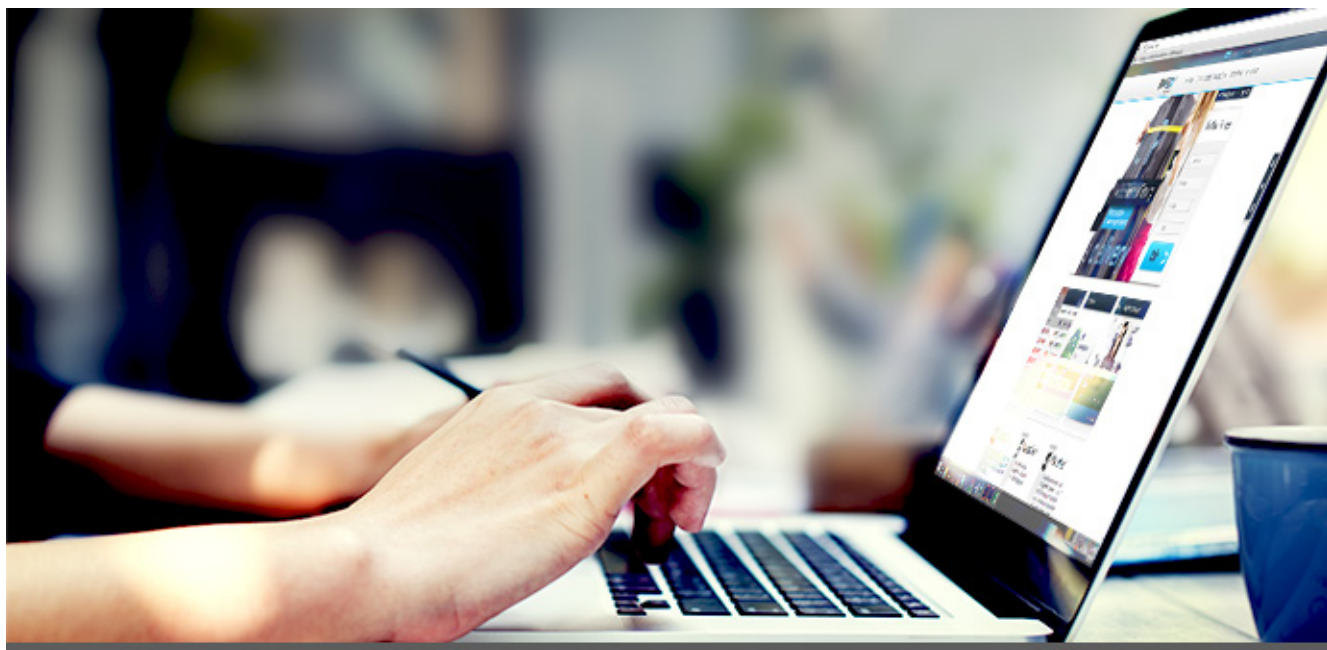


The iFOREX Guide to **ONLINE INVESTMENTS**



TAKING ADVANTAGE ^{of} MARKET OPPORTUNITIES



When you invest online you have to be aware of all your options and be ready to act fast to changes that occur. You have to use the market to your advantage and learn how to think ahead in order to achieve your goals. It's a fast-paced, exciting environment, and you need to face it with a broker you can trust. With 20 years of experience in the financial services industry, the iFOREX group understands the needs of modern traders and will help you discover market opportunities with valuable information and the most advanced trading tools.

Are you ready to get started?

TOPICS

1. The basics
2. Making moves
3. Preparation & research
4. Technical analysis
5. Summary

the BASICS



The first and most important step in becoming a trader is learning the basics. Here are a few important financial terms that you should know before you step onto the financial field and start opening deals.



INSTRUMENT:

Any of the financial products available to invest in (e.g.: shares, currencies, commodities, indices).



CONTRACT FOR DIFFERENCE (CFD):

A contract that allows investors to speculate on the changing values of underlying assets without having to take ownership of them. The contract exists between "buyer" and "seller", stipulating that the seller will pay to or gain from the buyer the difference between the value of the asset at the time the contract is agreed and the value at the time it expires.

When investing in CFDs, you can buy (or go long) when forecasting a rise, and sell (or go short) when forecasting a drop in value.



LEVERAGE:

Leverage allows you to open large deals with a relatively small investment.

FOR EXAMPLE: you can open a deal with \$100, but that deal could be worth up to \$40,000.

This is one of the main advantages of investing in CFDs as opposed to taking ownership of actual instruments.

**BID PRICE:**

The price at which an investor or institution is willing to sell the CFD.

**ASK PRICE:**

The price at which an investor or institution is willing to buy the CFD.

**SPREAD:**

The difference between the Bid price and the Ask price. It will vary depending on the instrument you invest in.

