

INTRODUCTION TO FOREX

BASIC (VOLUME 1)

Tech Bros

TRADE 4 GROW

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INTRODUCTION TO FOREX

FOREX is an abbreviation of the word “FOREIGN EXCHANGE” which is “FOREIGN CURRENCY EXCHANGE”. While Forex Trading is a “BUSINESS ACTIVITY” of exchanging and buying currencies for profit. The basics of Forex are the same as any other business which is to buy a currency at a low price and resell it after there is a price increase to make a profit.

The basic essentials to start Forex Trading.

- ✓ Knowledge
- ✓ Internet
- ✓ Smartphone
- ✓ Capital
- ✓ Trading Account

Trading platform Trading platform is software used to carry out all Forex trading matters such as making analysis and opening/closing positions.

- ✓ MT4
- ✓ MT5
- ✓ CTrader
- ✓ Mobile Metatrader
- ✓ Trading View and others.



FIGURE 1 MT4 AND MT5

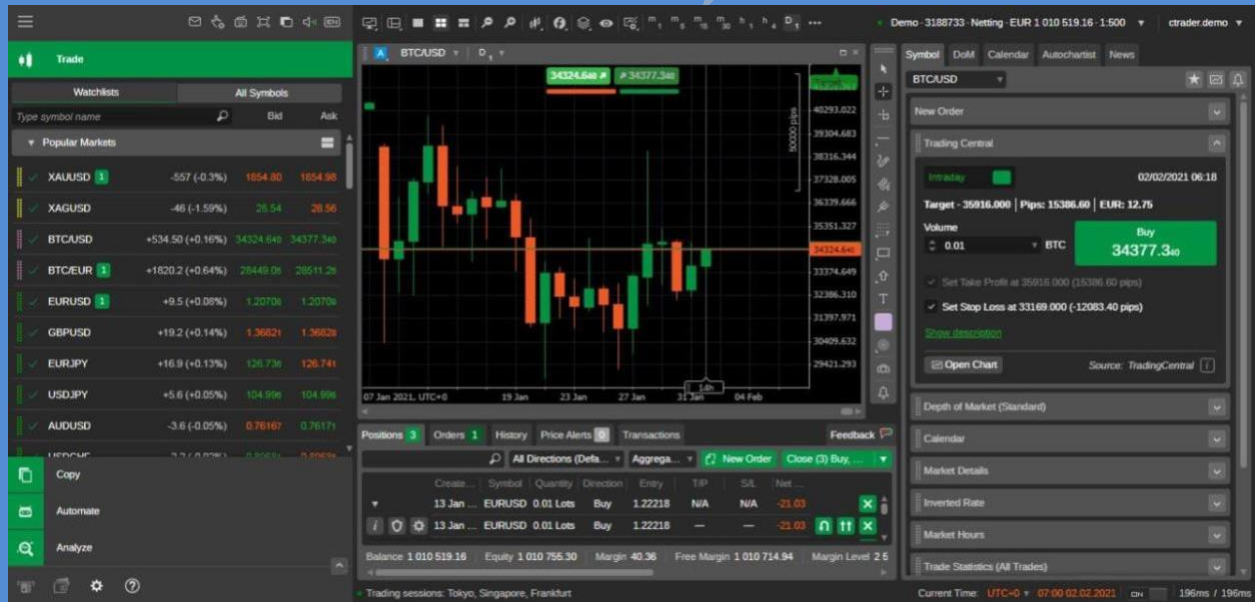


FIGURE 2 CTRADER

Meta Trader 4 and Meta Trader 5

There are two Trading Platforms for you to trade Forex/Stocks/Crypto.

- ✓ MetraTrader 4 (MT4)
- ✓ Metatrader 5 (MT5)

What is the difference between these two trading platforms? More or less the same. Only MT5 is the latest platform from MT4. Both platforms are okay to use for trade.

Most traders use MT4 as their main platform to trade. I also use MT4 👍

You can download on the Appstore or Googleplay Store, for free only



FIGURE 3 META TRADER 4 AND META TRADER 5

Currency In The Market

In the market there are 8 major currencies. From the platform you will not see the name of the currency instead it is just an abbreviation of the currency.

Pair consist of Base currency and Quote currency.

