week there are some days with good trades and other days with the worse trades. Commonly ***Monday*** and ***Friday*** are not much advised to be you preferred trading days because on Monday is when the ***market opens therefore it will be not yet stabilized*** almost throughout the day, while on ***Friday is the day for people to close their trades and taking profits,*** *hence best trades are made half a day*. Therefore, the rest of the days in a week are the coolest days to trade.

FOREX BROKERS.

What are FX trading commissions and how do they work?

In any business that you go into, you've got certain costs: Rental costs, marketing costs, administrative costs, e.t.c.

In the trading business, ***commissions are the transaction costs***. We pay it to the broker and that's how the broker makes money.

How do brokers charge us for their services?

There are three kinds of brokers, but based on how they charge for their service I divide them into two groups:

1. **Market Maker / STP Brokers.**

These brokers charge a mark-up on the market's bid/ask spread —whatever the bid/ask spread is, they'll quote you one or two pips higher.

For example, if the market is quoting at 1.2356, they'll quote you at 1.2357. This one extra pip goes to the broker and that's how they make money.

2. **ECN Brokers.**

These brokers charge a fixed commission. The lowest commission I've seen is the one I'm using which is ***Litefinance***. They charge $2.50 per lot; sometimes may be less based on instrument you are trading and market condition. So for every one lot that I trade, they charge me $2.50 to buy and $2.50 to sell. When you open and close a position (*buy and sell*), it's known as a round trip. The total commission I pay per entry and exit per lot is $5.

Open account with the broker with tight spread by CLICKING HERE

Broker's differences; Spreads and charges.

Difference in Bid/Ask spread.

Let's see what the bid/ask spread looks like for these two kinds of brokers.

In this example, on the right you can see the ECN broker's spread on EUR/USD is 1.2444 / 1.2444. The bid and the ask prices are very close; less than one pip apart. The broker doesn't mark up on the spread, so you can buy and sell at basically the same price.

On the left is a typical market maker broker. You can see the difference between the bid and ask prices; a spread of almost 4 to 5 pips. Rather than quote you the market price, these brokers mark you up by about 4 to 5 pips, and this varies based on instrument you trade.

Difference in charges.
Imagine you want to go long on one lot of EUR/USD. You buy at 1.2434 and exit at 1.2454, making you 20 pips in profit: -

20 pips x $10 x 1 lot = $200

But we have to factor in commissions. Let's look at how much the two kinds of brokers will charge you.

1. **Market Maker / STP Brokers;** when you buy, they quote you 1.2435 (+1 pip), costing you $10 per lot. When you sell, they quote you 1.2453 (-1 pip), costing you $10 per lot. The total cost of your round trip is $20 per lot. Out of your $200 profit, $20 goes to the transaction costs, which is about 10% of your profits.

If they were to mark up by more than one pip, your cost would be even higher.

2. **ECN Brokers;** when you buy, you buy at 1.2434 (*no mark-up*). They charge you a fixed commission (*$2.50 in the case of my broker*). When you sell, you sell at 1.2454. Again, you pay a fixed commission of $2.50. The total cost of your round trip is $5 per lot, out of your $200 profit.

This is why I prefer to use an ECN broker.
Now, there are many traders out there who say, "I don't like ECN because I have to pay a commission up-front." But what they don't see is that market makers and STP brokers cost more due to the wider spread.

That said, I know that in some countries, you may not be able to get an ECN broker. If you have to use a market maker or STP broker, find one that puts on you a *maximum mark-up of one to 1.5 pips*.

Recommended Forex broker is HERE.

How your position size impacts the commission you pay?

Here's another thing you need to know: ***How much commission you pay when you place a trade depends on the number of lots you trade or your position size***.

The bigger your position size, the bigger the number of lots you trade, and the higher the commission you pay for that trade.

Now, what determines the number of lots you trade or your position size? It depends on how close your stop-loss is.

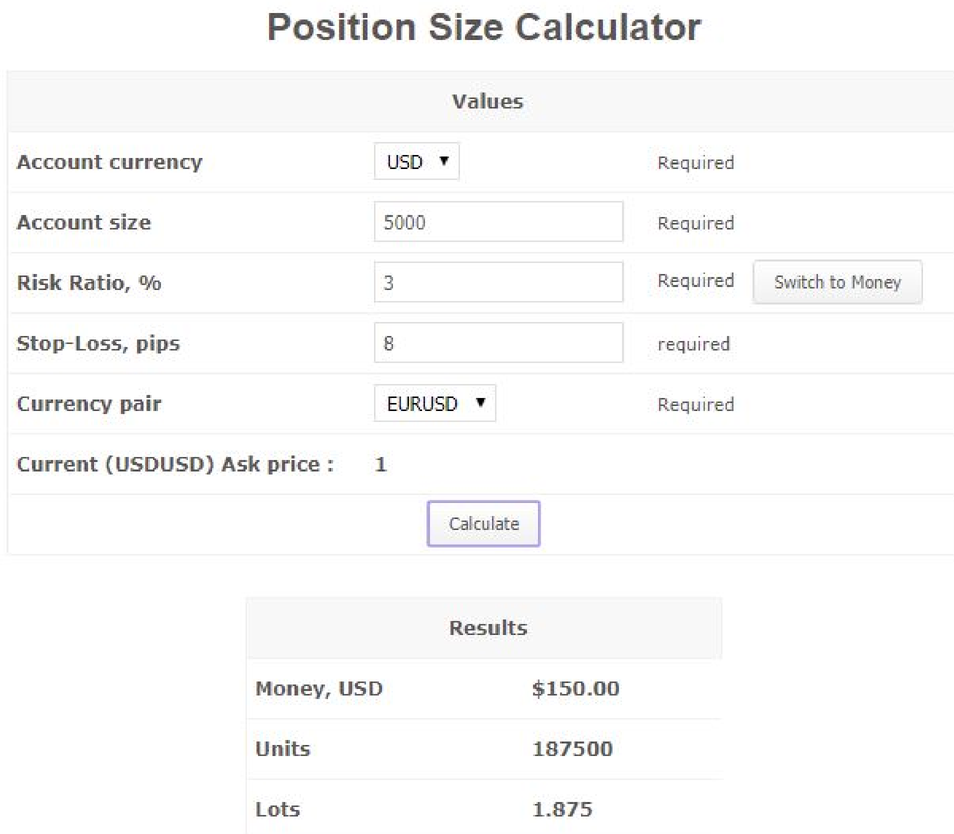
If you've read my article on position sizing, you'll remember this formula:

$$\text{No. of Lots} = \frac{\text{Net Liquidation x \% Risk Per Trade}}{\text{Stop-Loss Distance x \$ Value Per Pip}}$$

Your stop-loss distance is the only thing you can really control on a trade-by-trade basis.

The smaller your stop-loss distance, the bigger the number of lots you trade, and the more commission you pay.

Examples.
Let's look at how this plays out using a Forex position sizing calculator available online.



In this example, your account size is $5,000 and you are risking 3% per trade. Say, you're trading EUR/USD and your stop-loss is 8 pips away.

