Account Value:
The account value is how much one’s account is worth.

ADP Non Farm Employment Change:
This U.S. report is a measure of non-farm private employment. It was developed in order to help meet the need for timely and accurate estimates of short-term movements in the labor market.

Analyst:
When analyzing the market, analysts can generally be divided into two camps – fundamentals and technicals.
Fundamental analysts are those who mainly look at the fundamental aspects of an economy in forming their opinions. They stay on top of the markets by reading and analyzing what the current economic data say about current market conditions, what is fundamentally driving the market, and where it’s headed.
Technical analysts are those who primarily rely on chart indicators and patterns to help predict where price will move next. Some tools that technical analysts use are Fibonacci retracement, candlesticks and momentum indicators.

Ascending Trend Channel:
An ascending trend channel is a basic chart pattern used in technical analysis. Ascending trend channels are a useful tool due to their ability to predict overall changes in trend. As long as prices remain within the ascending trend channel, the upward trend in price can be expected to continue. As soon as prices exceed either trendline forming the channel, however, a strong signal either to buy or to sell is generated. A break through the upper trendline generates a strong buy signal, while a break through the lower trendline generates a strong sell signal.

Ascending Trend Line:
A bullish pattern created by connecting two or more lows, with each successive low higher than the previous low. This creates an upward sloping trend line.

Ascending Triangle:

An Ascending Triangle is a price action formation signal based on continuation pattern theory.

Continuation patterns also include symmetrical triangles, descending triangle], wedges, flags, rectangles and pennants and are essentially technical patterns that are expected to lead to the continuation of an existing trend. Continuation patterns are considered a powerful trading tool as they usually result in extremely low risk trading opportunities and spectacular returns.

An ascending triangle demonstrated within a chart pattern is recognized as having a bullish position and occurs as a result of price highs and price lows that have begun to converge so that they, in effect, form a point. If a line is drawn above and below the pattern the top line will appear straight whilst the bottom will slope upwards at an angle.

Ascending triangles are considered to be at their most reliable when occurring during an uptrend, and a buy order should be placed on a break above the upper resistance area of the triangle. If however, the pattern is proved to be false, or if the ascending triangle pattern should fail, then it is advisable to sell when the market breaks out and below the triangle.

Ask Price:

The price at which the market sells a currency. The trader can buy the base currency at this price.

Asset:

An item that has exchange value.

Average Directional Index:

The average directional index, or ADX, was developed by J. Welles Wilder as a measure of a current market trends strength. The ADX is derived from two directional indicators, known as DI+ and DI-, which are in turn derived from the directional movement index (DMI).
ADX is calculated by finding the difference of DI+ and DI-, as well as the sum of DI+ and DI-. The difference is divided by the sum, and the resulting number multiplied by 100. The product is known as the directional index, or DX. A moving average is then taken of DX, typically over a fourteen-day period (although any number of periods can be used.) This final moving average is the ADX.
The ADX takes the form of a number from 0 to 100. A value of 0 indicates that the market is equally likely to move in either a positive or negative direction, meaning that there is no overall market trend. A value of 100 indicates that the market is exclusively moving in either a positive or negative direction, indicating an extremely strong trend. Values of greater than 60 are uncommon in practice, and any value of greater than 40 is considered to be a strong trend. Any value less than 20 is considered to be a weak trend, and may signal an upcoming reversal. Because the ADX is derived from both positive and negative directional indicators, it only measures the magnitude of a trend rather than its direction.

Balance Of Trade:

The difference in value between a country’s imports and its exports.

Bar Chart:

A type of chart used in the forex. It has four major points- the high and low prices which form the vertical bar, the opening price marked on the left side of the bar, and the closing price marked on the right.

Base Currency:

The first currency in a currency pair. It compares the values between the first currency and the second currency in a currency pair.

Base Rate:

A term used in the UK for the rate used by the banks to calculate the Interest rate to borrowers. Top quality borrowers will pay a small amount over base.

Basis Point:

One percent of one percent.

Bear:

A person who believes that prices will decline.

Bear Market:

A market in which prices are noticeably declining.

Bear Trap:

Manipulation of a financial instrument like crypto, stock or commodity by investors. Traders who “set” the bear trap do so by selling the crypto asset until it fools other investors into thinking its upward trend in value has stopped, or is dropping.

Those who fall into the bear trap will often sell at that time, fearing a further drop in value. At that point, the investors who set the trap will buy at the low price and will release the trap—which is essentially a false bear market. Once the bear trap is released, the value will even out, or even climb.

Bearish:

The term “bearish” is used to describe that a person’s, or group’s, outlook on an asset is negative (i.e., that the asset will fall in value).

For example, Jane is “bearish” on the Swiss Franc, which means she thinks its value will go down in price.

Bearish Engulfing Pattern:

The market must be in clearly defined uptrend. The first candle is bullish. The second candle is bearish. The bearish candle engulfs the previous candle’s body. The size of the candle being engulfed doesn’t matter. Ignore the wicks. An even stronger signal occurs when the bearish candle engulfs the bodies of two or three previous candles. Indicates a bearish trend may be beginning.

Bearish Reversal Candlestick Patterns:

The Bearish Reversal Candlestick Pattern comes in over 12 different forms. These include the Abandoned Baby, the Bearish Engulfing Pattern, the Harami, the Dark Cloud Cover, the Evening Star and the Shooting Star. Bearish Reversal Candlestick Patterns should form in an uptrend and most will require Bearish Confirmation as reinforcement of the pattern. Use additional anaylsis to further support your findings.

Bid Price:

The price at which the market buys a currency. This is the price that the trader may sell the base currency.

Bid/Ask Spread:

The difference between the bid and offer price.
The BID represents the price at which the forex broker is willing to **buy** the base currency in exchange for the counter currency.
Conversely, the ASK price is the price at which the forex broker is willing to **sell** the base currency in exchange for the counter currency.