Example: EUR/USD

Base = EUR : Quote = USD

USD	US Dollar	United States	Greenback
EUR	Euro	Euro zone	Fiber
GBP	Great Britain Pound	United Kingdom	Cable
CHF	Swiss Franc	Switzerland	Swissy
JPY	Japanese Yen	Japan	Yen
CAD	Canadian Dollar	Canada	Loonie
AUD	Australian Dollar	Australia	Aussie
NZD	New Zealand Dollar	New Zealand	Kiwi

FIGURE 4 PAIR OF CURRENCY

The Type Of Pair Category You Should Be Familiar With.

Major Pair

Minor Pair

Exotic Pair

Major Pair

EUR/USD
USD/JPY
GBP/USD
USD/CHF
USD/CAD
AUD/USD
NZD/USD

FIGURE 5 MAJOR PAIR

Minor Pair

Euro Cross	Yen Cross	Pound Cross	Lain-lain
EUR/CHF	EUR/JPY	GBP/CHF	AUD/CHF
EUR/GBP	GBP/JPY	GBP/AUD	AUD/CAD
EUR/CAD	CHF/JPY	GBP/CAD	AUD/NZD
EUR/AUD	CAD/JPY	GBP/NZD	CAD/CHF
EUR/NZD	AUD/JPY		NZD/CHF
	NZD/JPY		NZD/CAD

FIGURE 6 MINOR PAIR

Exotic Pair

USD/HKD

USD/SGD

USD/ZAR

USD/THB

USD/MXN

USD/DKK

USD/SEK

USD/NOK

FIGURE 7 EXOTIC PAIR

Trading Time

Manage your trading time. The currency market will never stop as long as money is still in use. Although Forex runs 24/7, but you can only trade from Monday to Friday only (5 days). This is due to brokers closing on weekends, including public holidays. So only 20 days you can trade in each month.

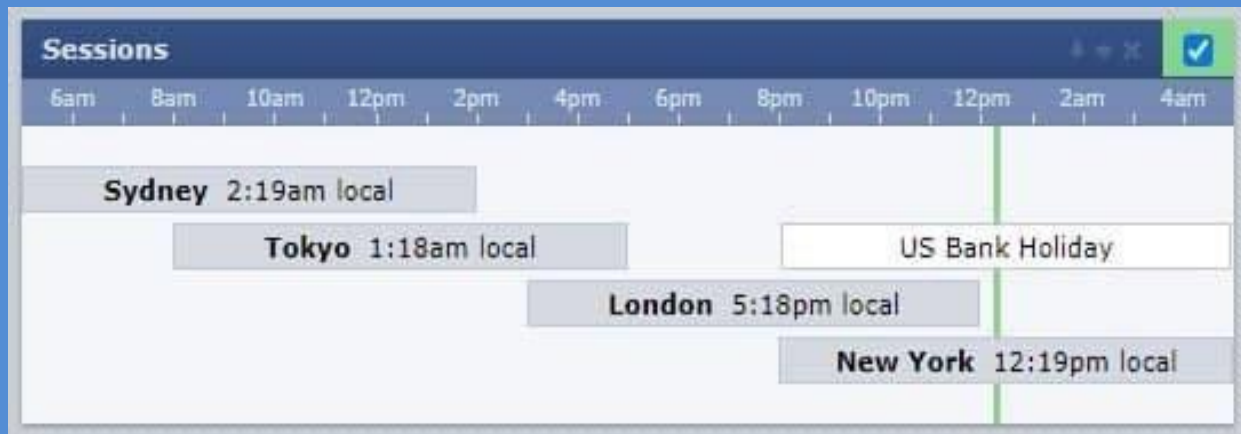


FIGURE 8 SESSION PAIR

Forex Broker

A forex broker is a company that acts as a middleman between you and an interbank (bank network) or liquidity provider.

The purpose is to enable us as small traders to open accounts and trade. If trading continues with a bank, the capital required is very large because the leverage provided is small or none at all. Furthermore, not everyone is qualified and can pass the conditions and rules from the bank.

