

**USER'S GUIDE
TO TRADE IN
FOREX**

Dear Investor:

Be welcome to the FOREX market.

First of all we would like to thank you for your time and deference. The following guide pretends to describe all you need to know of this fascinating market, in a simple and clear way.

We know there's a lot of information online about Forex, most of it standardized, redundant and with no added value. That's why we have designed this guide in such a way that centralizes all the concepts and tools you will need in just one place .

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1. What is FOREX?

FOREX (short for Foreign Exchange) or "FX" is the International Currency Market, which consists in buying and selling international currencies. The Currency Market is not related to the Stock Market, since there is no central Stock Exchange where orders are traded. The FOREX market is the most profitable and liquid market in the world. There's no financial instrument that has a higher return than this one.

The FOREX market is not a land based market (like the Stocks market) but an intangible market, that means it's not located anywhere because it's formed only by interbank and electronic transactions. Trade is open 24 hours a day from Sunday night to Friday afternoon (24/5).

A currency is the quotation of a determined country's paper money in terms of the price of another country's, which is also known as currency pair. The way the currency pair is expressed, indicates which currency we are buying and which one we are selling or paying.



For example, the currency pair EUR/USD is the Euro (the european currency) expressed in terms of United States Dollar (the american currency), so if we buy that pair it means we are buying Euros and at the same time we are paying or selling Dollars.

More than a centralized structure, like the Stocks market, FOREX has a net structure in which every part is interconnected. In general there are parts that actively participate in this market, they are called Market Makers, through which individual or managerial investors trade. Most of these Market Makers are Brokers and big Banking Institutions.

Interbank transactions consist in buying and selling currencies between banks across the world. So, if a bank in United States is buying Euros from a European bank, it is taking part of the FOREX market through an interbank transaction.

On the other hand, electronic transactions take place on the Internet, through specialized softwares called trading platforms on which any individual or company can trade with their own money.

Market structure shows us a clear FOREX advantage over the rest of the markets, since it is not centralized there is no market power to alter its own conditions, so you avoid unwanted behaviors in all involved parts. On the other side, structure is also an advantage to the small investor, who will have great opportunities to get benefits without a relative disadvantage compared to big or company investors.

2. The most profitable financial market.

The key to the high yields this market offers, lies in the concept of continuous liquidity.

Key Concept: **LIQUIDITY**

Liquidity means that the amount of assets of the market have the ability of turning into money or other asset without suffering any loss of value.

What ensures us that we are going to have continuous liquidity in this market, are the transaction levels up to 3.2 trillion dollars a day traded in different currencies, more than what all the stock exchanges in the world together trade in one year.

This means that everytime we want to buy or sell we will be able to do it because there will always be another part willing to sell or buy me (as long as the market is open) without restrictions. This is unlike stocks or futures markets in which you sometimes have to close a position in a price you don't want to.

Market trade is open 24 hours a day, 5 days a week. Except for weekends or special worldwide holidays, the market is never closed.

It is of a big importance to understand the liquidity concept in financial markets since they are a key by the time you want to close a position you took in a certain currency and quickly take another one, or simply when you just want to withdraw your funds.



3. How does FOREX work?

Earnings in the Forex market come from the buying and selling of different international currencies, more precisely from the difference between two different exchange rates.

Unlike other financial markets in which most cases you can only profit just from market highs, in the FX market you can benefit from all possible situations, increasing or decreasing markets, since we are able to enter the market buying or selling a certain currency.

This last expression might sound odd to someone who is not familiar with market terms, but it actually makes a lot of sense. When we buy a currency pair, let's say EUR/USD, as we said before we are buying Euros and selling or paying Dollars. But if we decide to buy the opposite pair let's say USD/EUR, we would be buying Dollars and selling or paying Euros, which is in concept, exactly the same as selling the pair **EUR/USD**.

The Currency Exchange term actually means to transfer or convert one currency in another. Every currency trade implies the simultaneously buying and selling of two currencies.