Biflation:

Biflation is a phenomenon where both inflation and deflation occur at the same time. This term was coined by Dr. Osborne Brown, a Senior Financial Analyst for the Phoenix Investment group.

Bitcoin:

Bitcoin, created in early 2009, by Satoshi Nakamoto, is a form of digital currency, that you can’t hold it in your hand as you would with a traditional currency. Instead, bitcoin is created and held in digital form and relies on cryptography for security. Bitcoin is a decentralized currency, meaning it is not controlled by a single entity (like a central bank). Nobody controls it.

Binary Options:

In finance, binary option (also called fixed return option, all or nothing or digital option)is a type of option where the payoff is either some fixed amount of some asset or nothing at all.[1] Binary options have been available since the middle of 2008.
Binary options are trading options that pay out a pre-set and fixed amount if the underlying asset on which the option is based reaches the trader

Breakout:

When the market price of an asset moves through a previously strong support or resistance area or level of interest. Typically followed by increased volatility and heavy volume.

Breakeven:

The point at which gains equal to losses.

Broker:

An agent or company who executes orders to buy and sell currencies and related instruments for their clients; they typically make money on either the commission or on a spread. Brokers are agents working on commission and not principals or agents acting on their own account.
In the foreign exchange market, brokers tend to act as intermediaries between banks bringing buyers and sellers together for a commission paid by the initiator or by both parties. There are four or five global brokers operating through subsidiaries, affiliates, and partners in many countries.

BTD:

BTD is an acronym for “**Buy the Dip**“. It’s spoken between traders to suggest buying a specific cryptocurrency during a price dip.

Bull:

A person who believes that an asset will rise in value.

Bull Market:

A market characterized by rising prices.

Bull Trap:

A bull trap is set by investors in a financial instrument, like crypto, stock or a commodity, who will buy large amounts in order to artificially drive the value upward, or create a false bull market.
Traders who are fooled by the bull trap will often buy shares at the inflated price, in the belief that the upward trend will continue and the shares they're buying will rise in value.
Unfortunately, those who fell into the bull trap will often be left holding shares for which they paid too much, since once the trap is released, the market evens out, and sometimes even drops.

Bullish:

The term "bullish" is used to describe that a person's, or group's, outlook on an asset is optimistic (i.e., that the asset will rise in value).
For example, John is "bullish" on the British Pound, which means he thinks its value will go up in price.

Bullish Engulfing Pattern:

A reversal trading pattern that typically occurs after a signifcant downtrend. It occurs when a small bearish candle is engulfed by a large bullish candle. This signals a possible reversal. Ignore the wicks. An even stronger signal occurs when the bullish candle engulfs the bodies of two or three previous candles.

Bullish Reversal Candlestick Patterns:

The Bullish Reversal Candlestick Pattern has over 14 different pattern styles. These include the Bullish Engulfing, the Piercing Pattern, the Harami, the Hammer, the Inverted Hammer, the Morning Star, and the Abandoned Baby. To use Bullish Reversal Candlestick Patterns succesfully, look for the pattern in a downtrend and use Bullish Confirmation to validate your analysis. Further reinforce your results by using additional analysis to confirm the patterns.

Buying Pressure:

Buying pressure occurs when the majority of traders are buying, indicating the majority think the market price will increase.

Candlestick Chart:

Type of chart used to indicate the trading range for the day and opening/closing prices.

Cash Market:

The market on which a futures or options contract is based.

Central Bank Intervention:

Currency intervention occurs when one central bank or more buys (or sells) a currency in the foreign exchange market in order to raise (or lower) its value against another currency.

Clearing Price:

The actual monetary value given to an asset. This value in a trade serves as a compromise at which a buyer agrees to buy and a seller agrees to sell.

Closed Position:

A position that has been terminated or ended.

Commission:

A transaction fee charged by a broker.

Commodity:

A physical substance traded on an exchange. Typical commodities include “energy” (such as crude oil), “metals” (such as gold and silver) and “soft” commodities (foodstuffs such as sugar, wheat and coffee).

Confirmation:

Confirmation means a cryptocurrency transaction has been verified (via the mining process) and added to a block that contains many other transaction. Confirmations are more blocks containing many more transactions that have been added to the blockchain. Confirmation time varies between cryptocurrencies.
Bitcoin has a confirmation time of about 10 minutes. This means that about every 10 minutes, your bitcoin transaction get buried deeper within the blockchain, making it more difficult to alter.
Many exchanges will require multiple confirmations until the transaction is considered secure.

Confluence:

Confluence occurs when several technical indicators give the same trade signal. Confluence of trade signals could lead to greater accuracy and profitability.
For instance, this happens when support and resistance levels are closely in line with Fibonacci retracement and extension levels. Psychological levels, previous highs and lows, and dynamic support and resistance levels (such as moving averages or Bollinger bands) can also act as areas of interest. When these levels coincide, they form stronger support or resistance levels, which could be used as entry points or take profit levels.

Consolidation:

Consolidation illustrates the lack of a trend in a particular trading range. It frequently occurs after downtrends or uptrends, and can be seen as a stretch of indecision. Consolidation draws to a close when price breaks through existing lines of support and resistance.

Consumer Price Index:

An index that measures the change in price of a representative basket of goods and services such as food, energy, housing, clothing, transportation, medical care, entertainment and education. It's also known as the cost-of-living index.

Convergence:

Normally, the contract price of a futures contract is higher than the current price of the underlying asset (normally a commodity). The futures contract price is higher because of the effect of the time value of money. As the expiration date nears, the spread between the spot price and the futures contracts price becomes smaller and smaller. On the delivery date of the contract, the futures and spot prices should be equal.
This process of futures and spot prices approaching one another is called convergence.

Cross Rate:

An exchange rate between two currencies, usually constructed from the individual exchange rates of two currencies, as most currencies are quoted against the dollar.

Crude Oil Inventories:

The amount of crude oil, gasoline, and distillate in a country.

