

# FOREX TRADING

A simplified Guide to Learn Forex Trading  
with Uniglobe Markets, one of the emerging  
platform for forex trading



**UNIGLOBE MARKETS**

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# **Chapter 1- Forex Basics**

FX or Forex describes the Foreign Exchange Market, a marketplace where the world's various currencies are traded. Its huge volume and fluidity made the Forex market the largest and most significant financial market in the world, with well over \$4 trillion traded daily which is almost 10 times larger than the stock market. Due to the fact that forex currency trading has no centralized marketplace, currencies can be traded in whatever market is open at any given time, creating a great opportunity for traders to buy and sell currencies around the clock 24 hours a day, 5 days a week with the exception of weekends.

The major participants of the Forex market are commercial and central banks, large corporations and hedge-funds. However, you do not need to have millions or thousands of dollars to start! Due to leverage and marginal trading, you can start trading with \$100 or \$500 and enjoy the same trading conditions as the large market players. The recipe for success is to buy it at the cheapest price and then sell at a higher price. Or the other way round – sell at a higher price and then buy cheaper. Whether a currency is increasing or declining in value, there is always a way for you to make money in Forex. Knowing the right time to buy or sell will do the trick. This is where market analytics, indicators, signals and automated trading systems come in handy.

## **Let's consider an example:**

Currencies are traded in pairs and first part of pair is called base currency i.e., Euro against US Dollar (EUR/USD). A Forex transaction involves buying one currency and selling the other currency at the same time. The exchange rate reflects the value of one currency against the other currency.

For example, the quote EUR/USD 1.11762/1.11779 shows how many US Dollar you need to pay to buy or sell 1 EUR. Currency exchange rates are always fluctuating depending on the time of the day, the country's central bank rate, government policy, market sentiment and many other reasons.

Let's assume the market forecast the Euro is going to appreciate against US Dollar (bullish trend for EUR/USD). You decide to buy Euros with USD (buy order on EUR/USD). After some time, you decide to sell the Euro at a higher price (close the open EUR/USD position). Your profit is the difference between the opening and the closing prices.

### **Advantages of Forex**

Some of the advantages of forex trading are listed below, which explains why forex is fastest growing market in the world.

### **24/5 Hour Market**

The main advantage of forex (foreign exchange) is that is open around the clock 24 hours as day 5 days a week, enabling traders to buy and sell from Sunday night to Friday night. A true 24-hour market, Forex trading begins each day in Sydney, and moves around the globe as the business day begins in each financial center, first to Tokyo, London, and New York. The greatest liquidity occurs when multiple time zones overlap.

### **High Liquidity**

One of the main benefits of the forex market is its superior liquidity. The foreign exchange market is the most liquid market in the world. This is one of the main differentiating factors between the forex market and other financial markets. In Forex there are always traders who are willing to buy or sell. The market never sleeps.

### **Minimum Investment**

Generally, the amount required to trade forex is lower than what would be required to enter into other financial markets. Leveraged (or marginal) trading used in Forex lets you operate funds many times as large as your margin deposit

### **Leverage**

Forex is typically traded on leverage. Leverage allows means that a lower initial outlay is required to control a larger position. For example, if a trader had \$200 in your trading account and had leverage of 500:1 the trader would be able to open a position with a value of \$100,000.

### **Trade both Rising and Falling Markets**

In Forex, there is always a chance to earn as you can trade in any direction. This means that if you believe that a currency pair is going to increase in value you can buy it or 'go long'. Similarly, if you believed that the pair was going to decrease in value you could sell it, or 'go short'.

### **Non-Standardized contract sizes**

Forex is an Over-the-Counter market which means that the contract sizes can be determined by the broker rather than an exchange. This means Forex traders have no fixed lot size and can trade any amount between 0.01 lots (1 micro lot) and 1 lot (100,000 units). This gives trades a greater ability to manage their risk.