But when we trade currencies we pay only the price of the exchange rate, that is, the price of one currency in terms of the other one. To make a profit out of the market we would have to buy when we think the price is going to rise, so we could sell it later to a higher price; and sell when we think the price is going down, so we could buy it later.

On the other hand this market is quite volatile, which most people tend to take as a bad thing, but actually it is a good thing since you are able to make higher profits of it. This is because a currency quotation in a certain period of time will make a big move, giving us the opportunity of getting a greater benefit, in a matter of hours or even minutes.

Our profits are given by the difference between the buying and selling price, and the bigger this difference is, the bigger our profits are.

4. Comparative: FOREX vs. STOCK MARKETS.

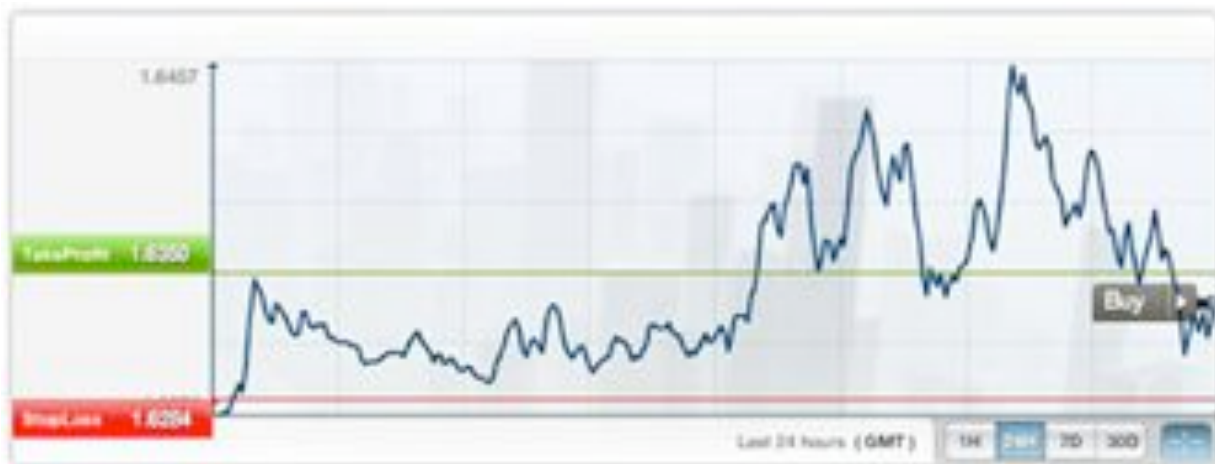
Advantages	FOREX	STOCK EXCHANGE
Trading 24 hours a day	SI	NO
Charge of comisión free	NO	YES
Trading in down or up market trands	SI	NO
Market reports easily available	SI	LIMITED

Due to the 24 hours a day market, Forex traders have the advantage of managing their trading times as they want, coming in and out of the market whenever and during the time they want. Even if there exists the possibility of trading after hours in the Stocks Exchange, that possibility is denied to most people, due to the volume scarcity or huge spreads increase.

The continuity of the Forex market makes trading riskless compared to the Stocks Exchange, since in this last one, the closing price of a stock one day is never the same to the opening price on the following day, not giving the chance of trading in between those prices in case a trader wants to close that position without losses.



These jumps between days on the chart below, are possible in the Stock Exchange but not in the Forex market because in Forex we are in fact able to close positions when the market starts to change. This is what the Forex market looks like:



5. How to read the currency pair?

To be able to read a currency pair we need to understand the way they are expressed. So, when a pair is expressed in the way EUR/USD = 1,3270, for example, it means an Euro unit costs 1,3270 American Dollars. The same way, a pair JPY/USD means how many American Dollars a Yen costs, NZD/EUR means how many Euros a New Zealand Dollar costs, AUD/GBP is Sterling Pounds per Australian Dollar, etc.