Cryptocurrency:

A cryptocurrency is a digital currency that uses a blockchain and relies on cryptography for security.
The nature of the blockchain means that individuals can transact directly with each other, even if they don't trust each other. Cryptocurrencies don't need a centralized party like a bank to carry out transactions between individuals.
Cryptography is used to keep transactions secure and to control the creation of additional units of a currency.
Bitcoin is considered the first cryptocurrency and is currently, the largest and most famous, out of the more than 1,300 cryptocurrencies now available on the interwebz.

Currency Pair:

Made up for a Base currency and a Quote currency (or Counter currency), it's the way of displaying and pricing one currency against another to be used to make a trade. Currency pairs are normally shown as two abbreviated currency names, separated by a slash. The slash can sometimes be omitted, showing only the two currency abbreviations, side-by-side.
The most traded currency pairs in the world are called the Majors. They include the currencies euro, US dollar, pound sterling, Canadian dollar, Swiss franc, Japanese yen, and Australian dollar. The Majors make up the largest share of the foreign exchange market and exhibit high market liquidity.

Currency Risk:

The chance that is involved in exchange rates to have negative effects.

Current Account Balance:

The Current Account Balance (CAB) is a function relating to a country's Balance of Payments (BOP), others being the Capital Account and the Financial Account. Basically, it is the broadest measure of international flows of capital, goods, and services in and out of a country.

Daily Chart:

A graph that shows the past price movement of a security in which each bar or candlestick represents a day's worth of data.

Day Trader:

A person who makes and closes trades within the same trading day, or "flat" (no open positions) at the end of the session.

Deflation:

Deflation is the opposite of inflation. It is the decrease in the price of a basket of goods and services. Deflation happens when the annual inflation rate turns negative. Such an event is usually brought about by a reduction in the money supply and/or credit.

Descending Trend Channel:

Descending trend channels are basic chart patterns used in technical analysis. A descending trend channel is formed by drawing two trendlines, one through the high prices for an asset and one through the low prices for the asset. If the trend in prices is downward, then the space between the trend lines forms a descending trend channel.

Descending trend channels, like ascending trend channels, are a tool for determining whether the short-term trend in price will continue. As long as prices remain within the region defined by the trend channel, traders expect the overall trend to go on as it is. Once prices break out of the channel, a strong signal either to buy or sell is generated. If prices break upward out of the channel, the signal is bullish; if prices break downward, the signal is bearish.

Descending trend channels often appear within an overall uptrend in prices, and represent either a continuation of the trend or a reversal of the trend, depending on the direction of the break.

Descending Trendline:

Descending trendlines are a variety of trendlines, one of the most fundamental tools for technical analysis. Descending trendlines are simply trendlines with a negative slope, indicating falling prices. There are two types of descending trendlines: descending top trendlines, in which the high prices for an asset are falling, and descending bottom trendlines, in which the low prices for the asset are falling.

The rules for trading using descending trendlines are the same as the rules for trading with trendlines in general. A descending top trendline is a measure of the resistance to an asset's price, and traders consider a break in price through the descending top to be buy signal for the asset. A descending bottom trendline is a measure of the support in an asset's price, and traders consider a break in price through the descending bottom to be a sell signal for the asset. Many traders consider it necessary for additional signals to appear on the chart before a broken descending trendline is confirmed, and before those traders will take the appropriate market action.

Directional Movement Index:

The directional movement index (or DMI) was developed by J. Welles Wilder in order to determine the overall direction of a given asset's prices. DMI is composed of two lines, one representing positive direction (+DI) and one representing a negative direction (-DI).

To calculate the DMI, a trader first calculates the difference between the current high and the previous high (HiDiff), as well as the difference between the previous low and the current low (LowDiff). HiDiff and LowDiff are then compared. If HiDiff is greater in value, a variable +DMI is set to HiDiff and a variable -DMI is set to 0. If LowDiff is greater, -DMI is set to LowDiff and +DMI is set to 0. If the two values are equal, or if no trend is seen in either highs or lows, both values are set to 0. A calculation known as the Welles Summation is then performed on both +DMI and -DMI, resulting in two numbers: +DI and -DI, both ranging from 0 to 100. The directional movement index consists of these two points.

The DMI can be used in strongly trending markets to determine strong buy and sell signals. The DMI generates a strong buy signal when +DI crosses above -DI at any point and generates a strong sell signal when +DI crosses below -DI at any point. In non-trending markets, this indicator becomes less useful.

The directional movement index is the basic value from which the average directional index (or ADX) is derived.

Divergence:

Divergence is a trading pattern in which the relationship between price action and an oscillator indicator is measured.

If the price begins to move in a negative correlation to an indicator, (ie. higher "highs" in price, but lower "highs" in indicator), it could be viewed as a leading indicator for a potential change in price direction.

Doji:

The doji is a type of candlestick and a warning sign of a pending reversal. The lack of a real body conveys a sense of indecision or tug-of-war between buyers and sellers and the balance of power may be shifting. The open and close are pretty much equal. The length of the upper and lower shadows can vary and the resulting candlestick looks like a cross, inverted cross or plus sign.

Double Bottom:

A Double Bottom is a form of chart pattern used in technical analysis. This pattern is characterized by a distinct drop in price, followed by a slight reversal (or recovery) with a second drop occurring soon after to either the same or similar level as the first, before another, significant recovery so that the chart appears to take on the form of the letter 'W'.

Double Top:

Any chart pattern similar to the one show below is known as a

Economist:

Economists are scientists who study economics. They study market conditions by analyzing economic data that is released daily, and try to explain what is affecting the economy. They predict how current market conditions will alter future government fiscal and monetary policy.They based their predictions on theory and how the market should act.
Economists are more concerned with the longer term outlook of the economy, because there are normally delays when the government makes changes in policy.
Take note, while some economists do trade, not all are traders.