### **Automated trading**

You do not have to spend long hours in front of your computer studying charts and following all the price movements. With automatic indicators and signals you will be notified immediately of any important events or trend reversals. You can also take advantage of expert advisors, that are based on your own or somebody else's

proven trading strategy. An Expert Advisor trades automatically without your participation

### **Transparency**

In some exchange-based markets, larger players have been known to move stock or commodity in order to gain an advantage. Given the deep liquidity in the foreign exchange market is it almost impossible to interfere with general market forces.

# **Chapter 2- How to start Trading**

Whether a currency is increasing or declining in value, there is always a way for you to make money in Forex!

## **Entering the Market**

The first step for becoming an FX trader is to open an account with a forex Broker. Brokers in these markets usually give the investors the opportunity to test their trading system and trading facilities through opening a demo account on their trading platform and start practicing buying and selling currencies.

The most important aspect of FX trading is to understand the FX platforms, as they are the direct connection to the financial and forex markets. They are the software you use to place your orders, watch the market prices and also place transactions.

As a trader, you would be sitting at the computer screen, looking for signals and interpreting whether to buy or sell. The main concept is to buy a product hoping to sell it on a higher price or vice versa, so that the difference is your profits, i.e., you need to buy low and sell high.

Tools to get started

- Computer or Smartphone
- Reliable internet connection
- Trading software (platform) usually made available by the broker
- Trading capital
- Forex Broker

# **Chapter 3- What is Technical Analysis**

Technical analysis is a technique used to forecast the future direction of prices through the study of historical market data, primarily price, volume and open interest.

Technical traders use trading information (such as previous prices and trading volume) along with mathematical indicators to make their trading decisions. This information is usually displayed on a graphical chart updated in real time that is interpreted in order to determine when to buy and when to sell a specific instrument.

The basis of modern technical analysis is made up of the following:

- The price is a comprehensive reflection of all market forces. At any given time, all market information and forces are reflected in the prices.
- Prices move in trends that can be identified and turned into profit opportunities.
- Price movements are historically repetitive.

Almost every trader uses some form of technical analysis. Even fundamental analysis traders are likely to glance at price charts before executing a trade, as these charts help traders determine ideal entry and exit points for a trade. They provide a visual representation of the historical price action of whatever is being studied. As it is focused on identifying trend reversal, the question of timing to enter a trade is easier to address with technical analysis.



## **Chart Analysis**

Forex chart analysis is a main tool of technical analysis. Charts generally depict all the data obtained on the currency market and it does not matter, what chart you are looking at, it conveys very important and detailed information. Thus, your success on the Forex market directly depends on your chart analysis skills. Traders usually work with those charts that are more convenient and understandable for them and that meet their personal preferences and requirements. Chart time frame could be expressed in minutes, hours, days, or weeks.

The main types of charts include line charts, bar charts, and Candlesticks.

### **Bar chart**

Each bar represents one period of time and that period can be anything from one minute to one month to several years. A simple bar chart shows opening and closing prices as well as highs and lows. The bottom of the vertical bar shows the lowest trade price for that time, while the top of the bar is the highest price that was paid.

### **Candlesticks**

Candlestick patterns can be used to forecast the market. Because of their colored bodies, candlesticks provide greater visual detail in their chart patterns than bar charts so they are easier to follow.

A candlestick chart indicates high to low with vertical line. The main body in the middle of this chart indicates the range between the opening and closing prices. If the block in the middle is colored in then the currency closed lower than it opened.

### **Line chart**

Line charts are one the most basic types of charts used in finance in general and forex in particular. This type of chart is formed through a line connecting a series of data points together; usually lines are drawn from

one closing price to the next. Line charts provide a clear visualization of the general price fluctuation over a given period of time. One of the main reasons that make line charts so popular is that they record closing prices, one of the most important prices to keep track of.