DEALING RATES				CURRENCY PAIR	
PAIR	BID	ASK		BUY	SELL
EUR/USD	1.5802	1.5804	+ -2	USD/JPY	101.29
GBP/USD	1.9633	1.9635	-1		
USD/JPY	101.27	101.29			USD/JPY
AUD/USD	0.9240	0.9242			
USD/CHF	1.0014	1.0016	+ +1		
USD/CAD	1.0191	1.0193			
NZD/USD	0.7842	0.7844	-1		

IMPORTANT:

You don't need to have each physical currency in your account to trade it. Your account is going to be in USD (except cases in which you can actually choose your account currency) and you will be able to buy any currency, no matter what currency you have in your account. For example, if you are planning to buy GBP/JPY you will be able to do it with your dollars and your profits are going to be in that currency too.

In this expression, the place where each currency is written has a name. So, the first currency in the pair is called "**Base Currency**" and the second is called "**Quote Currency**". In the example above, the Euro would be the Base Currency and the American Dollar would be the Quote Currency. **The pair is also called Exchange Rate.**

When we read a pair, we will note there's more than one quote for every pair. To be more specific about it, there are two quotes called BID and ASK.

PAIR	SELL	BUY	CHART
EUR/USD	1.3946	1.3948	
GBP/USD	1.6401	1.6403	-1
NZD/USD	0.6338	0.6341	+1
USD/CAD	1.1314	1.1316	-1
USD/JPY	95.64	95.66	+2
USD/CHF	1.0796	1.0798	
AUD/USD	0.7936	0.7938	+2
EUR/GBP	0.8504	0.8506	+1

The ASK quote or price is the demand price of the currency, it's the price the market is willing to sell me that currency. If I decide to invest in the FOREX market, I must pay the ASK price of the currency I chose to buy.

The BID quote or price is the supply price of the currency, it's the price the market is willing to buy me that currency. If I invested in the FOREX market and I wish to sell the currency I bought, I must sell it to the BID price.

To make this clearer, I'll explain it with an example: When we see the EUR/USD pair price expressed in the following way: EUR/USD = 1,3270/75, it means you can buy this currency at 1,3275 and sell it at 1,3270 Dollars per Euro.

It's worth to point that **the buying price is ALWAYS higher than the selling price. The difference between these two prices is known as Spread**. This spread exists and varies for two reasons. On one side, the Brokers (the people/platform that actually execute the trading) doesn't charge you a commission or fee for every trade they perform for you, but they charge this spread between the prices.

On the other side, the currency of each country is different and it's quotation depends on a variety of factors. According to the liquidity and uncertainty that currency faces, the spread will be bigger or smaller. But we will explain it later.

PIPS: It's the acronym for "Price interest point". It's the minimum unit of variation of a currency pair. It belongs to the last digit of the pair's quotation. For example if EUR/USD is at 1,3273, this last digit corresponds to 3 pips.

SPREAD: The spread is, like we said before, the profit the Broker has for executing the transaction we command him to. The spread is usually different for each currency pair, depending on the liquidity and stability of each one of them. That's why it is important to be conscious of this by the moment we choose the pair, since a currency with a lower spread has a greater earnings potential. The spread is expressed in pips and we can calculate it with the difference between the BID and ASK prices.

Why is it good to have low spreads?

Because the moment we buy a currency, the price we can sell it back that same moment will be lower, and if in fact we buy and sell the currency that same moment, we would lose an amount equal to the spread. That's why it's BASIC to wait until the selling price of the currency goes at least as high as the price we bought it.

This way, the lower the spread, the less we will have to wait until the selling price equals our buying price therefore we'll make profits faster and riskless.

6. FOREX investment.

Before we start investing, it's important to clear and consider the following

- a. You should come up with the right and organized plan, and you should be clear on what strategy you are going to use. This way your success probabilities are higher.
- b. DON'T start trading if you don't know what you are going to do.
- c. You should be informed of the last quote's moves, and the news that could affect the market, so you will avoid having sudden losses and be able to power your earnings
- d. You should take the time to know the market and read the analysis'. Though all of this is not necessary it is advisable.
- e. It is indispensable to familiarize with the platform, to know what we can do with it and how to optimize the use of it's tools. If you can get a manual even better.
- f. Finally, you should think and plan carefully how much you are planning to invest according to how much you are willing to lose, how much you pretend to win, and how much time you plan to spend on it.