Employment Change:

This report measures the change of a country's employment conditions from the previous month. In layman terms, it means it counts the total number of people who lost their jobs or gained employment in the previous month. A negative figure means that overall, more jobs were lost than gained in the previous month, while a positive figure means more jobs were created than lost.
The markets monitor employment because it is directly related to consumer spending. Naturally, people would be more willing to spend if they were employed and vice versa.

Engulfing Pattern:

A reversal pattern that can be bearish or bullish depending upon whether it appears at the end of an uptrend bearish engulfing pattern or downtrend bullish engulfing pattern. The first candle is characterized by a small body, followed by a candle whose body completely engulfs the previous candle's body.

Entry Order:

An entry order is one that is used to enter a trade at a specified price level. If the currency pair never reaches that price level then the entry order is not executed. There are three types of entry orders:
A market order allows the trader to buy or sell at the best current price.
A Limit Order|limit order is an order to buy at market below the current market price or to sell at market above the current price if the order price is reached. This is used when the trader thinks that the price action will reverse upon hitting that specified price level.
A Stop order|stop order is an order to buy at market above the current market price or to sell at market below the current price if the order price is reached. This is used when the trader thinks that the price action will continue upon reaching that specified price level.

Evening Doji Star:

A three candle bearish reversal pattern similar to the Evening Star.
The uptrend continues with a large white body.
The next candle opens higher, trades in a small range, then closes at its open (Doji).
The next candle closes below the midpoint of the body of the first candle.

Evening Star:

A bearish reversal pattern that continues an uptrend with a long white body candle followed by a gapped up small body candle, then a down close with the close below the midpoint of the first candle.

Exchange:

A physical location where commodities and futures are traded.

Exchange (Crypto):

An exchange is a website or mobile application where individuals can buy and sell cryptocurrencies using fiat money, bitcoins or altcoins.

Exchange Rate Risk:

The potential loss that could be incurred from an adverse movement in exchange rates.

Exotic Currency:

Refers to a currency that is not popularly traded or considered one of the eight major currencies.

Exponential Moving Average:

See Moving Averages

Federal Reserve:

The Federal Reserve of the United States, commonly known as the Fed, is the organization responsible for monitoring and maintaining the United States currency supply. Established by Congress in 1913, the Fed is composed of a Washington D.C.-based Board of Governors, twelve large regional banks, and a number of smaller affiliated institutions.

The Federal Reserve of the United States has a number of methods for influencing the American money supply. Chief among these is the power of the Fed to increase or decrease the amount of currency in circulation. The Fed can purchase or sell government securities to its primary traders, which brings additional Federal Reserve Notes into circulation or removes excess paper money from the supply. The Fed also works with the U.S. Mint to print additional paper money, or to destroy unneeded currency.

Fibonacci Arcs:

Fibonacci arcs are created by first drawing an invisible trendline between two points (usually the high and low in a given period), and then by drawing three curves that intersect this trendline at the key Fibonacci levels of 38.2%, 50% and 61.8%. Transaction decisions are made when the price of the asset crosses through these key levels.

Fibonacci Channel:

Human behavior is not only reflected in chart patterns as large swings, small swings or trend formations. Human behavior is also expressed in peak-valley formation. Fibonacci channels make use of peak and valley formations in the market and lead to conclusions on how to safely forecast major changes in trend directions.

Fibonacci Extension:

Fibonacci extensions are, as the name indicates, not a separate Fibonacci Studies in their own right, but rather a way to increase the utility of Fibonacci retracements over time. Fibonacci extensions are created by first generating a Fibonacci retracement chart for a market. This is done by drawing a vertical line from a top to a bottom and then crossing the vertical with horizontal lines, each drawn through points determined by taking Fibonacci-significant percentages of the initial vertical's length (38.2%, 50% and 61.8% of the vertical's length being the most common values used.) Once a basic Fibonacci retracement is created, a Fibonacci extension can be created by extending the vertical and drawing additional horizontal lines through it at higher or lower price levels, corresponding to greater Fibonacci-significant percentages: 161.8%, 261.8%, or any percentage derived by multiplying a previous percentage by the golden ratio of 1.618. Once a Fibonacci level is met and broken through, that level becomes support, with the following Fibonacci level becoming resistance.

Fibonacci Retracement:

Markets move in rhythms. An impulse wave that defines a major market trend will have a corrective wave before the next impulse wave reaches new territory. This occurs in either bull market or bear market conditions. The most common approach to working with corrections is to relate the size of a correction to a percentage of a prior impulsive market move. In regards to the 3-wave patterns, Fibonacci Retracement indicates how far a corrective wave B could go before wave C is born. The first support level is the one marked by 38.2% and if price moves through it then it becomes a resistance line and a new support level shifts to Fibonacci level of 61.8%.

Fixed Exchange Rate:

An official rate set by monetary officials.

Flags:

A flag is a chart pattern used in technical analysis. Although it is less popular than triangles, wedges, and other commonplace technical analysis tools, traders consider flags to be extremely reliable consolidation patterns.
A flag forms when price shoots up extremely sharply in a single trading period, forming a nearly vertical line. This is known as the ”flagpole”. After the flagpole forms, bearish traders, eager to capitalize on instant profits, begin selling off their holdings in the asset. However, this doesn’t cause a rapid decline in price, as bullish traders begin buying up holdings of the stock, hoping to capitalize on future increases in price. The resulting declining trend channel resembles a downward-sloping parallelogram, giving the chart the appearance of a flag, and hence its name.
If prices fail to break the upper resistance line of the flag within twenty days, the flag pattern fails. If prices do break this level, however, another flagpole and another extreme peak in prices can be expected in the near future. This causes the flag, when confirmed, to be an extremely strong buy signal and an opportunity for massive profits with little time investment.

Foreign Exchange:

Foreign Exchange, or Forex trading is the simultaneous buying of one currency and the selling of another. Currencies are traded through a broker or dealer, and are traded in pairs; for example the Euro and the US dollar] (EUR/USD) or the British Pound and the Japanese Yen (GBP/JPY).
Because you’re not buying anything physical, this kind of trading can be confusing. Think of buying a currency as buying a share in a particular country. When you buy, say, Japanese Yen, you are in effect buying a share in the Japanese economy, as the price of the currency is a direct reflection of what the market thinks about the current and future health of the Japanese economy.