Using the calculator, you know you'll be trading 1.875 lots. So if you're paying a commission of $7 per lot per round trip, that's $7 x 1.875 lots = $13.13 commission.

Now, what if in another trade, your stop-loss is 20 pips away?

Position Size Calculator

Values			
Account currency	USD ▼	Required	
Account size	5000	Required	
Risk Ratio, %	3	Required	Switch to Money
Stop-Loss, pips	20	required	
Currency pair	EURUSD ▼	Required	
Current (USDUSD) Ask price :	1		
	Calculate		

Results	
Money, USD	$150.00
Units	75000
Lots	0.750

Using the calculator, the number of lots you'll trade is now 0.75. So $7 x 0.75 lots = $5.25 commission.

So you see, the tighter your stop-loss, the higher the commission you pay for a trade.

Should you always go for wide stop-losses then?

Now, you may be thinking, "If that's the case, I'll just put a wider stop-loss of 20 to 50 pips! Then I can pay less commission."

That's okay if you're a position or swing trader. You are in the trade for a few days or a few months, so your stop-loss is usually further, like 30, 100 or 200 pips away.

When you've got such a wide stop-loss, the number of lots you trade would be less. So you worry less about transaction cost as it takes up a smaller percentage of your profit.

But what if you're a day trader like me?

How to deal with high transaction costs as a forex day trader.

Remember that when you are a day trader, you are getting in and out really fast. You'd like to take a few trades in a day (*for me, I take up to 3 trades in a day*).

When you take short-term day trades, your stop-loss has to be close so that your profit target can be reached fast.

For example, if I put a trade where my stop-loss is 100 pips away and my profit target is 150 pips, it'll take me days or even weeks to reach my profit target. Because of this, I can't place that many trades.

But if my stop-loss is 10 pips away and my profit target is 15 pips, I can take profit in about one or two hours. Thus, I can place more trades per day, which means I can make more pips per pip risked.

"But wouldn't I have to pay more commissions?" you ask.
Yes, that's true; when you place a tighter stop-loss, your cost of trading is higher. So let me share with you a little trick I use to cover these transaction costs.

Covering transaction costs by tweaking your profit target.
In my Forex day trading strategy, I used to always aim for a profit target of 1.5R with a tight stop-loss of 8 to 10 pips.

But to cover the higher transaction costs, I want to make a bit more profit to make the trade worthwhile.

Recently, I found that targeting 1.6R is more profitable if my stop-loss is 8 to 9 pips away.

- If my stop-loss is 8 pips, my profit target is 8 x 1.6 = 12.8 pips.
- If my stop-loss is 9 pips, my profit target is 9 x 1.6 = 14.4 pips.

But if my stop-loss is 10 pips or more, then I'll stick to a 1.5R profit target, because the fixed commission as a percentage of my profit is much lower.

Trading account terms.

Margin, Free margin, Margin level and Margin call.
Margin is a portion of your account equity set aside and ***assigned as a margin deposit***. A margin is often expressed as a percentage of the full amount of the chosen position.

Free Margin is the amount of money that is not involved in any trade, so can be used in taking more positions. If your open positions achieve profit, the greater the equity you will have, so you will have more free margin.

Margin level is the percentage value based on the amount of accessible usable margin versus used margin. Therefore, it is the ratio of equity to margin i.e. margin level = **(*equity/used margin*) x 100**. A margin level is used by Brokers to detect whether traders can take any new positions or not. Most set this limit at 100%, this limit is called a ***margin call level***. Therefore, margin call levels occur when your account equity is equal to the margin.

Margin Call this happens when your broker informs you that your margin deposits have simply fallen below the required minimum level, owing to the fact that the open position has moved against you. If the money in your account falls under the margin requirements, your broker will close some or all positions, this can actually help prevent your account from falling into a negative balance.

PRICE ACTION TOOLS (*Technical analysis tools*).
There are various technical analysis tools which are used to analyze the movement of price in the past and present. ***This help to predict what will be the possible future move*** depending on what does it meant by certain analysis tool in a specific time.

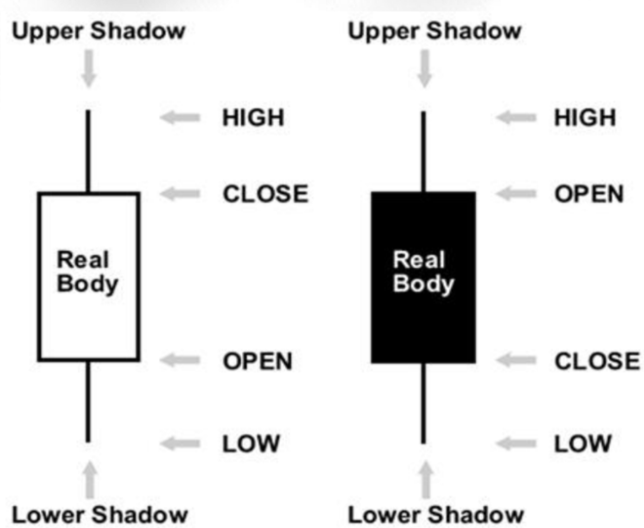
Technical analysis refers to study of financial markets based on price movements in the past to the present. This includes tools like: -

i. Lines.
ii. Charts patterns.
iii. Candlestick patterns e.t.c.

CANDLESTICK PATTERNS & INTERPRETATION.
Candlestick pattern refers to a ***specific arrangement of candles in a price chart*** that depict a certain meaning on the movement of the price in the market. There are various candlestick patterns having various meaning in real market situations.

Reading candles.
A candle can be bullish or bearish depending on price movement represented by the candle. Bullish candle ***represents a price movement from lower to higher*** while bearish candle ***represents price movement from higher to lower price***. This movement is represented at any time frame i.e. 1M, 5M, 15M, 1H, 4H e.t.c.

Opening price and closing price represent ***body of the candle***, but the price reached can be higher or lower than the closing price. This results into formation of ***tail, weak or shadow*** of the candle. The distance between the highest price and lowest price in the candle represent ***range of the candle***.



Usually ***bullish candle*** is represented in ***Green or white*** color while ***bearish candle*** is represented in ***Red or Black*** color. These can be easily selected by the user in the trading platform used like mt4.

The easy way of grouping candle sticks is as follows: -

1. Mono – Candlestick Pattern (MCP) like ***Pin bars & Doji.***
2. Di – Candlestick Pattern (DCP) like ***engulfing candles***.
3. Tri –Candlestick Pattern (TCP) like ***Morning & Evening Stars***.

MONO – CANDLESTIC PATTERN.
This pattern is ***formed of a single candle at a time in a price chart*** representing a certain price movement in real market. The common mon-candlestick pattern is the pin bars.

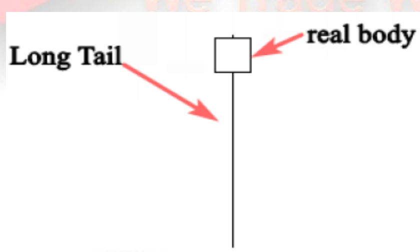
Pin bars are candles with ***small bodies and long tail*** looking like a pin. Sometimes the body may be highly reduced, such that the ***opening and closing price of the market occur at the same price***, this forms a ***doji candlestick***.