From now on, you should follow these instructions to start trading:

- i. You should pick a currency pair you feel comfortable with to start trading. Remember it would be good to choose currencies with a spread not so high so you can start making profits faster.
- ii. You should set the amount you are operating with, how many of the currency you chose you are going to buy. Have in mind that the bigger the amount is, the bigger the chances of winning a large amount but also the bigger the chances of losing a large amount.
- iii. Once you have understood how the platform works, have some information about the currency you chose and followed these instructions, you will be ready to start trading.

7. Opportunity vs. Risk

There is an important risk factor involved in the FOREX market and it's its volatility. The capacity of a chart's course to take unexpected directions in a short time, makes this market one of the most volatile.

Volatility has good and bad consequences since we have two situations:

OPPORTUNITY:

That the chart's course changes in a way favorable to our investment so our profits will be a lot higher than what we expected.

RISK:

That the chart's course changes in an unfavorable way and start generating losses. But in this case there's always the possibility of defining the maximum amount we are willing to lose, even before starting to trade.

For this particular case, in the platform there's an order called "stop-loss", and we can fix it anytime we want after buying the currency, although it is advisable to do it by the moment we buy it. This order sets a limit for our losses to our investment, so if we get to that limit, the order is executed automatically and our position closes before we lose anymore money. On the other side, these changes could be seen with anticipation, since there are sites that have "Economic Calendars" which announces dates and times of relevant economic events that could suddenly alter a currency's quotation. That way we could be "on guard" of sudden market movements and take the necessary actions to reduce our loss risks.

Said this, it's worth to point out that, risk is not and shouldn't be a factor that takes your motivation away by the time you invest, on the contrary, it is the stimulating and exciting factor of the investment game in this market.

8. Leverage and margin.

What is leverage?

Leverage allows traders in the foreign currency market FOREX, to control big amounts of money with a relatively small deposit. For example, a 100:1 leverage means you can control an asset with a value 100 times higher than your deposit. That is, for every \$1 you have in your deposit, you will be able to trade with \$100.

This is one of the great advantages of Forex trading: little deposits control huge amounts in the market (leverage effect) so the profitability is given by the leveraged amount and not by the amount itself.

It's the amount for which we can trade in the market, expressed proportionally to our invested capital. So if my invested amount is \$50 and leverage is 400:1, I will be able to trade with an amount equal to \$20.000 (50×400) so I will make a gain of a \$20.000 investment.

IMPORTANT:

Nobody is lending you exactly the leveraged amount, but you are going to be able to trade equivalently to it, with no more cost than a bigger net spread because of trading with a bigger amount.

What is Margin?

The margin is the deposit we make, as a way of covering possible losses. This is one of the big advantages of Forex investors, since they only risk a little amount that, properly traded, could be converted in huge profits.

In the worst of cases, when a position we take in the market cant be covered by this deposit, our positions open until that moment will be automatically closed and the depositor will never lose more than what he deposited in his account, that means he could never have a negative amount in his account, he will never owe nobody.

How does it work?

We enter the FOREX market buying certain currency, that is taking a position in that currency, the only way out of the market is closing that position by selling the amount we have bought of that currency.

When we leave the market, what we have left is our initial investment plus/minus the result of our currency trade, which is the result of the difference between the price we've payed for the currency and the price we've sold it, times the amount of units we have bought.

This way the maximum amount we could lose is only the initial deposit we have made while our gains could be millionaire.

Forex automatically calculates our result, and in the extreme case our losses equal our deposit Forex will close the transaction so we won't lose anymore money than we deposit, then our losses are limited.

However, our gains will always be unlimited and also increased by the fact of being trading with an amount bigger than it would ever be possible in any other market.