Forex:

Also referred to as the “”FOREX”” or “”Forex”” or “”Retail forex”” or

Fundamental Analysis:

Fundamental analysis is a way of understanding the changes in market valuation by analyzing economic, social, and political forces that affects the supply and demand of an asset.

Fundamentals:

Macroeconomic factors that affect the currency markets.

Futures:

A standardized, transferable, exchange-traded contract that expires on a specified future date.

Gap:

Where a market moves directly from one correctly quoted price to another, significantly different, correctly quoted price.
There can be many reasons for gapping: economic figures; company announcements; political events; natural disasters etc but the effect is that any fill on a stop loss, limit or new order may be at a different level from that requested by the trader.

Globalization:

Globalization is the term used to describe how vastly different economies and cultures have easily integrated themselves with one another through communication, transportation, and economic policies. Through technological advances and outward-looking government policies, the interdependence of various economies with one another has drastically increased.
One of the best examples of globalization is the formation of the World Trade Organization, or WTO. Made up of 144 countries, the WTO is a worldwide institution that sets up rules and regulation to that govern international trade.

Going Long:

The act of buying currency, commodities, and stocks for investment.

Going Short:

The act of selling currency, commodities, or stocks not already belonging to the seller.

Gold:

Gold is a commodity that is commonly used in jewelry and variety of electronic products and equipment due to its conductivity, malleability, and durability. Previously, it was used as a standard for monetary exchange as well. This practice was stopped with the introduction of the fiat system in the US in 1971. Switzerland was the last country to support their money with gold. 40% of the country

Hammer:

Hammer candlesticks form when prices moves significantly lower after the open, but rallies to close well above the intracandle low. The resulting candlestick looks like a square lollipop with a long stick. A hammer indicates that the market may be attempting to find a bottom, and that buyers are strengthening their position. If this candlestick occurs after a significant uptrend, then it is called a Hanging Man. The body can be clear or filled in.

Harami:

A two candle pattern that has a small body candle completely contained within the range of the previous body, and is the opposite color. Coming after a strong trend, this pattern indicates a decrease in momentum and possibly the end of the trend.

Hawkish:

Refers to the tone of language when describing an aggressive stance or viewpoint regarding a specific economic event or action.

Head And Shoulders:

The Head and Shoulders chart pattern is considered by many traders and analysts to be one of the most reliable and accurate of all reversal patterns.
The head and shoulders pattern reveals itself by a series of three highs with the Head represented as central high that is higher than the flanking peaks that form the shoulders.
The head and shoulders chart pattern essentially represents a rally to a new high, followed by a decline, then a marked uptrend forming the second, central high before a second decline and final rally that inevitably fails once again.

ICO:

An **initial coin offering** or **ICO** is an unregulated means by which a cryptocurrency venture, typically early stage, can raise money from supporters by issuing tokens.
It is often referred to as a “crowdsale” as ICO participants may potentially earn a return on their investments (as opposed to crowdfunding, where supporters donate money to a project or cause).

Imports:

Imports refer to goods and services purchased from another country. For instance, industrialized countries usually import oil from OPEC countries.

Interbank Rates:

The foreign exchange rates that large international banks quote to other large international banks. Fat chance you'd ever get access to this rate.

Interest Rate Risk:

The potential for losses arising from changes in interest rates.

Inverted Hammer:

A one candle bullish reversal pattern. In a downtrend, the open is lower, then it trades higher, but closes near its open.

Limit Order:

An order with specified boundaries. Can be used to control how much profit and how much loss a trader is willing to handle.

Liquidation:

Closing one position by opening a new transaction to offset it.

Long Candle:

A long candle represents a large move from open to close, where the length of the candle body is long.

Long Position:

A position that becomes beneficial as market price rises. A pair in which the base currency is bought is said to be long.

Long Term Trading:

Long term trading, otherwise known as position trading, refers to a trading style in which the trader will hold on to a position for an extended period of time. A position trade can last anywhere from a few weeks to a couple of years.
Most long term trading traders rely heavily on fundamental analysis, as they are mostly concerned with the future outlook of the market they are trading. They are not as concerned with the intraday ups and downs and instead focus on the fundamental factors driving the longer term trend. Because of their longer term outlook, long-term traders will normally look at daily, weekly and even monthly charts for their analysis.

Long-Legged Doji:

This candlestick has long upper and lower shadows with the Doji in the middle of the candle's trading range, clearly reflecting the indecision of traders.

Lot:

A unit of measurement that measures the amount of the transaction. It is always an integer number.

MACD:

Moving Average Convergence/Divergence, an indicator used in technical analysis that was invented in the 1970s as a means of showing the differences between both the fast and slow EMAs (Exponential Moving Average) of closing prices, although since 1986 the graph has been produced as a histogram.
The moving average as expressed by the MACD is essentially the average of a price over a certain set amount of time and the MACD enables easy demonstration of the relationship between two exponential examples of the moving average.

Margin:

The necessary money needed to maintain a position. The required initial deposit of collateral to enter into a position or foreign exchange trade.

Margin Call:

A demand for additional funds to cover open trade positions.

Market Cap:

Market capitalization (market cap) is the market value of a company, market or sector at a point in time commonly used to rank relative size.
In equities, it refers to the total market value of a company’s outstanding shares.
In cryptocurrency investing, it refers to either **price multiplied by the circulating supply** (free float market cap) or **price multiplied by the total supply** (fully diluted market cap).

Market Maker:

A person who normally quotes both the buy and sell prices.

Market Order:

An order to make a transaction at the current market price.

Money Management:

Money management is perhaps the least realized and most important weapon in a trader’s arsenal. A large percentage of Forex traders fail because they don’t have the concept of money management firmly in their grasp. In order to constantly wager hundreds or thousands of dollars, traders have to know the potential of every penny they are risking.