Pin bars can be classified as: -

- Bullish pin bars.
- Bearish pin bars.

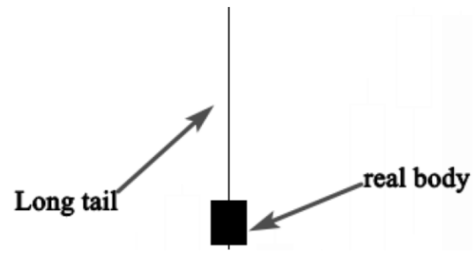
Bullish pin bars (*Hammer*).
Bullish pin bars are the candles with ***small body located higher/above*** and the long tail projecting downward. They may have another short tail above. Bullish pin bars indicate the ***bullish reversal pattern*** i.e. the market price changes from bearish to bullish.

Bullish pin bars occur in ***long term up trend at a support area of short term down trend***. The support line commonly considered here is the MA i.e. 50 EMA. When this is observed a long trade can be entered.



Bearish pin bars (*Shooting star*).
Bearish pin bars are candles with ***small body located bellow*** and long tail projecting upward. They may form a short tail bellow. Bearish pin bars ***indicate the bearish reversal pattern*** i.e. the market price changes from bullish to bearish.

Bearish pin bar occurs in ***long term down trend at the resistance area of the short term uptrend***, the tail can cast to the support line but it is acceptable because support or resistance is not a specific point instead is a zone.



Doji candlestick.

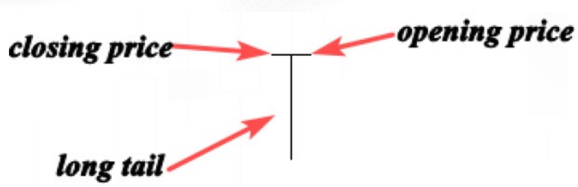
This is the most common and easily traced candlestick pattern in trading. It is form of candle ***that indicates the indecision among sellers and buyers***, hence the market opens at and close at the same price. When doji occurs in uptrend or down trend it ***indicates the reversal of the current trend***.

Types of doji candlesticks.

The most common types of doji candlesticks are two: -

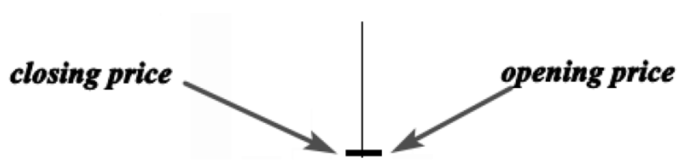
i. **Dragonfly doji.**

This is characterized by a long lower tail that indicates that the price was pushed down by sellers but buyers come up and push it back hence closes at the same price. This when occurs at the support level indicate bullish market.



ii. **Gravestone doji.**

This type of doji candlestick is characterized by long upper tail indicating that buyers pushed the market higher then sellers come up and drive it back to the opening price. This occurs at resistance area indicating the decrease of buying momentum hence reversal of the uptrend.



DI-CANDLESTICK PATTERN.

This pattern is ***formed when two candles appear together in a price chart*** carrying a certain meaning about movement of price in the market. Di-candlestick pattern includes: -

i. Tweezers pattern.
ii. Solders & crow pattern.
iii. Engulfing pattern.

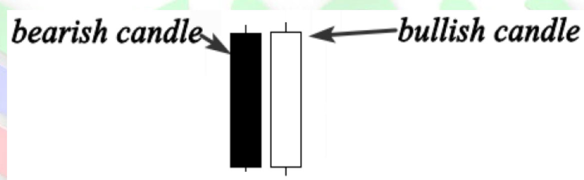
Tweezers candlestick pattern (*Railway track*).

Tweezers are composed of ***two candlesticks with large bodies consisting tails on either sides***. Tweezers are of two categories: -

- Tweezers bottom (TB).
- Tweezers top (TT).

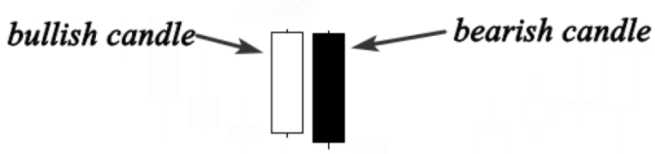
a) Tweezers bottom (*Bullish railway track*).

Tweezers bottom appears at ***the bottom of the short term down trend of the long term up trend***, the first candlestick being the bearish candlestick followed by a bullish candlestick. This indicates bullish momentum (*bullish reversal pattern*) of the market price. The psychology behind is bearish candle plus bullish candle of the same size forms a bullish pin bar (***synthetic pin bar***).



b) **Tweezers top (*Bearish rail way track*)**.

Like tweezers top have two candles with large bodies but the first being bullish candlestick followed by bearish candlestick. Occurs at the **top (*resistance*) *of a short term uptrend of a long term downtrend***. This indicate bearish reversal pattern (*bearish momentum*).



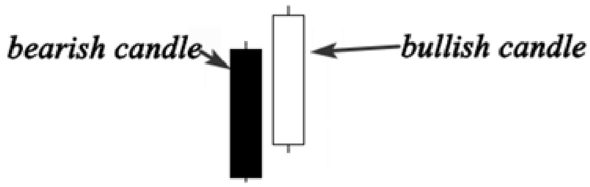
Soldier & crow candlestick pattern.

This pattern is composed of two candles occurring significantly in uptrend or down trend. One candle is bearish while the other is bullish, with large bodies and tails. These can be grouped as:-

- *One white soldier.*
- *One black crow.*

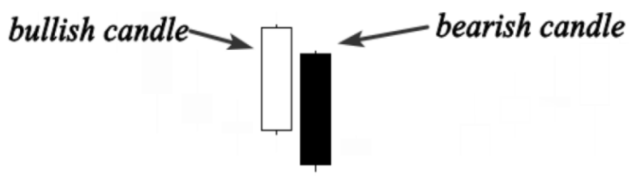
a) One white soldier.

In this pattern bearish candle comes first, ***the bullish candle opens above the close of the bearish candle and closes above the opening of the bearish candle***. Occurs at the support of the short term downtrend in a long term up trend indicating a bullish reversal pattern i.e. buying.



b) One black crow.

Here bullish candle comes first, the ***bearish candle opens bellow the close of the bullish candle and closes below the open of the bullish candle***. This occurs in a series of short term up trend in a long term down trend indicating bearish reversal pattern *i.e. going short*.



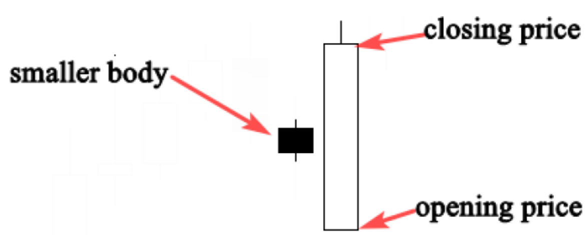
Engulfing candlestick pattern.