### **Technical Indicators**

Besides studying chart patterns, there are other varied and more sophisticated technical tools and mathematical indicators available. The most commonly used are technical indicators, measuring support and resistance and using trend lines, although all three can be considered as technical indicators as they all rely on looking at the chart and reviewing recent history trying to spot whether a price is following a pattern or moving in a range.

A technical indicator is a graphical representation resulting from calculations based on the price action and is usually displayed along the bottom of the chart. A wide range of technical indicators are widely used by many traders. They can be categorized according to what they describe and what they indicate.

### **Trend indicators**

Trend is a term used to describe the persistence of price movement in one direction over time. Trends move in three directions: up, down and sideways. Trend indicators smooth variable price data to create a composite of market direction.

Example: Moving Averages, Trendlines

### **Strength indicators**

Market strength describes the intensity of market opinion with reference to a price by examining the market positions taken by various market participants. Volume and open interest are the basic ingredients of this

indicator. Their signals are coincident or leading the market. Example:  
Volume

### **Volatility indicators**

Volatility is a general term used to describe the magnitude, or size, of day-to-day price fluctuations independent of their direction. Generally, changes in volatility tend to lead changes in prices.

Example: Bollinger Bands

### **Cycle indicators**

A cycle is a term to indicate repeating patterns of market movement, specific to recurrent events such as seasons, elections etc. Many markets have a tendency to move in cyclical patterns. Cycle indicators determine the timing of a particular market patterns.

Example: Elliott Wave

### **Support & Resistance indicators**

Support and resistance describe the price levels where markets repeatedly rise or fall and then reverse. This phenomenon is attributed to basic supply and demand.

Example: Trendlines

### **Momentum indicators**

Momentum is a general term used to describe the speed at which prices move over a given time period. Momentum indicators determine the strength or weakness of a trend as it progresses over time. Momentum is highest at the beginning of a trend and lowest at trend turning points. Any divergence of directions in price and momentum is a warning of weakness; if price extremes occur with weak momentum, it signals an

end of movement in that direction. If momentum is trending strongly and prices are flat, it signals a potential change in price direction.

Example: Stochastic, MACD, RSI

# **Chapter 4- Fundamental Analysis**

Fundamental analysis is a method that attempts to predict the intrinsic value of an investment. It is based on the theory that the market price of an asset tends to move towards its 'real value' or 'intrinsic value'. Fundamental traders believe that the markets will react to events in certain ways and that they can predict future market prices based on these events.

Fundamental analysis in Forex entails predicting the price valuation of a currency and its market trends by analyzing current economic conditions, government policy and societal factors within a business cycle framework.

Forex Traders gauge a country's economic state by examining macroeconomic indicators. When properly used, these indicators can be an invaluable resource for any Forex trader. After publication of these indicators, we can observe volatility of the market. The degree of volatility is determined depending on the importance of an indicator. That is why it is important to understand which indicator is important and what it represents.

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Some important economic indicators are;

## **Interest Rates Announcement**

Interest rates play the most important role in moving the prices of currencies in the foreign exchange market. Interest rates dictate flows of investment. Since currencies are the representations of a country's economy, differences in interest rates affect the relative worth of currencies in relation to one another. When central banks change interest

rates they cause the forex market to experience movement and volatility and accurate speculation of central banks' actions can enhance the trader's chances for a successful trade.

### **Gross Domestic Product (GDP)**

The GDP is the broadest measure of a country's economy, and it represents the total market value of all goods and services produced in a country during a given year. Since the GDP figure itself is often considered a lagging indicator, most traders focus on the two reports that are issued in the months before the final GDP figures: the advance report and the preliminary report. Significant revisions between these reports can cause considerable volatility.

### **Consumer Price Index**

The Consumer Price Index (CPI) is probably the most crucial indicator of inflation. It represents changes in the level of retail prices for the basic consumer basket. If the economy develops in normal conditions, the increase in CPI can lead to an increase in basic interest rates. This, in turn, leads to an increase in the attractiveness of a currency.