Money Supply:

Money supply is the total amount of money in circulation in the economy at a particular time. It is considered an important instrument in controlling inflation. There are three measures for money supply, namely M1, M2, and M3. M1 is a narrow measure of money.

Morning Doji Star:

A three candle bullish reversal pattern that is very similar to the Morning Star.
The first candle is in a downtrend with a long black body.
The next candle opens lower with a Doji that has a small trading range.
The last candle closes above the midpoint of the first candle

Moving Average:

The average of prices over a given time. Can be used as a trading tool.

Net Position:

The amount of currency bought or sold that hasn’t been offset by opposite transactions.

Nonfarm Payroll Employment:

An estimate of the number of payroll jobs at all nonfarm business establishments and government agencies. Information is also provided on the unemployment rate, average number of hours worked per week, and average hourly and weekly earnings. Nonfarm Payroll numbers are included in the monthly Employment Situation report.

Offer:

The price a dealer is willing to sell a currency.

Open Order:

An order that will be executed when a specified market price is reached.

Open Position:

An active trade that has yet to be closed.

Overnight Position:

A position that stays open until the next trading day.

Pip:

The most common increment of currencies is known as the “pip.” It is the smallest value change in a currency pair exchange rate.
For instance, if the EUR/USD moves from 1.2250 to 1.2251, that is ONE pip. A pip is the last decimal place of a quotation. A positive or negative pip value is how you measure your profit or loss.

Position:

The net total exposure in a given currency. A position can be either flat or square (no exposure), long (more currency bought than sold), or short (more currency sold than bought).

Position Trading:

A position trader can be compared to a squatter who sets up a tent in the middle of a crowded shopping mall, letting people pass by and stare but remaining relatively untouched by them until the authorities come in to shoo him off.
Since position trading involves staying in one position for more than a day, unfavorable market conditions rarely phase traders who use this trading strategy, unless they continue for more than a couple of days. Of course there are risks involved with staying in one position for so long, but the risks are less than those experienced by day-traders, who have to enter and leave the market many times in a day, leaving too much opportunity for mistakes. One disadvantage to position trading is that any changes that occur overnight or after hours can result in a serious financial loss. However, because of the constant fluctuation in currency values, the same magnitude of value change can occur in the other direction as well, allowing the trader to realize a higher profit during hours when most day-traders are asleep.

Price Action:

Price action refers to a security’s price movement. It can be represented in terms of charts, graphs, and tables.
The study of price action is often referred to as **technical analysis**.

Profit/Loss:

The actual gain or loss due to transactions and market activities.

Quote:

Informs every market individual of market prices.

Quote Currency:

The second currency in a currency pair. Also known as the Counter currency.

Rate Of Change:

Rate of change is an indicator used in technical analysis. The basic logic behind ROC is the same logic that underlies momentum: the change in price levels over time, or the slope of the trendline. However, ROC differs from momentum in the focus traders place on the time period used to calculate ROC, while the value of momentum depends much more on the trendline chosen by the technical analyst than on the time period used.

Recession:

The newspaper definition of a recession is when the GDP rate declines by 2 or more consecutive quarters. The problem with this definition is that it makes it more difficult to say whether the economy is in a recession or not. This definition does not take into account other macroeconomic factors like unemployment.

Relative Strength Index:

Relative Strength Index, sometimes shortened to RSI, is a price oscillator used in technical analysis to show changes in the strength of prices.
The Relative Strength Index is considered a popular tool and is a relatively easy one to interpret. This price following oscillator is depicted as a basic graph and ranges from zero to one hundred.
By far one of the most popular methods of analyzing the Relative Strength Index is to look for an area on the graph that shows a divergence away from the current trend, in particular seeking an area of divergence in which the currency price seems to be aiming to create a new high, but where the Relative Strength Index has as yet failed to reach a level on par with it's previous price high.
This sort of divergence can often be considered a good indication of an impending price reversal to the current trend and when the RSI does reverse and falls in a down trend that extends below its most recent low, the RSI could then have been considered to have completed what is known as a 'failure swing'. Such a swing is generally considered to be a confirmation of an impending reversal in the price of the currency in question.

Resistance:

An estimated price level at which people will sell.

Ripple:

Ripple (XRP) refers to the cryptocurrency and the name of an open source payment platform where the cryptocurrency (XRP) can be transferred. The vision for the platform is to enable real-time global payments anywhere around the world. The Ripple payment protocol was built by OpenCoin which was founded in 2012.

Rising Wedge:

A rising wedge is a common chart pattern in technical analysis. The rising wedge is formed by drawing two ascending trendlines, one representing high prices and one representing low prices for an asset. The slope of the trendline representing the highs is lower than the slope of the trendline representing the lows, indicating that low prices are increasing more rapidly than high prices are. The resulting shape forms a gradually narrowing wedge, giving this pattern its name.
Because the trendlines that describe the rising wedge are ascending, rising wedges are occasionally falsely thought of as continuation patterns for an overall upward trend. The seeming upward trend in asset prices invites bullish traders to begin investing in the asset, while bearish traders continue selling off their holdings and maintaining the strong upper line of resistance. (This is reflected in the smaller slope of the upper trendline in the pattern.) Since prices refuse to break the upper level of resistance, buying pressure gradually decreases, the lower level of support is broken, and the asset usually enters a strong downward trend. Thus a rising wedge should be taken as a strong sell signal and an indication that a market reversal is imminent.

Risk:

A chance in which an effect will occur. Mainly used as a negative effect.

Risk Capital:

Amount of money a person is willing to lose.

Risk Management:

The process and ability to limit and eliminate various types of risk.

Scalping:

Scalping or short-term trading involves making dozens or hundreds of trades a day, trying to scalp a small profit from each trade by exploiting the bid-ask spread.