Here's an example: I have \$50, there's a 400:1 leverage, therefore I can trade with **\$20.000**

I choose a currency and buy as many units of it as I can buy with **\$20.000**

Then two situations can occur:

1. The currency quote of the currency I've chosen raises. In that case I sell the currency and keep my profits without affecting my investment at all.
2. That the quote decreases. In that case I just have to wait for it to raise again to make gains. In the worst case if the quote decreases too much, my losses will be limited to my \$50 deposit. We would never have a negative balance

In conclusion, the benefit of the leverage is the **is the potential increase of gains.**

9. Trading Orders

These set of market orders are those that will protect us from unwanted loses so as to get certain profits. They are the key to the **Control Risk System** in Forex, and they allow you to protect your money everytime you want.

When we open a position in a given currency (for example when we buy EUR/USD), we have an option that allows us to close it to a certain price, whether if it's to stop our losses when the market is against us, or if it's to make gains when the market's in our favor.

We call "**Stop-Loss-Order**" to the first one, and in the moment we decide to establish it, the price will automatically be fixed some pips below the price of the currency by that moment (if we bought the currency, if we sold it then the Stop-Loss will be at a higher level). That way if the price of the currency we bought suddenly goes down, this order will automatically close my position, avoiding us to have bigger losses.

On the other hand, there's an order that allows us to close our position when we have profits, it is usually called "**Take Profit**" or "**Limit Order**", that allows us to establish the order at a price above the quote at that moment. That way if the price of currency we bought goes up, this order will automatically close my position before the price starts going down again.

Finally, we could see that it's possible to establish both kinds of orders at the same time, limiting our possible losses and making our profits effective, and giving us the possibility of not to worry since the trade won't go further than the limits we fixed.

10. "10 golden rules" to make smart investments

1. First of all, and one of the mos important rules, you should choose a **secure and reliable trading platform**. There might be lots of platforms that could change the spreads while you are trading without you noticing it, or they simply may disappear from the face of the earth when you want to withdraw your money. Don't let them scam you and try to use a recommended platform.
2. It is not convenient at all to complicate yourself with a number of complex strategies. It's better to have **one simple strategy, effective and easy to handle**. Otherwise, to handle lots of strategies it will be necessary to get lots of information that would certainly take all of our attention and will make us slower to trade in this fast market. So, a **solid and simple strategy gives us a bigger chance of making money** since it will be easier to understand and execute, we can center our attention and knowledge in this simple one and make less mistakes.
3. It is important to plan and to be consistent with the selected strategy. You must be confident about your own decisions, since insecurity only generates failures. If you have clear why did you

choose that strategy and you are consistent with your decisions, then it's only a matter of trusting yourself and starting to trade.

4. **It's also important for you to know how much profit you want to make by trading before you start doing it, but it's even more important to close the operation once you have achieved that goal.** You should keep in mind that in several occasions after making a profit, you might start losing what you've made if you don't close your position in time. If you identify the up trend, don't try to wait for the highest quote in that trend, just close the deal calmly once you have the earnings you have planned.
5. On the other hand you ought to be very adaptable, though, without stop being consistent with your strategies. If you enter the market in a position, but you see that due to some random international event, the trends suddenly change, you should close your original position and adapt the market or just leave it momentarily. Do not hold to the original position because a radical change in trend, it could make you lose all you have earned at that moment or even more. Besides a trend change can make you have bigger profits than you expected.
6. Be always conscious about the leverage level you are using. Learn to wisely enjoy of the higher profits that leverage will give you. But be careful, because if your deposit is too small, a little variation of the price could cause you to lose a big part of it. That's why we advise you not to be so anxious and to choose the leverage level according to your deposit
7. It's alright to learn from your own mistakes. You should be honest and recognize your own mistakes. It would be easier for you to realize where the mistake is and what you did wrong, if you follow a trading strategy, besides it will help you to avoid making mistakes like that if you use that strategy again.
8. If your strategy has been planned diligently and you are self-confident, you will have two big advantages to invest. Once we lose our attitude, our psychological predisposition, to invest will be affected, so do not abandon the range you previously specified to trade. Doing this once will make you susceptible to do it again, generating an undisciplined attitude that will cause you to lose money.
9. As for market orders, if you decide to set profit or loss orders, it would be advisable to leave a quite wide range between them, or between them and the current quotation. Remember that the market, despite following a trend, is very volatile and, unless you are executing very short term strategies, orders may execute at the wrong time.
10. Finally, and very important is to retire on time from the market. It is vital to pay attention if the market is changing its trend, since it's the key to win when we are investing in this market. It's trying to identify the points where investors stop buying to start selling, or vice-versa, so they won't have opposite results from the ones they expected.