Account type

- ✓ Real account
- ✓ Demo Account

Importance in the selection of a Broker

- ✓ Security of funds
- ✓ Account Type
- ✓ Transaction Costs
- ✓ Deposit and Withdrawal
- ✓ Swap Free
- ✓ Execution
- ✓ Leverage and Margin Call
- ✓ Trading Platform
- ✓ Customer Service
- ✓ Bonus

Basic requirements for you to open an account

- ✓ Email
- ✓ IC/License
- ✓ Bills / Statements
- ✓ Phone
- ✓ Capital

Break Even (BE+)

Here I want to share with you about Break Even (BE+)

BE is a measure to protect your capital or existing entry/capital account from continuing to suffer losses after profit.

In other words, no profit and no loss in your trade.

This step can be done by changing the SL level with the price we enter.

You can see the picture on the left for stop loss (SL) and the right one that you have to change to BE

Hope this knowledge is useful for all of you to become a discipline Trader.

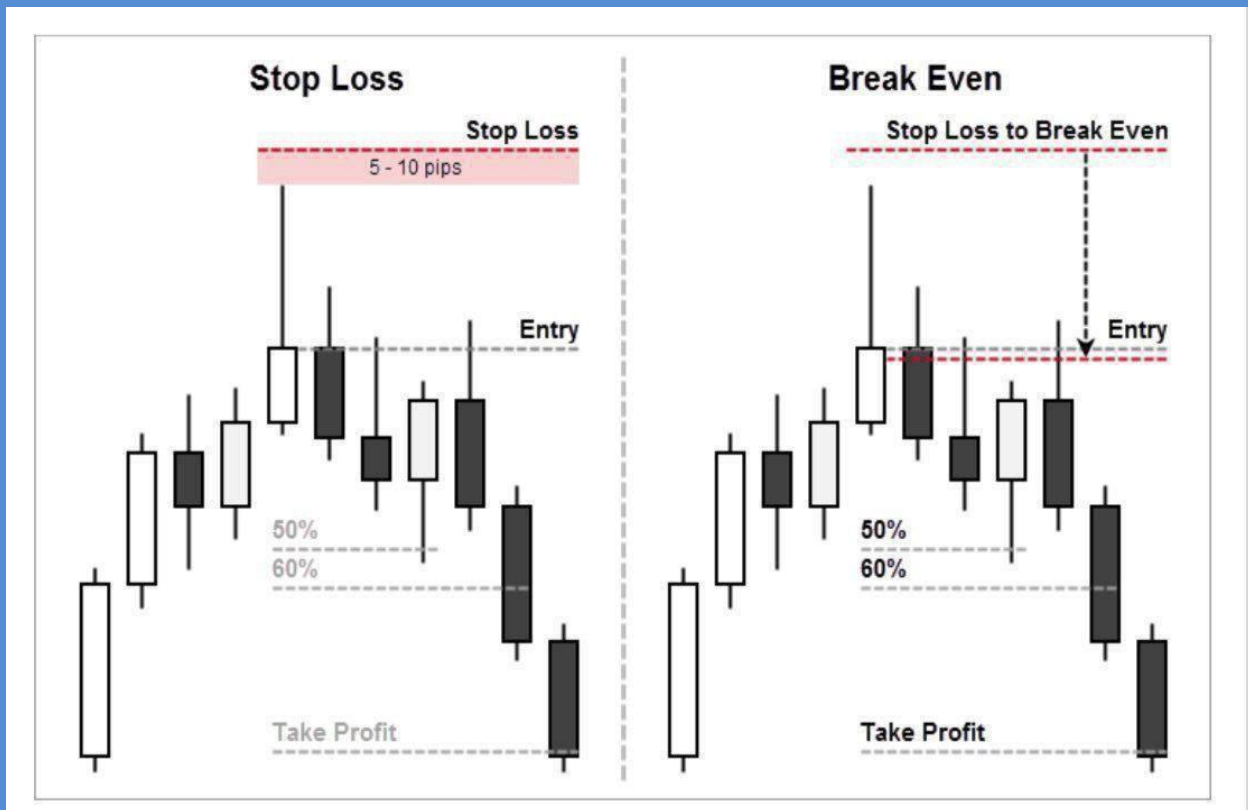


FIGURE 9 BREAK EVEN (BE+)