### **Employment Indicators**

Employment indicators reflect the overall health of an economy or business cycle. In order to understand how an economy is functioning, it is important to know how many jobs are being created or destructed, what percentage of the work force is actively working, and how many new people are claiming unemployment.

### **Retail Sales**

The retail sales indicator is released on a monthly basis and is important to the foreign exchange trader because it shows the overall strength of consumer spending and the success of retail stores. It can be used to

predict the performance of more important lagging indicators, and to assess the immediate direction of an economy.

### **Balance of Payments**

The Balance of Payments represents the ratio between the amount of payments received from abroad and the amount of payments going abroad. If coming payment exceeds payments to other countries and international organizations the balance of payments is positive. The surplus is a favorable factor for growth of the national currency.

### **Government Fiscal and Monetary policy**

Stabilization of the economy (e.g., full employment, control of inflation, and an equitable balance of payments) is one of the goals that governments attempt to achieve through manipulation of fiscal and monetary policies. Fiscal policy relates to taxes and expenditures, monetary policy to financial markets and the supply of credit, money, and other financial assets.

There are many economic indicators, and even more private reports that can be used to evaluate the fundamentals of forex. It's important to take the time to not only look at the numbers, but also understand what they mean and how they affect a nation's economy.

# **Chapter 5- Market Hours**

The Forex market is open 24 hours a day, and it is important to know which is the most active trading periods in which you can trade your chosen currency pairs profitably.

Trading sessions are periods of time when banks are actively trading. As is well-known, Forex working hours are unlimited and it functions round the clock. Sessions come one after another, or partially superimpose on one another, giving traders a possibility to trade whenever convenient to them. To know the schedule of trading sessions on the Forex market is also useful because currencies behave differently according to different trading sessions. For instance, if we take a less active period after New York closes and before Tokyo opens, Sydney will be open for trading but with more modest activity than the three major sessions (London, US, Tokyo). Consequently, less activity means less financial opportunity. If you want to trade currency pairs like EUR/USD, GBP/USD or USD/CHF you will find more activity when both Europe and the United States are active.

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## **Trading hours Schedule**

The time zone is GMT (Greenwich Mean Time)

<b>Region</b>	<b>City</b>	<b>Open (GMT)</b>	<b>Close (GMT)</b>
<b>Asia</b>	Tokyo	12:00 am	09:00 am
	Hong Kong	01:00 am	10:00 am
<b>Europe</b>	Frankfurt	07:00 am	04:00 pm
	London	08:00 am	05:00 pm



<b>America</b>	New York	01:00 pm	10:00 pm
	Chicago	02:00 pm	11:00 pm
<b>Pacific</b>	Wellington	10:00 pm	06:00 am
	Sydney	10:00 pm	07:00 am

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### **Trading Sessions**

Below is a brief of trading sessions that will help you make the most of the market.

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#### **Asian Session**

During this forex trading hours, the most active deals in the market exchange operations are the US dollar against the yen (USDJPY), the euro against the yen (EURJPY), the US dollar against the euro (EURUSD) and the Australian dollar against the US dollar (AUDUSD).

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#### **European Session**

At this time the trades are conducted in the European financial centers. The volatility of the most popular currency pairs increases significantly after the London forex online market starts its session. Changes of rates during the European trading hours could be significant, because the majority of monetary stock is concentrated in Europe. EUR, GBP, USD are the most active.

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#### **US Session**

Forex trading activity reaches its maximum level when the New York session opens and US banks begin to work, and European dealers return

after their lunch break. The influence of European and American banks is similar, so no significant changes take place in Forex compared to the start of the European session. However, after the termination of the European market volatility may be higher. Often this is observed on Friday, before the weekend. The American session is more aggressive in trade than others and USD, EUR, GBP, AUD, JPY are the most active.