**SYMBOLS:**

An arrangement of letters abbreviating a particular currency, which is globally recognized. The symbol is usually three letters, for example: EUR / USD (Euro / United States Dollar)

In the Forex market, one currency is always traded against another currency. For instance, the EUR/USD. In order to buy Euros, you must sell the equivalent in U.S. Dollars.

**PIP:**

Pip stands for Percentage In Point. For most currency pairs, it corresponds to the movement of one unit of the fourth decimal digit in a rate, but there are exceptions like the Japanese Yen pairs and even shares and other instruments, where it corresponds to the movement of one unit of the second decimal digit in a rate.

For example: EUR/USD moves from 1.1050 to 1.1051, this .0001 rise in value is one Pip.

MAKING MOVES



The iFOREX investment platform automatically calculates all necessary equations, but informed traders understand the detail necessary to carry out successful strategies.

As an example, let's look at crude oil.

Opening a deal size of 380 contracts of oil means that you are buying 380 x oil contracts.

1

Choose the instrument:
WTI oil

**2**

Choose your deal size:
380 contracts

**3**

Choose direction:
Buy / Sell



EXPLANATION:

With an investment of \$200, you assume that the price of oil is going to strengthen, and you choose to buy oil. Let's say that in this example, the price of a single oil contract is \$52.

- * You don't have to actually own these contracts in order to sell them later – in a CFD investment you can sell an instrument without actually owning it because you are, in fact, investing in the instrument's price.

- Example 1:

A click on the "BUY" button will allow you to purchase 380 x oil contracts, using leverage of approx. 100:1.

$$380 \times 52 \text{ (ask price)} = \$19,760$$

REMEMBER:

One of the main benefits of CFDs is that your investment is leveraged (this is the benefit that enables you to open large deals with a relatively small investment).



For crude oil, the maximum leverage is: 200.

Your maximum deal size is therefore: **your investment x 200**.

This allows you to maximize your potential profits.

To demonstrate the calculations we will continue to use the oil example.

Let's say the price of the oil moves up by 20 points from 52 to 52.20

$$\begin{aligned} & 380 \times 52 \text{ (ask price)} = \$19,760 * \\ & 380 \times 52.20 \text{ (bid price)} = \$19,836 * \\ & 19,836 - 19,760 = 76 \Rightarrow \text{The difference is worth } \$76 \end{aligned}$$

- Example 2:

A click on the "BUY" button will allow you to purchase 760 x oil contracts, using leverage of approx. 200:1.

$$\begin{aligned} & 760 \times 52 \text{ (ask price)} = \$39,520 * \\ & 760 \times 52.20 \text{ (bid price)} = \$39,672 * \\ & \$39,672 - \$39,520 = 152 \Rightarrow \text{The difference is worth } \$152 \end{aligned}$$

* This calculation will always give you the value of the difference in the quote currency (in this case, US Dollar).

REMEMBER:

to succeed as an investor, it's important to have the ability of calculating risks and potential profits. It is always advisable to be aware of these calculations before opening a deal.

PREPARATION and RESEARCH



A successful investor needs to do their research and understand the markets. On a regular basis, each country and central bank publishes different results, gauging the strength of various parts of the economy. These indicators tell investors whether the economy is continuing to grow at a steady pace, or if there is a slowdown due to an economic contraction.

Understanding the value of these results indicates to investors how strong, or weak, a specific economy is. There are other economic events that could be important for a successful investor, for example: Profit reports of major companies.

Major financial events often mean high volatility – before, during and immediately after. For investors, volatility means opportunity and you need to be prepared to take advantage of opportunities.



At iFOREX you can find an economic calendar that covers major economic events, which can be sorted by country and importance.

This is a valuable resource, as it allows you to prepare in advance, and it forms part of 'Fundamental Analysis'.

Check the economic calendar regularly so you don't miss an important event.

