# Pip Calculation Template

## 1. What is a Pip in GBP/USD?

For GBP/USD (and most currency pairs), 1 pip = 0.0001 (the fourth decimal place).

Example: If GBP/USD moves from 1.2700 → 1.2701, that is a 1 pip movement.

## 2. Formula for Pip Movement

Pip Difference = | Entry Price - Exit Price | ÷ 0.0001

## 3. Example Calculation

Entry Price = 1.2705  
Exit Price = 1.2680

Step 1: Difference = 1.2705 - 1.2680 = 0.0025

Step 2: Pip Difference = 0.0025 ÷ 0.0001 = 25 pips

## 4. Pip Value in USD

- Standard Lot (1.00 = 100,000 units) → 1 pip = $10  
- Mini Lot (0.10 = 10,000 units) → 1 pip = $1  
- Micro Lot (0.01 = 1,000 units) → 1 pip = $0.10

## 5. Example with Lot Size

Movement: 1.34264 → 1.34307

Step 1: Difference = 1.34307 - 1.34264 = 0.00043

Step 2: Pip Difference = 0.00043 ÷ 0.0001 = 4.3 pips

Step 3: Dollar Value for 0.01 Lot = 4.3 × $0.10 = $0.43

## 6. General Formula for Any Pair

Pip Value = (Pip Size ÷ Exchange Rate) × Lot Size  
- For USD-quoted pairs (like GBP/USD, EUR/USD), pip value is fixed.  
- For JPY pairs (like USD/JPY), pip size = 0.01.