Calculation Of The Pips

How to Count Pips! Why should I know about pips? 🤔

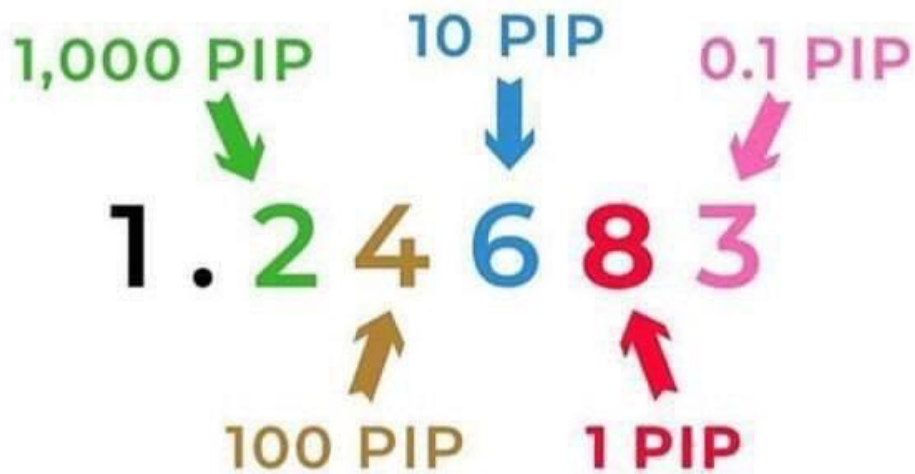
- ✓ Know how to calculate when to trade
- ✓ To place TP, BE & SL points
- ✓ So that we know how to calculate risk

Sounds like basic but not everyone understands the importance of pips!

Looks small but poisonous 😊 I will share more. These are all basic things that you here should know first okay 👍

One by one first, so it's easy for everyone to catch up when I start teaching next techniques 👍

HOW TO COUNT PIPS



EXAMPLES:

- 1.24683 --> 1.24693 = +1 pip
- 1.24683 --> 1.24783 = +10 pips
- 1.24683 --> 1.25683 = +100 pips
- 1.24683 --> 1.24583 = -10 pips

FIGURE 10 CALCULATION OF THE PIPS

Martingale Layer

Martingale layer are used to maximize our profit & minimize our loss.

When it is a buy setup:

- ✓ Always start with a minimum lot size (0.01)
- ✓ If it goes down -10pips, add one more entry with a bigger lot (0.02)

- ✓ If it goes down another 30/40pips, you put your last layer with a bigger lot size.

When it is a sell setup:

- ✓ Always start with a minimum lot size (0.01)
- ✓ If it goes up -10pips, add one more entry with a bigger lot (0.02)
- ✓ If it goes up another 30/40pips, you put your last layer with a bigger lot size.

With this method, you will get the best result I can promise if the setup hit SL, your losses will be smaller comparing if you start entry with a big lot and don't use martingale setup.

I hope you understand what I'm trying to explain here.