Sentiment Analysis:

Sentiment Analysis is the art of not following the bandwagon. It effectively focuses on identifying the patterns of movement investors take on a subjective basis. The theory goes that when a crowd is leaning too far in one direction, it is a sign that a change is about to occur.
Traders who utilize sentiment analysis look to investors to see what they are talking about, and how they are reacting to the market. In order to see what investors are talking about, those who research investor sentiment conduct surveys asking them what they believe the current market outlook is. They then act contrary to the results: if less than 25% of the investors surveyed are confident in the future profitability of a market, sentimental analysts will often increase a bet in the market with the expectation that a buying opportunity might be near.
To find out how investors are feeling, sentiment analysts look for indicators such as proprietary bank flow, COT data, and other special research like MarketVane. If the actions of investors seems to indicate that a currency will rise, those who use sentiment analysis will often sell, preparing for a fall in price instead.

Settlement Risk:

The chance that one of the two parties of a transaction cannot fulfill the terms of the transaction. May lead to principal risk.

Shooting Star:

A single candle pattern that can appear in an uptrend. It opens higher, trades much higher, then closes near its open. It looks just like the Inverted Hammer except that it is bearish. A shooting star can mark a top but is often retested.

Short Position:

A position in which the base currency is sold. It is beneficial when a price declines.

Spot Price:

Also known as the current market price.

Spot Trade:

A contract for immediate or “on the spot” delivery, as opposed to a currency or futures contract with a future expiry date. Used in forex trading to denote the immediate exchange of currencies.

Stocks:

Stocks or equities refer to partial ownership of a company’s assets and profits. If you own a stock of a particular company, you are entitled to a proportional share of its profits. Stocks of companies can be bought and sold in stock markets, such as the New York Stock Exchange.

Stop Order:

An order sent to a broker which becomes a market order when the market reaches the specific price stated. In volatile (or fast) markets, slippage may occur.
Stop orders are normally used to take the trader out of a trade in the event the market goes against his/her position.

Stop-Loss Order:

A limit order in which a trade is closed when a specified price is reached causing a loss. Used to limit amount of losses in trades.

Strategists:

Strategists are traders who anticipate upcoming reports and their impact on price action. They usually trade the news and come up with trade setups based on whether they think the actual figures will come in worse or better than expected. Because of that, strategists are a good source of trade ideas, especially for short-term trades.

Support:

A level at which a currency has trouble falling below.

Supply And Demand:

Supply refers to the amount of an asset that is available while demand is the quantity of an asset that people are willing to buy.

As supply of an asset increases, its value declines. Conversely, as supply of an asset decreases, its value rises. As demand for an asset increases, its value rises. Conversely, as demand for an asset decreases, its value declines.

Since this principle applies to the currency market, plenty of traders look at supply and demand for a particular currency at a given point in time to figure out whether that currency's value will rise or decline.

One way to gauge supply and demand is to picture a seesaw with all the fundamental factors affecting that currency. For example, when an economic report either increases demand or reduces supply for the US dollar, place that fundamental factor on the left side of the seesaw. When an economic event either decreases demand or increases supply for the US dollar, place that fundamental factor on the right side of the seesaw. If there are more factors on the left side, then the seesaw would tilt upwards and the US dollar's value should rise. On the other hand, if there are more factors on the right side, then the seesaw would tilt downwards and the US dollar's value should drop.

This way, traders are able to take note of all the recent fundamental factors that are affecting a particular currency. This is helpful in assessing whether that currency is performing relatively well.

Support Level:

A price level at which buying is expected to take place.

Swing Trading:

Traders who can react quickly to market changes, including at-home and day traders, benefit from swing trading, which is a trade strategy that involves holding a position for longer than a day. If a trade seems to be going sour, swing traders can exit the market before losing too much money.

Swing traders usually maintain a position for 3-10 days, taking advantage of any positive swings in the market. They flow with the market, taking little trades here and there.

In fact, swing trading sits squarely in the middle between day trading and trend trading in terms of the length of time invested in a position. These traders stick around just long enough to see how the wind will blow before deciding to stay and see a trend through or go on to more profitable pastures.

Symmetrical Triangle:

A Symmetrical Triangle is a method of pattern trading based on a continuation pattern. Continuation patterns also include Ascending Triangles, Descending Triangles, Wedges, Flags, Rectangles and Pennants and are essentially technical patterns that are expected to lead to the continuation of an existing trend. Continuation patterns are considered a powerful trading tool as they usually result in extremely low risk trading opportunities and spectacular returns.

Take Profit:

An order used by currency traders to automatically close their position once a certain profit has been made. Although it halts any further advance in profit, it guarantees a specific profit after a level has been hit.

Technical Analysis:

Technical Analysis is one more system for investors to strategize their trading methods. These analysts examine price data of foreign exchange rates to determine if those prices will continue in the future. Technical analysis involves the uses of charts as a tool to identify patterns or trends in a currency market. Although technical analysis is akin to fundamental analysis, it focuses on the effects of market movements, rather than the causes. Investors who use this strategy will look at a currency's past price to determine what might happen in the future.

Technical analysis is not a method for those who prefer to use intuition as part of their trading strategy.

Total Supply:

Total supply is the total number of cryptocurrencies or digital tokens that are in existence, including those circulating in the public market and those that are locked or reserved.

Trade Balance:

Trade balance measures the ratio of exports to imports for a given country's economy. If exports are higher than imports (a trade surplus), the trade balance will be positive. If imports are higher than exports (a trade deficit), the trade balance will be negative.

Trading Styles:

There are many different styles of trading that may be used in Foreign Exchange trading. Forex styles do tend to differ from those utilized with the stock markets but it is still advised that you try out a few before settling on one as you may well discover that one style or another may be much better suited to your abilities or personality than another.

Trading Volume:

The total amount of a cryptocurrency that was traded during a certain period of time.