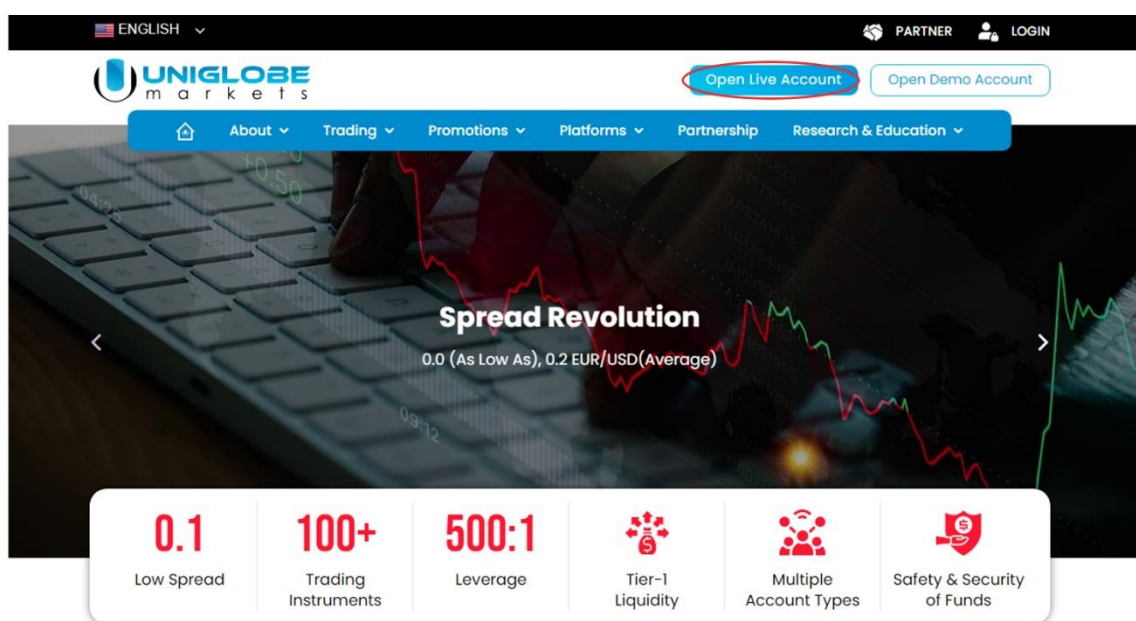
# Chapter 6- Let's Go Live

Now you are all ready to start your Forex journey. So, let's go live now and taste the Forex trading.

Following are the steps to open a live account with Uniglobe Markets.

## Step 1

Click on "Open Live Account" tab.




## Step 2

Provide your information by filling up the form.

ENGLISH

PARTNER

LOGIN



Open Live Account

Open Demo Account

[Home](#) [About](#) [Trading](#) [Promotions](#) [Platforms](#) [Partnership](#) [Research & Education](#)

### Open your account and start trading right away

- ✓ Fast secure and easy way to get a live trading account
- ✓ Use only English alphabet characters to complete the following form
- ✓ Make sure you use the name and other details as per your KYC only.

#### PERSONAL INFORMATION

TITLE \*

select

FIRST NAME \*

LAST NAME \*

EMAIL ADDRESS \*

DATE OF BIRTH \*

COUNTRY OF RESIDENCE \*

Select

PHONE NUMBER \*

ACCOUNT TYPE \*

Choose your Account Type

SECURITY QUESTION \* 18 + 19 =

☐ I Accept [Terms And Conditions](#), [Privacy Policy](#) And [Risk Disclosure Policy](#)

Submit

#### Want to open an Additional Account?

As an existing Uniglobe Markets live account client you can simply apply for an additional account through the client dash area with one click only.

Open Additional Account

1

#### Deposit Bonus on every deposit

With a 100% bonus offer, each client will get a bonus on every deposit.

2

#### Refer and Earn

This offer gives you an advanced opportunity to earn more while trading.