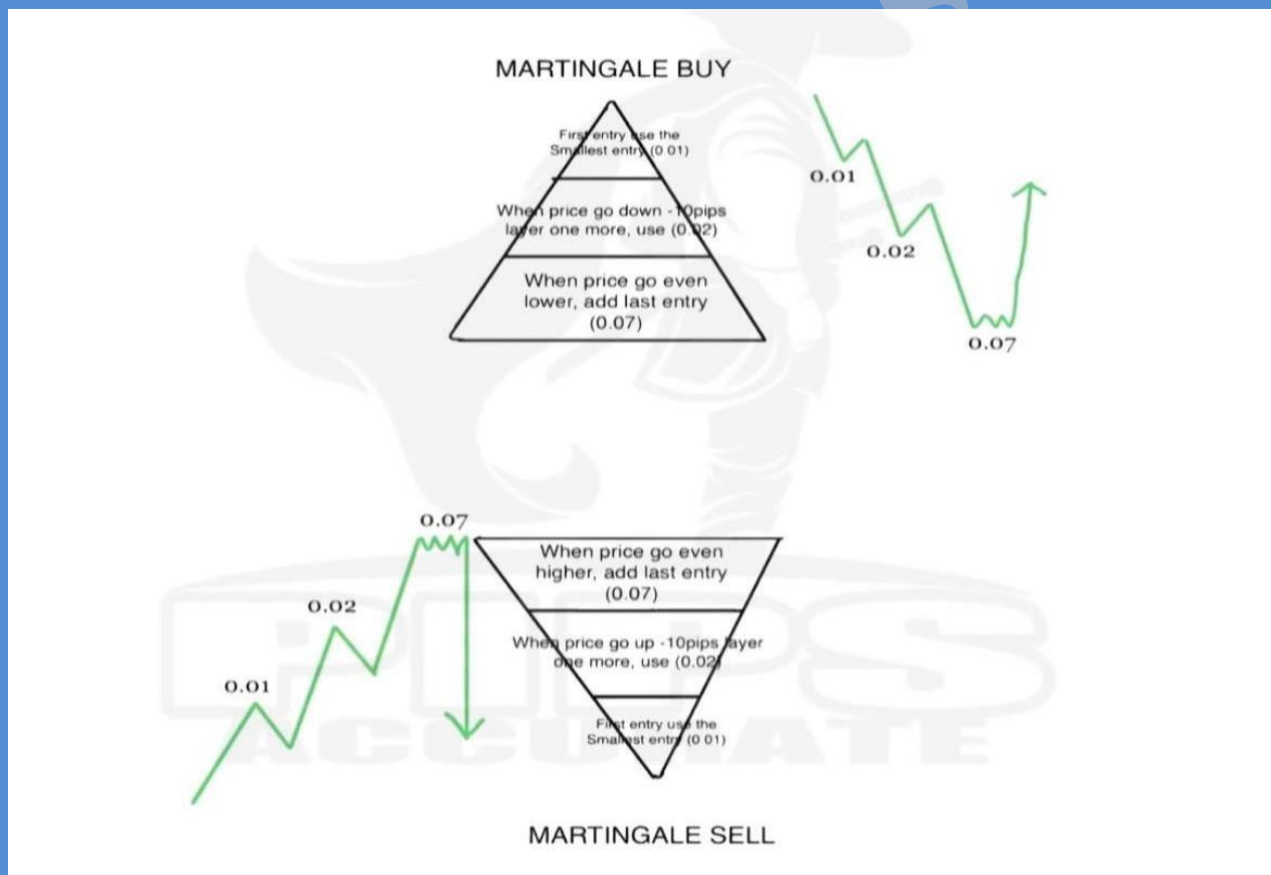


FIGURE 11 MARTINGALE LAYER

Forex Trading Tips for Beginners

Know the Markets

Take some time to study the available currency pairs and what affects the pair before trading.

Make a Plan and Stick to It

Create a trading plan for yourself. Make sure you set a profit target every day and make a plan that makes sense with capital.

Practice

Continue to back-test the knowledge you have taught and practice in the real market as well. If you are afraid, you can try the demo first, which is important for your efforts!

Know Your Limits

This thing is important, you need to know the account limit that you trade. How much are you willing to lose for one setup and please don't risk more than you can afford! Make an estimate of risk and reward before you enter.


LAYERING & LOT SIZING

Layering:-

Layer entry is one of the easiest ways to control/manage our risk. Haa! What? How can layering control and manage our risk? Must be weird right? Usually when you hear layering, the risk must increase, right? Haaa you think like that because you don't know the real technique for layering. I will share tips for correct layers. Not just blindly open positions.

Lot Sizing (Money Management):-

Lot sizing is the most important thing in trading. It is an important factor that many newbies do not take into account. Most newbies will do whatever they want and act as the market is theirs. Lot sizing will affect various aspects in trading including, the way we will entry layer, loss and profit.

(Refer below for more details )

Lot Sizing Tips (Money Management):-

50 USD:-

- ✓ High risk = 0.10 lot
- ✓ Mid risk = 0.05 lot
- ✓ Low risk = 0.01 lot

100 USD:-

- ✓ High risk = 0.20 lot
- ✓ Mid risk = 0.10 lot
- ✓ Low risk = 0.01 lot

200 USD:-

- ✓ High risk = 0.40 lot
- ✓ Mid risk = 0.20 lot
- ✓ Low risk = 0.02 lot

500 USD:-

- ✓ High risk = 1.00 lot
- ✓ Mid risk = 0.50 lot
- ✓ Low risk = 0.05 lot

1000 USD:-

- ✓ High risk = 2.00 lot
- ✓ Mid risk = 1.00 lot
- ✓ Low risk = 0.10 lot

If you have an amount that is different from the amount above. Take the amount that is closest to the amount above and try to calculate.