This pattern is also composing of two candles i.e. one is bearish and another is bullish. One candlestick is always larger than another. Based on candlesticks organization, engulfing candlestick pattern can be: -

- *Bullish engulfing candlestick pattern.*
- *Bearish candlestick engulfing pattern.*

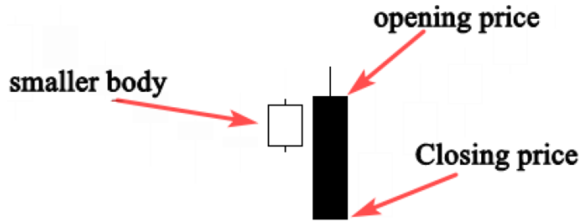
a) Bullish engulfing candlestick pattern.

This is made up of ***bearish candle formed before the bullish candle***. Bearish candle is smaller (*smaller body*) than the bullish candle, therefore bullish candle engulfs (***swallow***) the bearish candle. Commonly ***occurs at the support in a series of short term down trend of the long term up trend***. Strictly some may consider the body and shadows of the bearish candle should be engulfed, **but this is not necessary**. Bullish engulfing candlesticks indicate a time for placing a buy order (*going long*).



b) Bearish engulfing candlestick pattern.

Like bullish engulfing candlesticks, it is made up of two candlesticks but the first being small bullish candlestick and the second is large bearish candlestick. Potentially ***occur at resistance in a series of short term uptrend of a long term down trend***. Bearing engulfing candlestick pattern indicate a time to place a sell order.



NOTE:

Engulfing candlestick pattern can be formed in other parts of the price chart not discussed above. Because all discussed are the most potential parts of the engulfing candlestick patterns. Understand that ***engulfing candlesticks can occur against the long term trend***; therefore, here you can trade against the trend (***Counter Trend Trading***) provided that the condition where they occur is over buy or oversold condition.

Also you may consider the parabolic strategy i.e. formation of ***90° angle of the impulsive wave in a series of common 45°*** impulsive wave which is common.

When using candlesticks in price action……………..

General psychology of trading in the context of trending price in a chart regardless whether it is bouncing or surfing: -

i. **Go long when bullish candlestick pattern occurs: -**
   - At the support level of the long term uptrend.
   - Also when occurs at the bottom of down trend at ***oversold*** condition (***counter trend trading***).

ii. **Go short when bearish candlestick pattern appears: -**
   - At the resistance level of the long term down trend.
   - Also when occurs at the top of the trend in ***overbought*** condition (***counter trend trading***).

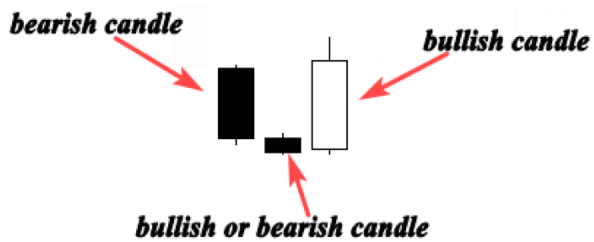
TRI- CANDLESTISK PATTERN.

This pattern includes the ***morning star*** and the ***evening star***; in other context we may have the ***three white soldiers*** and ***three black crows***. Morning star and evening star are made up of three candles arranged in a particular manner (***defined way***).

In trending market ***morning star occurs at the support level*** of the trend indicating the ***bullish momentum*** while ***evening star*** occurs at the ***resistance level*** indicating ***bearish momentum***.

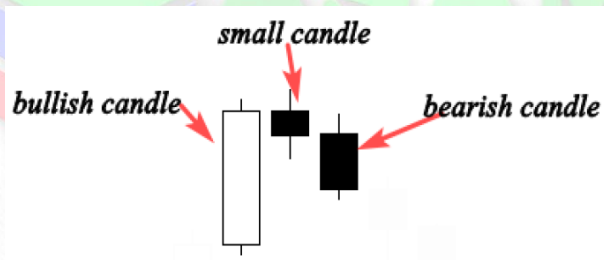
i. Morning star.

Morning star is composed of one ***large bearish*** candlestick, followed by a ***small bearish or bullish*** candlestick and the third is ***large bullish*** candlestick with the size similar or almost similar with the first candle (*bearish*). This pattern ***occurs at the support area indicating*** bullish reversal.



ii. Evening star.

Evening star is composed of one ***large bullish*** candlestick, followed by a ***small bearish or bullish*** candlestick and the last is the ***large bearish*** candlestick with same size or almost the same with the first bullish candle. This ***pattern occurs at the resistance area*** indicating the bearish reversal pattern.



Candlestick pattern in summary.

a) Mono Candlestick pattern.

- Pin bars (*Bullish or Bearish*).

b) Di Candlestick pattern.

- Tweezers (*Bottom or Top*)
- Solders and Crow (*One White solder or One Black Crow*).
- Engulfing candlestick pattern (*Bullish or Bearish*).

c) Tri Candlestick pattern.

- Stars (*Morning or Evening*).
- Soldiers (*Three white and three black crows*).

MARKET ANALYSIS.

Before you start trading you have to analyze the market in order ***to have a picture where the price is possibly going to move in the future***. Market is commonly analyzed in various ways which can be ***fundamental analysis*** or ***technical analysis.*** The widely used way by most traders is the technical analysis which uses price action tools like; ***lines***, c***harts*** and ***candles***. Different charting platforms are used but, the most common are **MetaTrader** and **Trading view**.

Despite the use of technical analysis, you will not totally run away the ***fundamental analysis***. Fundamental analysis is the ***change in price of currencies in the market based on basic economic social and political issues*** like new.

When analyzing the market, you must do the following: -

- Be aware of your ***trading session***; therefore, select a trading session that suits your trading system.
- ***Select your currency pair*** based on the session you trade and your trading system.
- ***Identify the current price*** of your currencies.
- ***Select your time frame***; this depends on your trading style like scalper, day reader e.t.c. But ***multiple time frames are essential*** in analyzing the market.
- See if there is any ***news which is likely to occur*** with your trading time. Look from various sources like; investing.com, **forex factory** e.t.c.
- ***Identify trend of your price*** in a chart i.e. *up trend, down trend or consolidating*, then understand main features of the trend like; *bouncing, chopping and surfing*.
- Spot possible ***support and resistance*** lines.
- ***Identify the chart pattern*** of your price if any; like multiple tops/bottoms, triangle, wedges e.t.c.
- Recognize ***candlestick pattern*** of the current price if any, these can be; pin bar, engulfing, stars e.t.c.
- Insert ***technical indicators*** like MACD and MA.
- Finally ***depict the possible future move of you price*** based on your analysis (*signal*).

TECHNICAL INDICATORS.

