

FOREX TRADING

BEGINNER TO ADVANCE

BITFX





| how to start



- 1. Start of by watching the course videos from start to end
- 2. Go through the PowerPoint slides to touch up on everything you learned so far
- 3. Last slide of PowerPoint will tell you how to get certification from BITFX
- 4. Next go through the previous team calls available
- 5. Lastly book your 1 on 1 sessions by contacting huzaifa on WhatsApp +971561391988



| Currency Pairs



- Currency Pair: quoting one currency against another
- Dominant/base currency: the first currency listed
- Non dominant/Quote currency: the second currency listed
- Each currency is identified by its **ISO** currency codes
- Iso is a three letter alphabetic code.
- Example: EUR/USD



| Major Currencies



- USD (United states dollar)
- EUR (Euro)
- JPY (Japanese yen)
- GBP (British pound)
- AUD (Australian dollar)
- CAD (Canadian dollar)
- CHF (Swiss franc)







• EUR/USD	IN ORDER
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• GBP/USD

• AUD/USD

• NZD/USD

• USD/CHF

• USD/CAD

• USD/JPY

EUR GBP AUD

NZD

USD

CAD

CHF

JPY



| MINOR Currency



- Currencies usually quoted against the USD
- Example: USD/MXN



Cross pairs



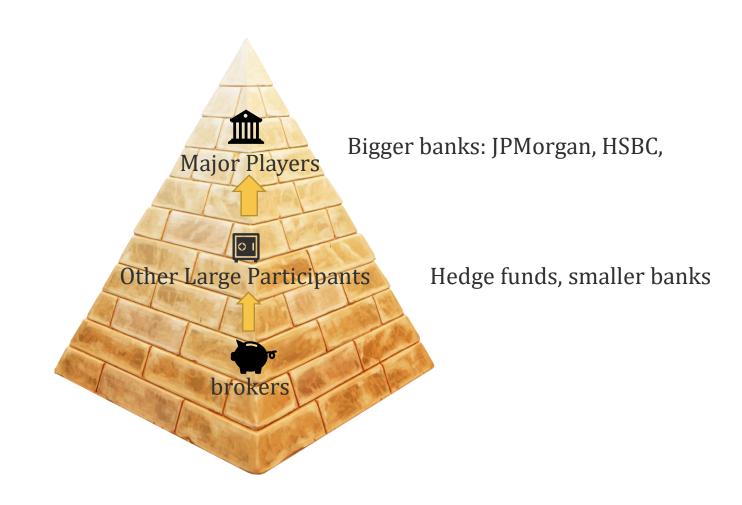
- Pairs which does not include USD.
- Example:

 EUR/GBP
 CAD/JPY
 NZD/CHF
 AUD/CAD



The Roles











- PIP stands for (price in points)
- Pip=0.0001
- Pipette =0.00001
- Example: 1.05907 to 1.05917 is a 1 pip move

Pip

Pipette







- Standard measurement of units
- Standard lot = 100,000 units (of dominant currency)
- Mini lot = 10,000 units
- Micro lot = 1,000 units

Example

Standard lot=1

Mini lot = 0.1

Micro lot = 0.01



| Pip Value Calculation



• Example: USDCAD = 1.35251

Contract value for one LOT: 100,000 USD *1.35251 = 135,251 CAD\$

Pip value is the profit/loss for 1 pip movement.

- If price goes up to 1.35261
- Then contract value = 100,000 USD * 1.35261 = 135261 CAD\$
- Pip value = 135,261 135,251 = \$10 CAD
- In base currency this is equal to 10/1.35251 = \$7.39 USD

*Pip value is always in Non dominant/Quote currency

*value of pip is based on how many lots are taken







Funds Loaned to you by your broker

Brokers can loan you up to 1000 time your money

Leverage	Margin Req %	1 Lot Req \$
1:1	100%	\$100,000
2:1	50%	\$50,000
10:1	10%	\$10,000
50:1	2%	\$2,000
100:1	1%	\$1,000
200:1	0.5%	\$500
400:1	0.25%	\$250
800:1	0.125%	\$125
1000:1	0.1%	\$100



| Short selling



Short Selling: "the sale of an asset that the seller does not own. The seller effects such a sale by borrowing the asset."





| Account types



LIVE account: Have to deposit money to be able to trade

Demo account: A demo account provides a realistic trading environment without risking real money.



| types of ORDERS



Market execution: Represents an order you give to your online forex broker to enter or exit a trade at the best available price, at a specific time. In such a fast-changing market, there can sometimes be a difference between the price when the market order is given and the actual price; consequently, this type of order can lead to a loss or gain of several pips. Make sure you're using the proper strategy and the market conditions are ideal when you place this order with your broker.

Buy limit: The limit order represents an order you give to your broker to execute a transaction (buy) only at a specified price (the limit) or better. It can be used to buy currencies below the market price. Overall, the purpose of this type of order is to restrict the risk of a sudden price fluctuation, so it should be incorporated in your risk management system

Sell limit: The limit order represents an order you give to your broker to execute a transaction (sell) only at a specified price (the limit) or better. It can be used to sell currencies above the market price. Overall, the purpose of this type of order is to restrict the risk of a sudden price fluctuation, so it should be incorporated in your risk management system

Buy stops: A Buy Stop is the price level set by the trader when they wish to buy an asset in the future, the predefined price is always higher than the current market price of the asset

Sell stops: Sell Stop is the price level set by the trader when they wish to sell an asset in the future, the predefined price for the Sell Stop is always lower than the current market price of the asset



| Protective Orders



 $Stop\ loss(sl)$: A stop-loss order represents an order you place with your online broker to exit the trade once a certain price is reached. Designed to limit your loss of capital in one trade.