What is Pending Order?

-PENDING ORDER is order of buy/sell that's put on a certain price, and the order will be taken once the price reaches the point.

Types Of Pending Order:-

- ✓ Buy Limit = Buy below from the current price.
- ✓ Sell Limit = Sell higher than the current price.
- ✓ Buy Stop = Buy above the current price.
- ✓ Sell Stop = Sell below the current price.

Stop Loss and Take Profit

What is meant by Stop Loss & Take Profit?

STOPLOSS (SL) is the limit price that we are willing to lose where if the price reaches the stop-loss level, position our entry will close automatically.

TAKE PROFIT (TP) is the limit price where our position entry will automatically close in a state of profit.

What is Break-Even (BE+)? BE+ was originally a stop-loss, but upon entry we already profit as a safe step we will pull stop-loss exceeds our entry line.

XAUUSD ▾				
Market Execution				
-0.1	-0.01	2.99	+0.01	+0.1
Stop Loss	-	-	not set	+
Take Profit	-	-	not set	+
1839.42		1839.52		
Sell by Market		Buy by Market		

FIGURE 12 STOP LOSS AND TAKE PROFIT

What is a Time-Frame?

Time Frame is the time period or time period for each candlestick or bar chart used. A smaller time frame, means the graph will show smaller movements.

The larger the time frame, the larger the time period of movement of the graph shown.

Time Frame

- ✓ M1 – 1 Minutes
- ✓ M5 – 5 Minutes
- ✓ M15 – 15 Minutes
- ✓ M30 – 30 Minutes
- ✓ H1 – 1 Hours
- ✓ H4 – 4 Hours
- ✓ D1 – Daily
- ✓ W1 – Weekly
- ✓ MN – Monthly

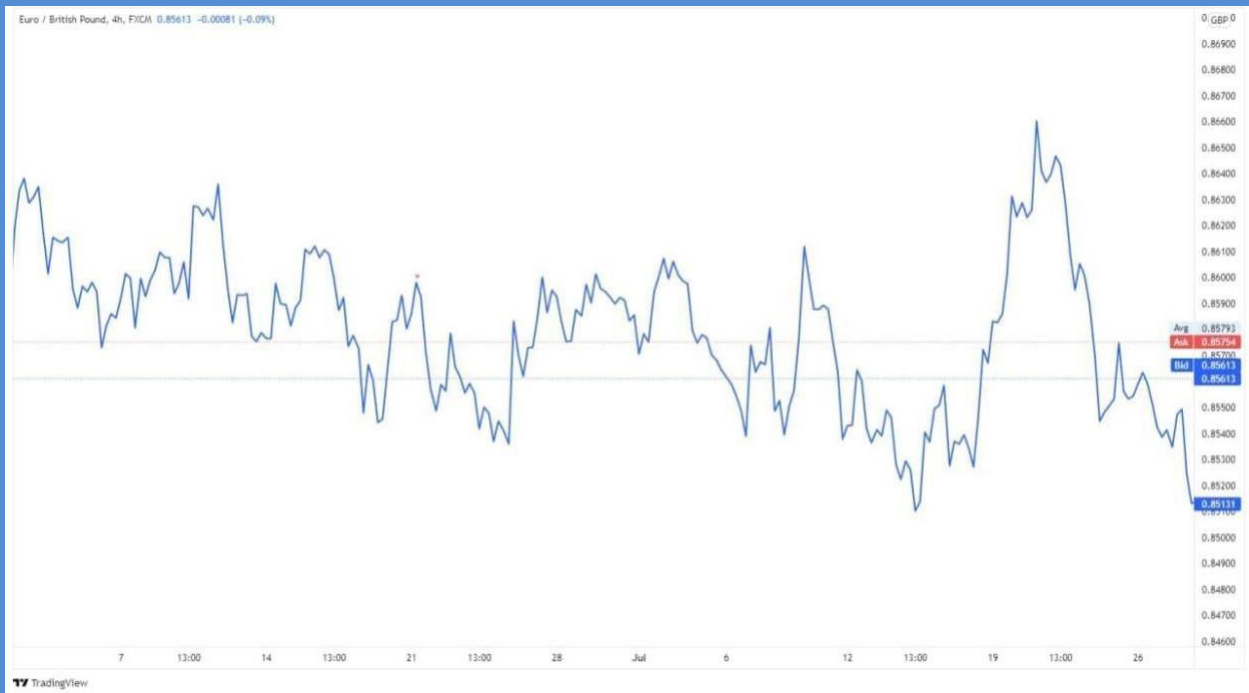


FIGURE 13 LINE CHART



FIGURE 14 CANDLE STICK



FIGURE 15 BAR CANDLE

Candle Stick Chart (CS)