Indicators are technical tools used to tell you the movement of the price in the past and present. This ***is useful in assessing where the probable direction of the price in the future is***. But we cannot rely on indicators only when trading because their utility may change with time due to change in market mechanics. There are indicators of various types based on which criterion used to classify them;

- ***Based on direction of the move of price indicator can be: -***
  - *Leading indicator, E.g, RSI & MACD.*
  - *Lagging indicator, E.g. all indicators based on MA like Bollinger bands.*

- ***Based on kind of movements exhibited by indicator, they can be: -***
  - *Zero-line cross indicators e.g. MACD.*
  - *Line that cross each other indicators e.g. MACD.*
  - *Chart indicators e.g. Renko chart & Chart oscillator.*

- ***Based on what an indicator can show they can be grouped as: -***
  - *Oscillator or Momentum indicators e.g. RSI.*
  - *Trend following indicator e.g. MA.*
  - *Volume indicators e.g. MACD.*

1. Moving Average Convergence Divergence (MACD).

This is the ***trend*** and ***oscillator indicator*** showing relationship between three MA i.e. 9MA, 12EMA & 26EMA. It is composed of two line i.e. ***MACD line*** and the ***Signal line***, also ***have Histograms***. MACD line is the product of ***difference between 12 periods*** moving average and ***26 period*** moving average. Therefore, behaviors of 12 and 26 MA are represented by MACD line. Example; when 12 and 26 MA converge, their difference become zero. This is represented by MACD line when it crosses zero line ***indicating short term change in trend***. ***Signal line*** is the ***9 period*** moving averages. ***Histograms*** are the derivative of ***MACD line*** with the ***9 period MA*** line.

Uses of the MACD indicator.

i. MACD & Signal line cross over.

When MACD line crosses over the signal line (***downward to upward***), indicates the ***bullish momentum***. Principally ***MACD and signal line must be already over zero*** line for profitable long trade. When MACD line crosses below the signal line from (***upward to downward***), indicates ***bearish momentum***. Principally ***MACD and signal line must be already below zero*** line for profitable short trade.

ii. MACD cross over / below zero line.

This is also an important indication of an event when you are using the MACD indicator. When MACD line ***cross over zero line*** (**i.e. 20EMA cross over 26 EMA**) indicates short term uptrend, and when ***MACD line closes below zero line*** (**i.e. 20EMA crosses below 26EMA**) indicates short term down trend.

iii. Divergence between MACD and Price in a chart.

Another use of the MACD is shown by divergence, this is when ***price in a chart move in opposite direction with MACD***. This is observed when price makes higher highs but corresponding positions in MACD forms lower highs. This commonly indicates the weakening of the bullish momentum. Wait for confirmation candle in order to place a short/sell order.

The vice versa is when MACD forms high lows while corresponding points in a price chart forms lower lows. This indicates weakening of the bearish momentum. Wait for confirmation candle in order to place a buy order.

iv. Change in length of histograms.

This is also an important indicator when using MACD whereby length of histograms provides information about change in momentum of the market by indicating ***over bought*** and ***over sold*** conditions. This is useful when trading reversals whereby length of histograms alerts you with the possible short term change in momentum.

NOTE:

i. When histograms hit zero line while MACD and signal line are moving downward it is a sell signal and when histograms are hitting zero line while MACD and signal line are moving upward, it is a buy signal.
ii. MACD Histograms becomes too longer (***overbought/oversold***) indicating a potential reversal, add other confluence to obtain a potential trade.
iii. MACD plays roles or many indicators like ***stochastic*** by showing over bought and oversold by the use of histograms. Also it shows trend like ***Moving averages*** by the use of MACD line when crosses zero line.

Other most commonly used technical indicators.

Below are the simple technical indicators that you can associate into your price charts;

- Moving Average (MA).
- Relative Strength Index (RSI).

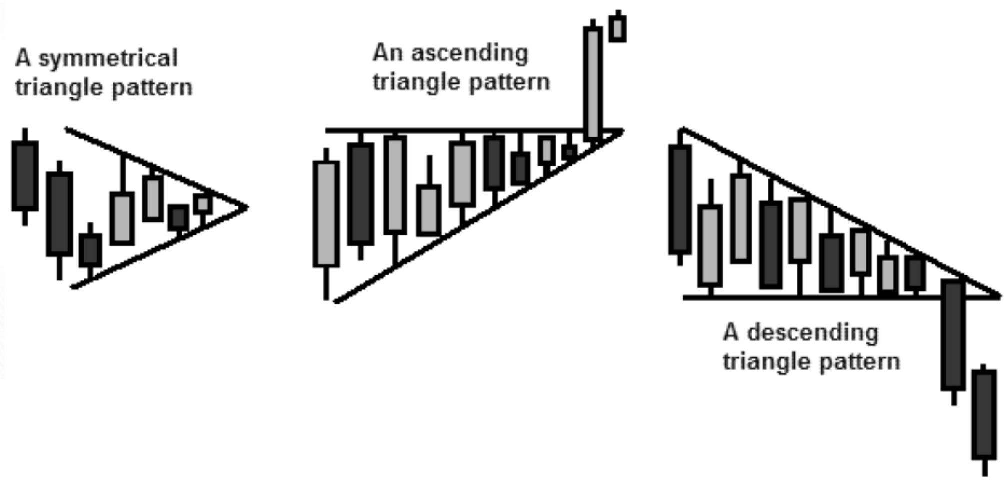
CHART PATTERNS AND THEIR INTERPRETATION.
Charting is the ***category of technical analysis based on inspection of price data through well-known patterns*** that are formed; examples of chart patterns are: - ***triangles, double tops/bottom, wedges*** e.t.c.

Charts are primary determinants of the direction of the price to the future. Indictors like MACD, Bollinger bands e.t.c. are suggested to be used after charts to add factors of confluence.

Types of chart patterns.
There are many types based on the shape provided by the movement of price. The most common chart patterns are: -

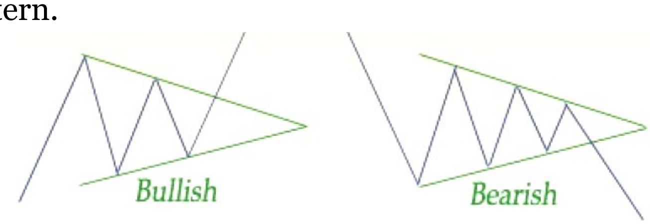
i. *Triangles.*
ii. *Channels.*
iii. *Wedges.*
iv. *Double tops & double bottoms.*
v. *Head and shoulders & inverted head and shoulders.*

TRIANGLES.
Are formed when support and resistance lines converge. Due to these movements, price is squeezed at a corner. This is due to uncertainty in direction of movement of price hence creates pressure. When breakout occurs in any direction result into added momentum due to pressure created.