Timezone: EET (Eastern European Time) Date Range: Filter Result: Results for the week of: 20/03/2016 - 26/03/2016									
Date	Time	Importance	Country	Event	Actual	Forecast	Previous	Period	
21/03/2016	13:00	● ● ●	UK	CBI Industrial Trends Survey - level			-17	Mar	⊕
21/03/2016	14:30	● ● ●	USA	Chicago Fed National Activity Index (CFNAI) - level		0.25	0.28	Feb	⊕
21/03/2016	16:00	● ● ●	USA	Existing Home Sales - level		5.305M	5.47M	Feb	⊕
21/03/2016	16:00	● ● ●	USA	Existing Home Sales - m/m			0.4%	Feb	⊕
21/03/2016	16:00	● ● ●	USA	Existing Home Sales - y/y			11.0%	Feb	⊕
22/03/2016	07:30	● ● ●	Japan	All Industry Index - m/m			-0.9%	Jan	⊕
22/03/2016	07:30	● ● ●	Japan	All Industry Index - y/y			-0.5%	Jan	⊕
22/03/2016	08:00	● ● ●	Switzerland	Merchandise Trade Balance			CHF3.51B	Feb	⊕
22/03/2016	09:00	● ● ●	Switzerland	Merchandise Trade Balance			CHF3.51B	Feb	⊕
22/03/2016	10:30	● ● ●	Germany	PMI Manufacturing Flash - level			50.2	Mar	⊕
22/03/2016	10:30	● ● ●	Germany	Services PMI			55.1	Mar	⊕
22/03/2016	11:00	● ● ●	Germany	ZEW Survey - Current Conditions			52.3	Mar	⊕
22/03/2016	11:00	● ● ●	Germany	ZEW Survey - Business Expectations			1.0	Mar	⊕
22/03/2016	11:00	● ● ●	Germany	IFO Survey - Current Conditions			105.7	Mar	⊕
22/03/2016	11:00	● ● ●	Germany	IFO Survey - Economic Sentiment			112.9	Mar	⊕
22/03/2016	11:00	● ● ●	Germany	IFO Survey - Business Expectations			98.8	Mar	⊕
22/03/2016	11:00	● ● ●	EU	PMI Manufacturing Flash - level			51.0	Mar	⊕
22/03/2016	11:00	● ● ●	EU	Services PMI			53.0	Mar	⊕
22/03/2016	11:30	● ● ●	UK	Consumer Price Index (CPI) - m/m			-0.8%	Feb	⊕

TECHNICAL STRATEGY

S Strategic planning is essential for investors. By analyzing and arranging the technical data, you can get a better understanding of trends and recognize opportunities.



CHARTS

A price chart is a sequence of prices drawn over a specific time frame, created to help investors forecast future price movements.

Example of an oil chart



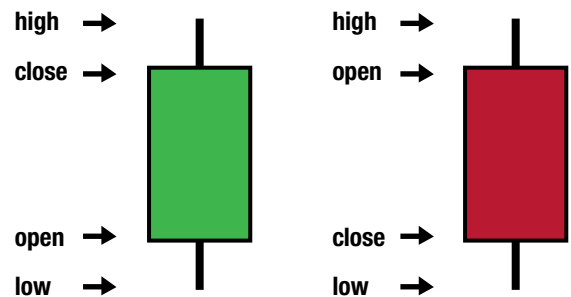
Charts can be shown in a variety of time scales according to investor's preferences, for example: Hourly, daily, weekly and monthly charts.

There are several types of charts that can be used in order to make decisions, for example:

1. Bar charts.
2. Candlestick charts.
3. Dot charts.
4. Line charts.

Candlestick charts have become the most popular method for analyzing CFDs.

The body of the candle will vary according to the market's volatility during a specified period.



TREND LINES

Trend is the general direction/movement made up of highs and lows on a chart.



SUPPORT AND RESISTANCE

Supports and resistances can be used as indications of new trends, and incorporated in your investment technique.



- **Support** - A certain price which is strong enough to prevent the current investment price from declining further.
- **Resistance** - A certain price which is strong enough to prevent the current investment price from advancing further.



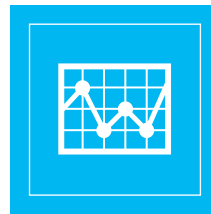
In addition to the above, there is a wide range of technical tools to assist you in defining a robust investment strategy, such as:



MOVING AVERAGES

An average chart line of prices calculated according to the period requested by the investor.

Moving averages are used to indicate a change in trend, the cross-over between two or three moving averages will hint that the current trend has possibly come to an end.



RSI (RELATIVE STRENGTH INDEX)

The RSI quantifies the current direction and strength.

This indicator is often used to follow the current trend in order to see if the trend is losing its current strength.



Technical analysis is a tool that assists investors to make decisions regarding their future investment strategies. Together with fundamental analysis, an investor can build an arsenal of tools in order to capitalize on the market.

Find all these graphs a tad confusing? **Don't worry**, iFOREX account managers will explain all the tools to you in detail and also offer you further tools like Signals and Webinars. When you visit the iFOREX Education Center you will also find additional information that could help you master these tactics.

SUMMARY

The tactics listed here are only some of the investment tools that you can use daily. It is highly recommended that you use the iFOREX educational materials to expand your understanding of strategies, tools and information.

REMEMBER:

Even experienced traders can benefit from training and support. You can gain a lot by taking advantage of the education resources, **free demo account and free personal training** available exclusively on the iFOREX site.

Log in now and remember to start slowly, overcome challenges and improve until you're ready to trade.

Good luck!

LOG IN



For Educational Purposes Only

Your Capital is at Risk

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