Each chart has its own specialties, but the Candlestick chart is the most popular and widely used by all traders.

The advantage of Candlestick chart is a complete chart that can show you the price movement at a certain period of time. It follows the 'timeframe' you choose.

Each candlestick can show open price, higher price, lower price, and also close price. The candlestick consists of a part called a body and a shadow. You can refer to the diagrams above and below.

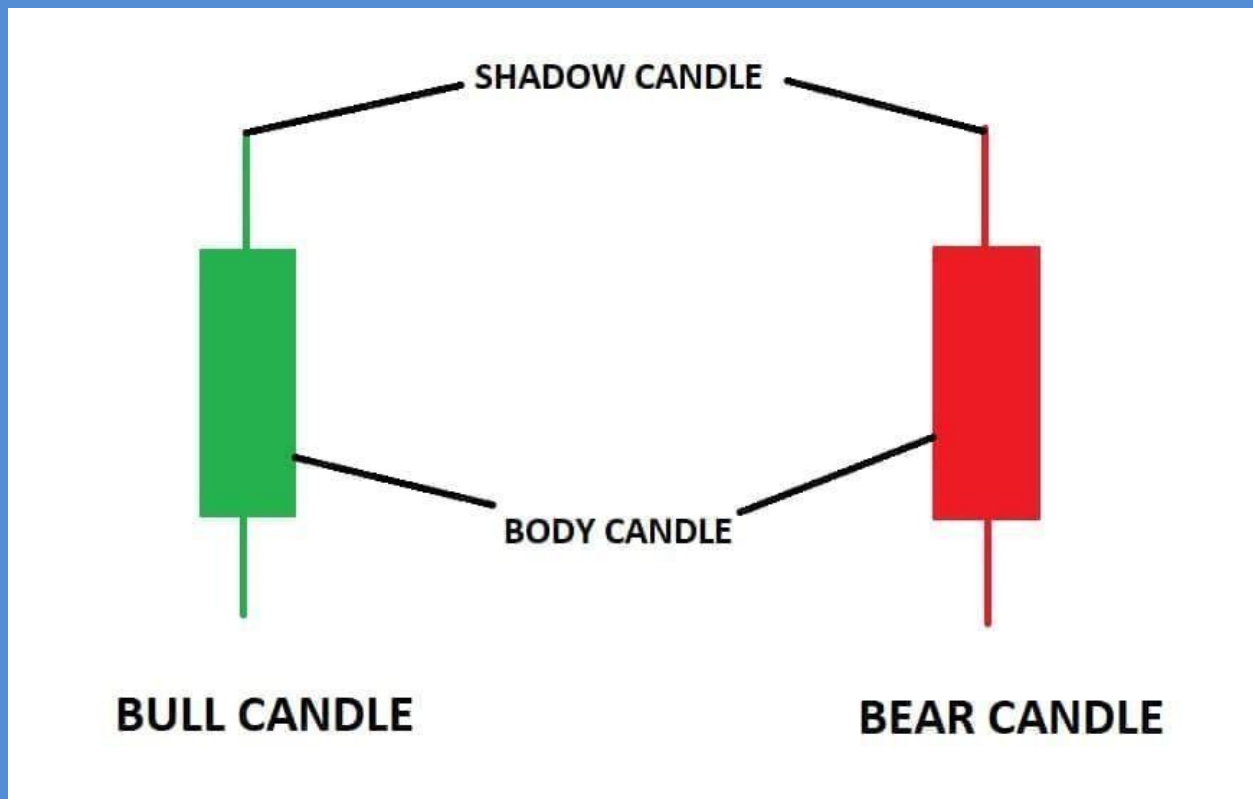


FIGURE 16 CANDLE STICK CHART

OHLC

What is OHLC? This term is always used by pro traders. OHLC stands for Open, High, Low and Close. The use of OHLC is to view and illustrate price movements in financial markets such as in forex as well as stocks. Each vertical line shows the open price, then the highest price then the lowest price and finally the closing price according to time or timeframe.