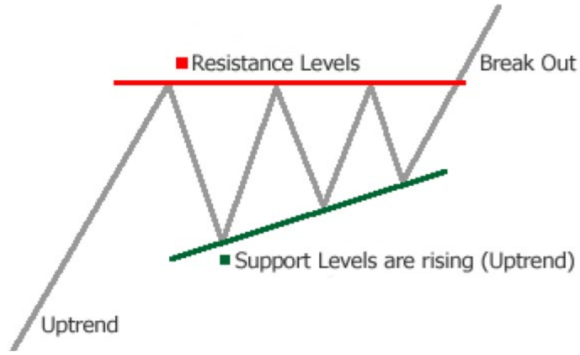


There are three types of triangles;

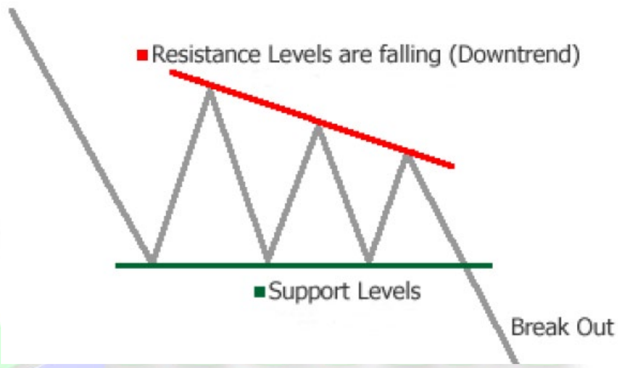
- ***Symmetrical triangle*** (*all lines equal*), this indicates point of indecision in the market price. Therefore, breakout may occur in any direction (*direction of trend*); basically it forms a continuation pattern.



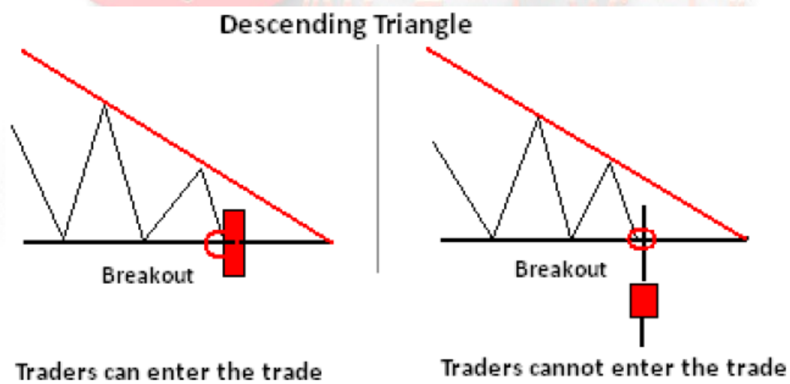
- ***Ascending triangle*** (*have horizontal resistance with sloping support*), this forms the uptrend continuation' therefore the breakout occurs at resistance level.



- ***Descending triangle*** (*have horizontal support with sloping resistance*), this is the characteristic of the downtrend. Therefore, expect the breakout at the support level.



NOTE: Ascending triangle occurs in a continuous bullish trend while descending triangle occurs in continuous bearish trend.



Using triangles.

In an uptrend; the distance between rising line and resistance level will give the specific projection of the movement of price. Example, if resistance level has value of 1 and start of trend line has value of 0.5. our projected value will be 1.5 upward.

RECTANGLES AND CHANNELS.

Rectangles are composed of two lines (*support & resistance*) ***running parallel in horizontal direction***. Rectangles include ***multiple tops and bottoms*** i.e. ***double tops/triple tops***. Also, rectangles may include formation of ***head*** and ***shoulder pattern.***

Channels are formed between ***parallel support and resistance lines in an inclined plane*** indicating strong trend downward or upward. Therefore, price stay within those lines until it breaks out, this can increase current trend (***continuation***) or reversal of the trend.

Rectangles and channels also include formation of flags depending on the stop of the initial trend and that of the breakout. A flag can be bullish or bearish indicating continuation of the bullish or bearish trend.

FLAG PATTERN.

This pattern is formed in trending prices where there if ***formation of large bodies candlesticks followed by weak pullback that form small body candlesticks***. A flag can be ***bull flag*** or ***bear flag*** based on trend and direction where it occurs.

When to trade flags?

You can trade flag when market is consolidating followed by breakout. This occurs when price is surfing the 18MA followed by formation of ***four or more consolidating*** candlesticks.

Example, to go long; enter the trade above the high (***break above the high***). Stop loss is placed below ATR and the trade is exited at the moving average.
Depending on structure of the market, you can trade flag by entering and exiting the market at several points in a price chart.

WEDGES.

These are formed when ***support and resistance lines are moving in an inclined or declined converging pattern but not in an extent of triangles.*** Wedges have both lines moving in positive or negative sloping not like in triangles where only one line may do that. There are two types of wedges: -

i. Rising wedges (***with positive slope***).
ii. Falling wedges (***with negative slope***).

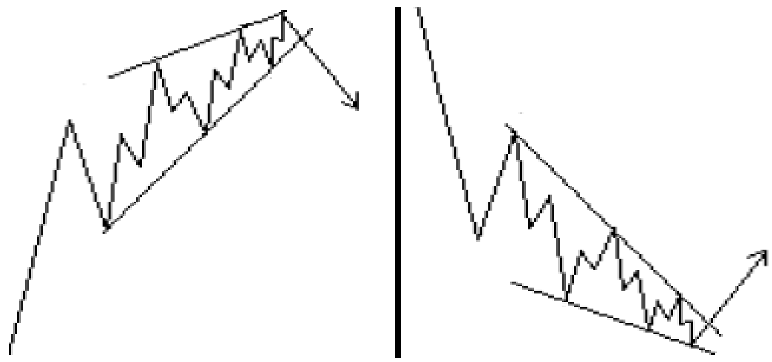
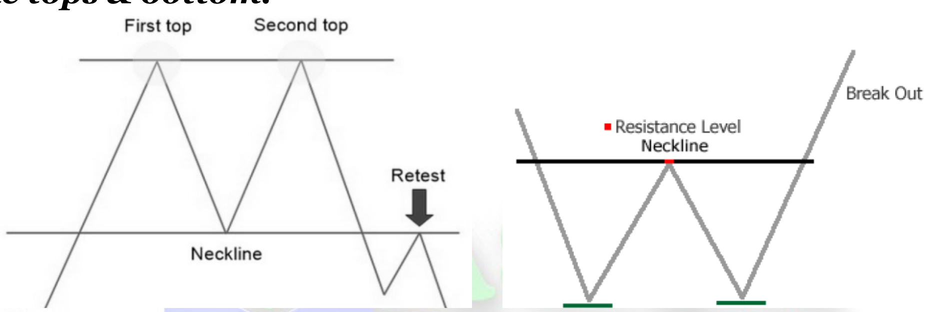


Fig: *rising and falling wedge.*

MULTIPLE TOPS & BOTTOMS.

These are reversal patterns of the trend. The ***price touches resistance or support several (****multiple****) times*** before reversing. These are of two types: -

- ***Double tops & bottom.***



- ***Triple tops & bottom.***

Triple tops and bottoms are the strongest than double tops and bottoms, but before trading look at the trend and ***identify significant breakout*** to confirm reversal.

Trend and breakout.

To understand the pattern in charts you have to determine how the price approached the chart. A price may approach in strong initial trend or weak initial trend. ***Breakout*** defines the ***condition when price crosses the support or resistance line***. Breakout can be continuous or reversal.

SUCESSIFUL FOREX TRADING.

In order to be successful in Forex ***you are required to meet many requirements***, where by all are important but few plays huge role for trader's success. Therefore, when one of these important things required for success are missing will result into series of losing trades hence trader will be whipped out of the system.

So what makes a profitable trader?