Trailing Stop:

A type of stop loss order that moves relative to price fluctuations.
In example, setting a 50-pip trailing stop on EUR/USD after buying it at 1.2550 would mean that if price rose to 1.2600, your stop would also rise by from its initial level of 1.2500 to 1.2550 (50 pips).
Your stop will then stay at 1.2550 unless price moves another 50 pips in your favor. This means that your trade will remain open for as long as price doesn't go against you by 50 pips.
Traders often makes use of trailing stops to lock in profits while minimizing their risk.

Transaction Cost:

The cost of buying or selling a financial instrument.

Triple Bottom:

A Triple Bottom chart pattern is very similar in presentation to a head and shoulders bottom in that it contains three lows, albeit all occurring at an equal level. Like the head and shoulders bottom, the triple bottom is also as a reversal pattern.

Triple Top:

The Forex chart price trading pattern known as the Triple Top is a relatively rare reversal pattern that generally accurately indicates a move towards major reversal in the current direction of the trend or issue it represents.
The triple top pattern is similar in appearance to the head and shoulders patterns, in that it is represented by a series of three high highs and lows, except that with the triple top all three highs will be of an approximate level (as opposed to slightly 'dipped' middle high position of the head and shoulders chart pattern.)

Trend Channel:

Trend channels are very useful tools in the Forex world as correct analysis can help you in correctly determining where your entry point or exit point of a trade should be.
Although regular trend lines are able to demonstrate the direction that the price is moving, trend channels allow you to clearly see where the currency is trading at that particular point in time in comparison to the overall trend and direction.
If you were to look at a graph or histogram of the trend lines and draw a line along both the top of the trend line, across any accumulated highs, and another line at the bottom of the trend line, laying directly below the low points then the area in between these two lines, represented by both the historical highs and lows would be considered the trend channel.
Generally, the channel will be shown to be sloped slightly upwards. If you were in position at the top of the trend channel trading off of the upper resistance line, then given the nature of the channel it is likely that a down trend is imminent, making this a good place for an exit price. If however you are positioned on the upward trending lower support line then given the direction of the trend channel this would be considered a good entry point.

Trendline:

A trendline is one of the basic components of most technical analysis patterns. To construct a trendline, simply connect either the high prices or low prices on an asset's chart. The resulting line is the trendline.
There are two types of trendlines. An uptrend line is formed by connecting the low prices for an asset, where the more recent low price is higher than the previous low price. An uptrend line extends into the future and can be thought of as a level of support for the asset's price. A downtrend line is exactly the opposite, and is formed by connecting the high prices for the asset, where the more recent high is lower than the previous high. A downtrend line can be thought of as a level of resistance for the asset's price. Only two points are necessary to draw a trend line, but the more points are used in constructing the line, the more traders tend to consider it as a valid indicator of an asset's overall trend.

True Strength Index:

The True Strength index is a form of technical momentum indicator, similar to the Relative Strength Index that can help traders to identify when conditions of a particular security or currency have been either overbought or oversold.
The True Strength Index is usually gained by incorporating the short terms purchasing momentum within the current market at that particular time with the known lagging benefits of the moving averages. Usually an EMA, preferably of twenty five days duration is then applied the difference occurring between the two prices, with a thirteen day EMA then applied to this result. The aim of this being to make the True Strength Index indicator more sensitive to any prevailing conditions in the market, before the data is smoothed.

Tweezer Top:

Two or more candlesticks with matching tops. They can be composed of real bodies or shadows. These occur on consecutive or nearby candles.

Two-way Price:

Occurs when a buying and selling price is quoted for a transaction.

Unemployment Rate:

The unemployment rate is basically the percentage of the people in the workforce without jobs but is able and willing to work. It is measured by getting the ratio of unemployed people who are willing and able to work versus the total number of people in the workforce.
It is important to discern between people who are unemployed and those who are simply not working. Some people may be studying, working from home, handicapped or retired. These people are not part of the work force and are not included in the unemployment rate.

US Tech 100:

A major US stock index. The US Tech 100 is a weighted average of 100 of the largest non-financial companies traded on the US Tech 100.

USDX:

A measure of the value of the U.S. dollar relative to majority of its most significant trading partners. This index is similar to other trade-weighted indexes, which also use exchange rates from the same major currencies.

Volatility:

A measure of the amount by which an asset price is expected to fluctuate over a given period. Normally measured by the annual standard deviation of daily price changes (historic). Can also be implied from futures/options pricing, which is referred to as implied volatility.

Volatility Index:

The Volatility Index, which is usually dubbed the “fear index” since it gauges the expectations for asset price fluctuations for the next 30 days. More specifically, the VIX tracks the implied volatility of maturing S&P500 options.
A rising VIX suggests that asset prices are expected to be more volatile or have larger fluctuations, reflecting greater uncertainty or fear in the market. A falling VIX index, on the other hand, suggests the opposite.

Weak Shorts:

Refers to the group of investors who hold a short position and are quick to exit their positions at the first sign of strength in the underlying asset. This group of investors look to capture the gain on a move lower, but they are usually unwilling to take on as much as rick as other investors.

Wedges:

Wedges are a chart pattern used in technical analysis. A wedge is formed by taking two trendlines for the price behavior of an asset over time. If the trendlines converge–if, over time, the slope of the high price trendline exceeds the slope of the low price trendline, or if the slope of the low price trendline exceeds the slope of the high price trendline–then the pattern is a wedge, so named due to its wedge-like shape.

Whale:

This is a term borrowed from casino gamblers. It means a trader with a substantial amount of capital, usually one who is bullish (believes prices will rise) on the price of a specific cryptocurrency. These people are also referred to as **bullish whales.** Whales are often the market movers for small illiquid altcoins due to their huge capital.

World Bank:

The World Bank is a group of international financial organizations around the globe aimed provide assistance to its 187 member countries. The World Bank was formed after World War II to help devastated Western European countries and provide them with capital.

As it grew, the World Bank has expanded to include other developing nations. Now, its basic goal is to combat poverty by providing member countries with sound financial advice, loans (such as low or no interest loans), and research.