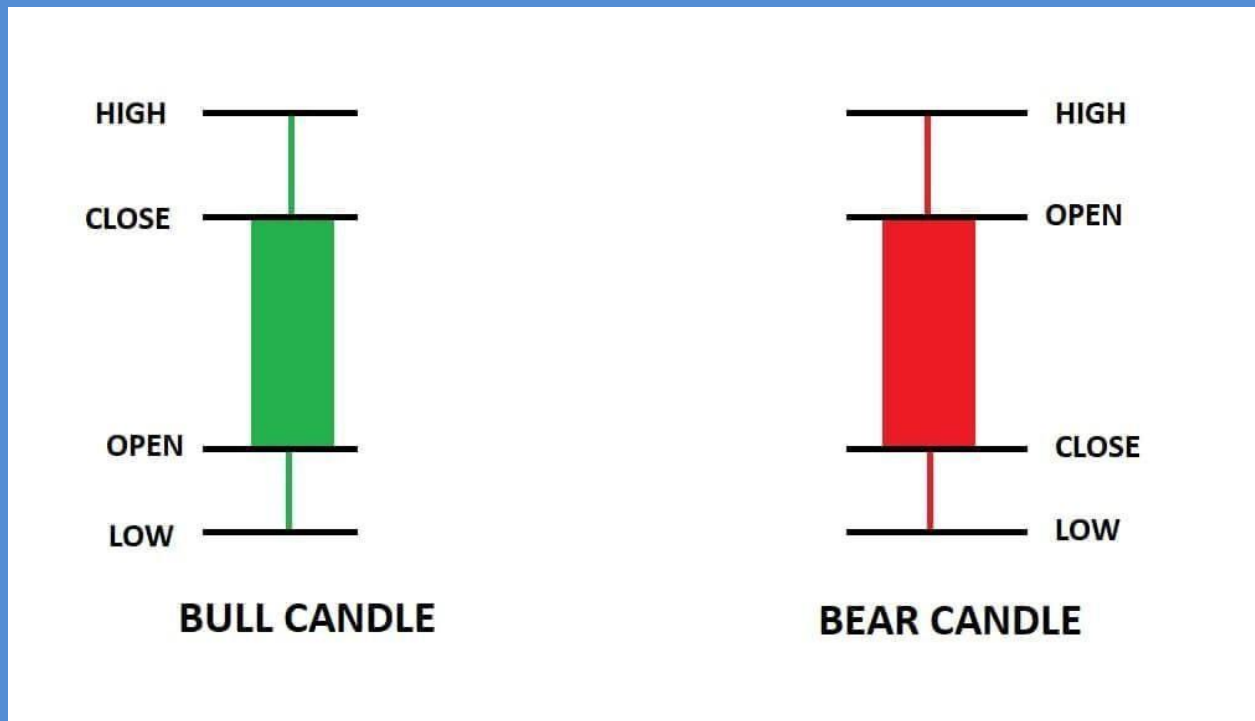


FIGURE 17 OHLC

Market Structure

Market Structure (Trend up or down)

A trader needs to know how to identify trends, your trading career is highly dependent on your ability to identify market trends, when the market is uptrend, when the market is downtrend or when the market moves sideways.

UP Trend

When the market is moving in an uptrend, the market will always make new higher highs and higher lows.

DOWN Trend

When the market is in a downtrend, the market will make new lows and higher lows.

When the market is in a downtrend, the market will make new lows and higher lows.

H, L, HH, LL, LH, HL

H = High

Occurs when the market makes the same quality as the previous quality.

L = Low

Applies when the market makes the same as low as the previous low.

HH = Higher High

Means the market makes a new swing quality and exceeds the height of the previous swing quality.

LL = Lower Low

Means the market makes a new low swing and exceeds the previous low swing.

LH = Lower High

Occurs when the market makes a swing quality that is lower than the previous low swing high.

HL = Higher Low

Occurs when the market makes a low swing that is higher than the previous low swing.