1	***Trading system***	About 10%	Indicators, analysis tech e.t.c.
2	***Risk management***	About 35%	Position sizing, RRR e.t.c.
3	***Psychology***	About 55%	FOMO, Greed, e.t.c.

TRADING SYSTEM.

As described before, in order to be successful in Forex you need three important things, trading system is one of them. Trading system carries to about 20% of the power to succeed in Forex.

Trading system is the organized manner of ***entry*** and ***exit*** in the market. Therefore, you must have a trading system which is profitable or gives you an expectance in trading.

Don't trade by following; ***people, emotions, predictions*** e.t.c. there is no luck in trading, no good or bad day.

You trading system will help you to know when to trade and how to trade, this can be through trading system components like: -

- Lines (*trend line, support and resistance line / MA lines*).
- Candlestick patterns.
- Chart pattern.

Know when to trade.

Your trading system should be able to tell you when to trade and not to trade; this is through identifying organization pattern of price action and identification of the future move. Common ***features of the price action charts*** that will tell you to trade or not to trade are: -

i. Choppy pattern.
ii. Trending pattern.
iii. Surfing pattern.

- **Choppy pattern.**

This refers to a pattern whereby there is random arrangement of price in the chart i.e. ***not arranged in tradable fashion***. But for experienced traders are able to identify this pattern and choose a system that fit to trade in choppy pattern.

Generally, in this pattern candles do not respect the moving averages (MA) i.e. move over and below moving averages randomly. For new traders, if you see this pattern move to another currency pair because patterns vary between different pairs.

- **Trending pattern.**

This is observed when currencies show clear trend which can be upward or downward. The trend is clearly illustrated by arrangement of moving averages, and then the price will be bouncing off the 50 EMA.

To trade this pattern, you may use bounce strategy or the Trend Continuation Entry (TCE). Note that the bounce strategy is common in the 50EMA candlesticks bounce where TCE can supplement it.

When the price bounces the 18 EMA in an upward or downward trend the commonly trading strategy is the Trend Continuation Entry (TCE).

The EMA bouncing trade set-up.

Taking trade here varies depending on which MA the price is bouncing as follows: -

a) When the price bounces the 50 EMA.

When the price is tested once on the 50 EMA you can enter the trade at the retest (*2nd test*). For your own risk you can wait until the second test is done then enter the trade at the third test, but it is rarely to happen.

You may enter at the 2nd test by spotting higher highs and higher lows on the price chart to verify the pattern and entry point.

How to enter this trade?

i. Place buy limit order (buy stop) at 50 EMA, when price reaches this will trigger the order.
ii. Place stop loss far enough because as price hit the moving average can penetrate and hit the stop loss if is too close to the MA (*Support*).

NOTE: ***Support and resistance are not specific points or lines, instead are zones.***

iii. Place your target profit at least near the previous swing high (1.5R or 2R).

E.g. *SL = 18 pips.*
PT = 38 pips (2R).

All these are analyzed at higher time frame than your target trading time, example H1 if you trade 15M. This is important for confirmation.

b. When price bounce the 18EMA.

When this occurs the only profitable trading strategy is the Trend Continuation Entry. (TCE). The price bounces the first time then retest; therefore, you can enter the trade but wait for the second test and candlestick confirmation.

How to enter the trade?

i. Confirm the trend by looking higher highs and higher lows or vice versa in down trend. Also you can look on the pattern arrangement of the moving averages.
ii. Profitable trade is entered after candlestick confirmation (bullish engulfing candlestick pattern).
iii. Buy entry order is placed above the bullish candle formed at the support (MA).

Example; Buy order 1pip above the engulfing candlestick.

Stop loss is slightly below the low of the candlestick.

Target price must be 1.5 R or 2R.

- **Surfing pattern (***Bullish / Bearish flag pattern***).**

This occurs when the price is moving by hugging the moving averages (*6EMA or 18EMA*); this means that it ***doesn't produce ups and downs*** of the short term upward or downward trend. This occurs in both long term and short term up trend and down trend.

The specific strategy to trade in this kind of price pattern is the bull flag or bear flag (**TCE strategy**) depending on the direction of movement of the price in long term i.e. down trend or up trend.

- In up trend.

Going long, you will enter the trade above the high (*breaks after consolidation*) few cents above the flag or the drawback. Stop loss is placed below the **ATR** (*Average True Range*), or consider the 1R stop loss system. Depending on the structure of the moving price you may enter and exit at several points in time, because there maybe repetition of flags formation as trend goes.

- In down trend.

When the price hugs the 18EMA is the point to enter a short trade (sell order). By the use of the **Trend Continuation Entry** (TCE) strategy, begin by verifying the trend through sporting formation higher lows formed at a short term consolidation moving toward the 18EMA until candlesticks touches it (18EMA) in a form of consecutive alternating bullish and bearish small 4 or more candlesticks. In lower cases there is formation of short term up trend.

The order is placed at the last candlestick that touches the MA i.e. stop loss is placed above the candlestick (*at least 8 pips higher*), then the profit target will be 13 to 15 pips away. Roughly the stop loss can be placed one pip above the higher of the previous swing high.

RISK MANAGEMENT.

This is the second thing that you need to have in order to be a successful trade. Risk management refers to ***money management in trading*** that mainly relay on position sizing during trading. Understanding this will enable you to understand how many shares to buy or sell.

Always you have to risk small amount of your capital, commonly ranging from 1% to 3%. For beginners you're not advice to go over 1% until you master the trade you may go over. You must have a fixed percent at risk in every trade (*order*) you make. Note that "***risking a lot will result into being wiped away before reaching wining trades***" this is because winning and losing occur at unpredictable points in time.

In normal life you can't run a business without running costs; therefore, ***profit*** will be the amount which is always obtained from ***sales*** minus ***cost (****expenses****)***. In forex losing trades are taken as running costs and wining trades are like sales.

Risk per trade.

Risk per trade = 1R which is = 1%.

Number of shares = $\frac{\boldsymbol{\%Risk\ per\ Trade\ X\ Capital}}{\boldsymbol{Risk\ Per\ Share}}$ let your capital be $10,000.

Risk per Trade $= distance\ from\ entry\ to\ stop\ loss$

$$= \frac{\boldsymbol{\%R\ \ X\ 10{,}000}}{\boldsymbol{1R}}$$

What is forex position sizing?

This is the vital part of your trading system that helps you keep your risk per trade as small as possible.

With this, even if you're on a losing streak, you can continue trading to reap the positive edge that comes with a large sample of trades.

Position sizing helps you determine: -

- *How many contracts should you long or short for any particular trade?*
- *What is your risk per trade and the overall risk of your portfolio?*
- *What returns can you expect for your portfolio?*

How to calculate Forex position size?

Step 1: Check your net liquidation (*i.e. Capital*).

Once you log in to your broker platform, you can look at your ***net liquidation***, which is the amount of capital that you have for trading.

For example, if you open an account and you fund it with $1,000, which is your net liquidation.

Step 2: Determine your risk per trade.
Risk refers to the maximum loss you're willing to take for every trade you put in. This is the maximum you can lose if your stop-loss is hit.