11. Tools to improve investments decisions.

It would be a big mistake to start investing in FOREX without proper knowledge of its tools, or even worse, thinking that market movements are strictly luck.

There are several factors that are relevant for the currency market. Some of them are historically predictable and some of them are predictable with a minimum of news and market knowledge.

On one side we have the fundamental analysis, which shows us how relevant economic events and certain international variables, affect the currency value. Some of these are interest rates, inflation, government policies, terrorism, weather, etc.

Lots of investors in this market use this type of analysis to try to predict movements in the currency's quote. For example if a Central Bank of a certain country announces an interest rate cut, that means that the currency of that country is going to worth less in the future, so after this announcement the price of the currency will start to be each time lower.

On the other side, we have technical analysis, based on the history of the quotes study. This means that the course of the price of a currency is analyzed, to try to determine a repeating pattern, or any indication of a trend change.

We now give you some reference sites that we recommend, for those who want to start trading in FOREX and also for those who have been investing in this market for a long time but just want to keep updated.

12. Online FOREX.

A few years ago, the FOREX market was only for powerful financial institutions, which traded in a centralized way with huge amounts of money. Today, thanks to globalization and technology, this market has extraordinarily expanded, being also accessible to medium and small investors.

This is because the increase in the volume of operations in the whole world generated enough market liquidity, reducing spreads enough for it to be a lot less expensive to new agents to enter the market, making it a lot easier to begin trading with a lot less money.

This has turned FOREX in a common activity in our daily life, opening a big door for people like you and me to benefit from the biggest market in the world (USD 3,2 trillions a day are traded in FOREX) through the Market Makers, the ones who actually buy and sell the currency.

These Market Makers, also called Brokers, give us the possibility to trade foreign currency via Internet based platforms or phone. The ones who trade on the phone are generally big investors (with USD 50.000 accounts and so on), while little and medium investors trade through trading platforms (that is software for buying and selling currency) on the Internet with smaller accounts.

About this last kind of Brokers is going to be our next chapter, where we are introducing two of the most reliables platforms to invest in currencies and some commodities.

It's important to know that, although all of them are trading platforms, not all of them are the same, that's why we will explain each one of them, and detail their defects and benefits, so you'll be able to chose which one is going to be your door to FOREX market.

We thank you if you want to trade with one of these, just click on our link since our organization has an agreement with them to obtain a fee for every trader we refer, which is the only income to support this tutorial.



eToro FOREX click or copy and paste in your web browser:
<http://www.funforex.com/software/?o=etoro>

13. Introducción a eToro FOREX.

This platform is the most recommendable for beginners. On one side, there is an Expert Mode for those who have experience trading in FOREX. On the other side it has a Visual Mode with a very friendly interface which offers a variety of ways to trade, easier to understand for the person who is just starting in this market.

In this visual mode we have 5 different Trading Arenas:



Globe Trader: Here you can choose which currency to buy or sell, according to the country each one belongs, in a map with each country's flag.

Forex Trend: Here you can choose the currency according what you think is going to happen, going up or down against another (or the trend it's going to follow from that moment on)

Forex Marathon: This is the most friendly Arena, since every currency is a person running a race. We can choose with whom and against whom we want to play, and the currency whose price increases the most, its corresponding person wins the race.

Forex Match: Here we base buying and selling in charts observation. These charts are available with quotes per hour, day, week or month.