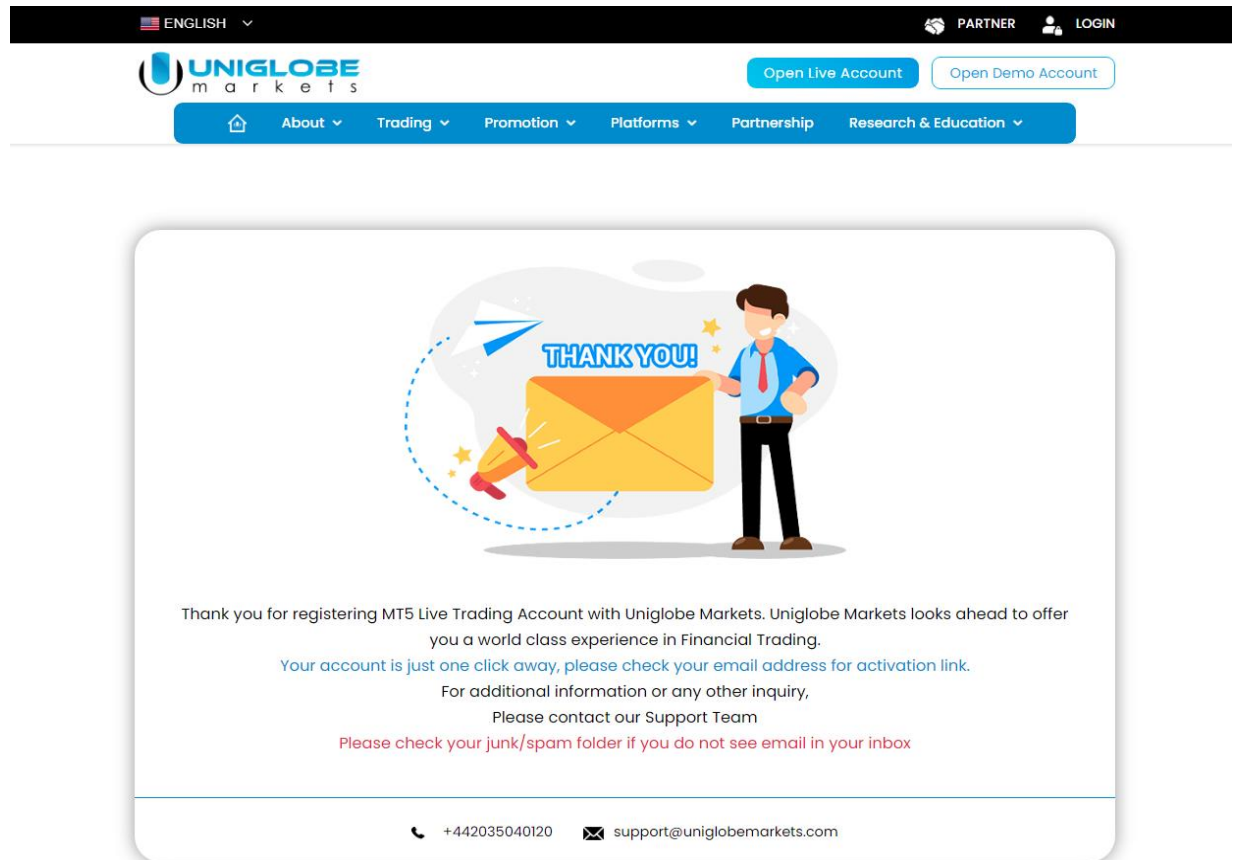
3

#### More Rewards

Get additional exclusive prizes and gifts throughout the year along with your profits.

### Step 3

After clicking on register tab, a message will pop up, and you just need to check your email for account activation link. For video tutorial visit Uniglobe Markets YouTube Channel



For video tutorial visit Uniglobe Markets YouTube Channel.

Channel Link: <https://www.youtube.com/c/UniglobeMarkets/>

# THANK YOU

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