Remember this: *NEVER risk more than 1% to a maximum of 3% of your capital in a single trade.*

If you're new to trading Forex, my suggestion is to always start with a 1% risk per trade. When you're confident and experienced enough, you can raise it to 2% and eventually to 3% maximum.

Once you decide on your risk per trade, you must stick with it consistently over a period before you raise it.

Always be consistent with your risk per trade because you can never predict the outcome of any single trade. Remember: On a trade-by-trade basis, every trade outcome is random.

Step 3: Determine your Forex position size for each trade.
To help you understand how position sizing works, I'll show you how to calculate it manually.

Here's the formula:
Now, what do all these things mean? Let's look at some examples.

Forex position sizing example.

- ***Net liquidation:*** Let's say you start with $10,000 in your account. Net liquidation will be $10,000.
- ***% Risk per trade:*** Imagine you've just started trading, so you risk 1% per trade.
- ***Net liquidation x % Risk per trade:*** $10,000 multiplied by 1% is $100. This means the maximum you are willing to lose is $100 per trade.
- ***Stop-loss distance:*** This is the distance from your entry price to your stop-loss price. Say, you buy at 1.2120 and you place the stop-loss at 1.2100.

Now, ***your stop-loss placement is always based on candlestick patterns***. So for different trades, your stop-loss will be placed at different distances. (*In my* **advanced Forex** *trading course, I teach you exactly where to place your stop-loss*).

Depending on the price action, your stop-loss may be 8 pips or 20 pips away. In this case, let's imagine you're placing your stop-loss 20 pips away.

- **$ Value per pip:** This figure depends on the currency pair you're trading. If you're trading EUR/USD, this will be $10. Other pairs could be slightly more or less than $10. There are many websites where you can check this value.

This brings us to the equation: ($10,000 x 1%) / (20 x $10) = 0.5 lots

In Forex trading, one standard lot is 100,000 of the base currency. In this example, we're trading the EUR/USD, so the base currency is in euro.

One lot is 100,000 euro, so 0.5 lot is 50,000 euro, which is the exact amount you should buy to place this trade.

Important notes about Forex position sizing.

1. **No matter where you place your stop-loss, always be consistent with your risk per trade.**

Remember this: Regardless of where you place your stop-loss, whether it's 10 pips away or 100 pips away, ***your risk should always remain the same***.

You can't say things like, "This is going to be a winner, I'm going to risk 3%." "I'm not too confident with this other trade, so I'll risk 1%." No, it doesn't work this way.

Once you decide on your risk per trade, such as 1%, you must risk 1% for every trade.

2. **Always determine your stop-loss before calculating the number of lots to trade.**

Depending on the strategy and the specific candlestick pattern of the trade, you place your stop-loss at different distances (*usually below the previous low of the candle*).

So you must always determine your stop-loss first, then calculate the number of lots to trade to keep your risk consistent.

3. **The number of lots to trade is inversely proportionate to your stop-loss.**

The farther your stop-loss, the smaller the number of lots that you trade. The nearer the stop-loss, the greater the number of lots that you trade, with your risk staying constant.

Using a forex position sizing calculator.

Alright, now that you know the concept behind position sizing, let's look at the shortcut. Just do a Google search for "***Forex position sizing calculator***" or download an app on your phone.

Simply CLICK HERE for an online calculator.

All you need to do is key in the values accordingly. Choose the currency pair you're trading and it'll determine the $ value per pip for you. Simple as that!

Position sizing is just one of the many things you must learn to trade Forex profitably.

Expected profit per trade.

This is final thing that you have to be aware with in this part on risk management, sometimes is known as ***Expectance*** because it defines the time you may exist in trade before being swiped out. This is important to understand because is used to evaluate the validity of your trading system.

Expected profit = 2R%, this means profit must be at least twice a loss.

Expected profit = (%Win X Average win) – (%Loss X Average loss).

Note: *For effective system you have 55% chance to win the rest 45% is loss per trade.*

Having $10,000 capital.
Average loss = 1R.
Average win = 2R.

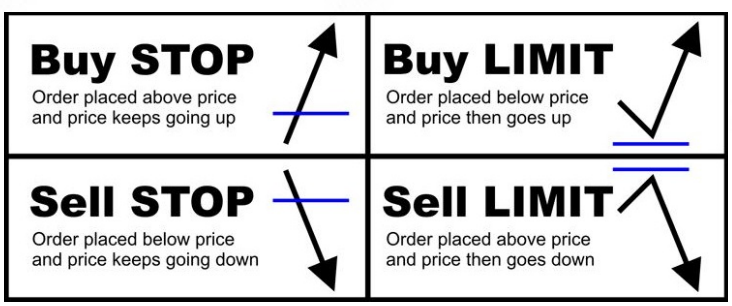
Expected profit = (55% X 2R %) X (44% X 1R %)
= 1.1R – 0.45R
= 0.65R per trade.

Assume you done 20 trades per month.
= 20 X 0.65R
= 13R where R= % at risk, which was 10%.
= 13 X 10
= 130.

MAJOR TYPES OF MARKET ORDER.

There are various types of market order that you can use to manage your risk during trading. In forex market, order can be; ***Instant execution order*** or ***Pending order***. Instant execution order is the order made at the current market price while pending order is the order placed in the market that will open once a price reaches a certain price. As we need to be market specialist, our consideration will be on three major types of orders:

- Stop orders (*buy stop / sell stop & stop loss order*).
- Limit orders (*buy limit / sell limit*).
- Take profit order.



PSYCHOLOGY.

This is the third important thing in order to become a successful trader, and it takes large percentage of the effect on success of the trader. ***Psychology defines the state of following your trading system again and again without deviations***. This is difficult to many people especially when trading system goes inevitable losing streaks (***drawdowns***). Money have greater effect to people's emotional changes when someone gains or lose them.

Professional traders mind set.

Successful traders understand that winning and losing are random series of events in trading. Their outcomes over large statistical set predict the profit but micro outcomes are random and unpredictable.

How do winning and losing traders respond differently to losing streaks.

WINNING TRADERS	LOOSING TRADERS
i. Take loss as the part of the game.	i. Concentrate on how they can stop losing.
ii.Keep executing valid trade set-ups.	ii. Look for indicators to add/new strategy.
	iii. Start over-trading.
	iv. Start taking small profits.
	v. Remove stop loses.
	vi. Finally stop taking trade at all.

NOTE.

Generally, in order to be a successful trader you must: -

1. Have a good trading system that fit your personality (***TRADING SYSTEM***).
2. Have a winning trader mind set (***PSYCHOLOGY***).
3. Understand that lose and win in trading occurs randomly at unpredictable points in time, and loss is inevitable (***RISK AMANGEMENT***).

ADVICE FROM EXPERTS.

Trade with ***real account*** in order to have the exact feeling of the market conditions ***i.e. developing psychology of winning and losing trades***. You can simply start with ***cent account*** for the purpose of reducing the amount of money at risk.

Register a cent account simply by CLICKING HERE.

Advantages of trading with the real account.

1. Help to gain huge real experience.
2. Getting real trading emotions.
3. Help in developing skill of managing capital.
4. Important for real understanding of Forex market.