Trade Box: This Arena is most like the Expert Mode, since we can buy or sell currency and commodities like oil, gold and silver, choosing from the quotes' box, choosing the leverage level, Stop-Loss and Limit orders, in a more integrated way.

Expert Mode is similar to Trade Box but with some advantages: we can trade with just one click, we have an option to leave positions open for the weekend, a history of all of our transactions, latest market news, and a calendar with relevant economic events.

Another advantage of this platform is that its spreads are lower, so the difference between the buying and selling price will be lower. This is good for us since it allows us to make gains faster than in other platforms.

On the other hand, this platform is also reliable, therefore we know those spreads will remain fixed , unlike other trading platforms that tend to change the spreads once you have opened a position and without you noticing it.

Finally, this platform has one disadvantage, you can only download it in Windows, however, it has an online platform called Web Trader, which you will find on eToro's site.

14. FOREX glossary.

Appreciation: A currency appreciates when the price of the currency increases due to demand excess; it's the increase of the currency's value.

ASK Price: Demand price of the currency, the price the market is willing to sell me the currency, the price I can buy it.

Base Currency: It's the currency against which every other currency quotes. It's the first currency expressed in a pair.

BID Price: It's the supply price of the currency, the price the market is willing to buy me the currency, the price I can sell it.

Bearish Market: It's a market characterized by a long period of downward pricing joined by a generalized pessimism.

Broker: It's an agent that manages investors' orders to buy and sell currency. The Broker charges a fee that depends on each Broker and the transaction amount. That fee is the spread.

Bullish Market: It's a market characterized by a long period of upward pricing joined by a generalized optimism.

Closing a Position: To eliminate a position from our portfolio by executing the opposite trading action. For example, selling a currency that we have bought or buying one we have already sold in the first place.

Currency: Name of a certain country's paper money.

Depreciation: A decrease in the value of a currency due to supply excess in the market.

Devaluation: A decrease in a currency's value against the value of another currency, generally caused by a government announcement.

Economic Indicator: It's a statistic indicator which shows the growth and stability of the economy, emitted by the government or other organization (for example: Gross Product, Employment Rates, Inflation, etc.)

FOREX: The word FOREX comes from the abbreviation of the term Foreign Exchange. FOREX is known as the International Currency Market, one of the biggest financial markets in the world, which consists in buying and selling international currencies.

Fundamental Analysis: It's the analysis that shows how the currency value is affected by relevant economic events and international variables.

Initial Margin : It's the initial guarantee deposit required to enter any position in the market, as a guarantee of being able to pay for that position in the future.

Leverage: It's the amount for which we can trade in the market, expressed proportionally to our invested capital. If leverage is 200:1, we can trade with 200 times our capital.

Margin Call: Request of additional funds in your account to sustain the minimum margin required to cover adverse moves in the market.

Market Maker: It's an agent willing to buy or sell to stipulated buy and sell prices.

Order Cancels Order (OCO): It's an order executing mode in which after placed to regular orders if one is executed the other one is automatically canceled.

Pair: Quotation of the currency of a certain country, measured in terms of another currency, what is also known as exchange rate.

PIPS: Is the acronym for "Price interest point" It's the minimum variation unit of a currency pair.

Platform: It's the broker's software through which we will buy and sell foreign currency.

Position: A position is the active trade action we take with certain currency, expressed by the purchase and sale of it, that brings or takes any value to our account.

Spread: It's the difference between the ASK and BID price of a currency, the difference between its buying and selling price.

Stop-Loss Order: It's a platform tool that allows us to to close an open position to avoid or limit losses.

Take Profit Order: It's the opposite to Stop-Loss, here we set the price to close a position when we have a certain gain.

Technical Analysis: Is the analysis that studies the historical quotation of a currency to determine a repeating pattern or any indication of the moment the trends change.

Traded Volume: The quantity and quality of trading operations in a certain period, generally daily or annual.

Volatility: It's the capacity of a chart's course to take unexpected directions in a short time. A higher volatility implies a higher risk.