Take profit(tp): The take profit order represents an order you give to your forex broker to close the trade automatically, when it reaches a certain point in the desired direction.

Trailing stops: As opposed to the take profit order, the trailing stop order, also known as the profit protecting stop order, represents an order you give to your forex broker to buy or sell if the currency moves in an unfavorable direction. It is similar to the stop-loss order, but the main difference is that the trailing stop moves as the price moves – allowing you to secure the profits, while also diminishing the potential loss of. capital in case the trade doesn't work out







A spread is the difference between the bid and the ask price (buying or selling price).

Spread is always above the actual price.

Spreads are not constant they range from certain price and news's do affect the increase in spreads as well as the market closing hours affect the spreads too.

Thing to remember when taking a trade:

When buying make sure you calculate the spread of the pair as for your buy limits to trigger the **spread** should tap the entry and as the spread is above the actual price we should increase the buy limit price **by adding the spread**.

For example: EURUSD has a spread of 0.5 pips, you set your entry at 1.07135 so market will actually need to go to 1.07130 for your trade to be triggered in buys so to eliminate this what u can do is add +0.5 pips to your entry .

When selling the market the spreads don't mater when triggering the trades but they matter for the stoploss so when u take a sell on any pair make sure you have your initial stoploss plus your spread.

For example: EURUSD has a spread of 1 pip and your stop loss is set at **1.07160** for sells so if the markets doesn't tap your stoploss but they go till **1.07150** which is a **1 pip** difference from your price then you will be stopped out so to avoid this you will take your stoploss price and add **+1 pip(spread)** to it so in this case your stop loss would've been set to **1.07170** and even is market went to your initially desired SL you wouldn't be stopped out of the trade



| Broker and Orders



A **Broker** is an entity that facilitates the execution of your order.

Order: instructions to buy/sell a quantity of a product.



| What do you want in a broker



- A broker that is Regulated
- Transparency
- Alignment of interests
- Low Fees
- Leverage
- Good Platform
- Support



| A book and B book Brokers



The A book is the order book that has the major liquidity providers. When a broker is using this book, he is sending your orders to be executed with one of those liquidity providers. This is the order book used by ECN brokers.

The B book is the broker's in-house order book. When a broker is using this order book, he is taking the other side of your trade (can be hedged or unhedged).



|Platform required



<u>1- www.tradingview.com</u> is a platform which we use to analyze and markup the charts

you can access **trading view** for free on your **web browser**, **play store** or **Appstore**

2- Metatrader 4 or 5 is an Application which we use to connect our broker with and place the trades





Bullish Bearish Trend/candlesticks

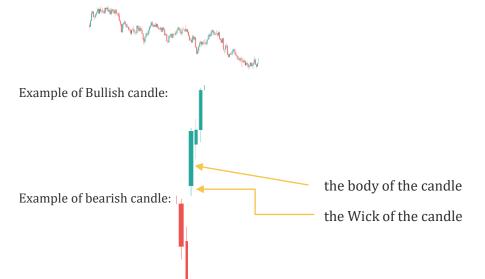


- A bullish **trend** or a **candle** means the trend or the candle is moving to the upside
- A bearish **trend** or a **candle** means the trend or the candle is moving to the downs

Example of Bullish trend:



Example of Bearish trend:

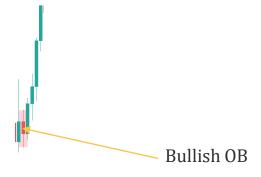




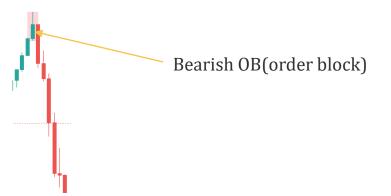
| Order blocks



• Bullish Order block: the last Bearish candle before the push up



• Bearish Order block: the last bullish candle before the push down





| Imbalances



- Imbalance: A gap left by the market which hasn't been mitigated(tapped by other candles)
- imbalances act as magnets and attracts the markets towards itself



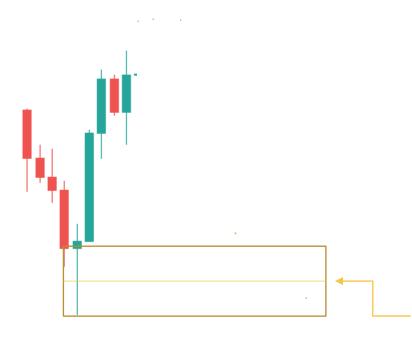


| Liquidity voids



Liquidity voids: wicks which are formed at a turning point of the market and the wicks are larger than the body of the candle





50% of the liquidity void is an important area market usually taps the 50% mark







- Swing point: consist of at least 3 candles at the intersection from impulse to a retracement or vice versa
- Swing point is also known as the market structure





The highest wick needs to be broken in order for a market structure break



|Types of Liquidities



- SUPPORT AND RESISTENCE
- TRENDLINE
- EQUAL LOWS AND HIGHS
- ASIAN LOWS AND HIGHS
- SWING POINTS



| Lower TF confirmation rules



- 1- IDENTIFY THE POI(POINT OF INTEREST) ON HIGHER TF
- 2-THE POI CAN BE YOUR HTF (OB,IMB,LV, SWING STRUCTURES, CONSOLIDATION AREAS)
- 3-WAIT FOR THE MARKET TO REACH YOUR POI
- 4-GO TO 5MIN AS SOON AS THE MARKET REACHES YOUR POI
- 5-MONITOR THE MARKET STRUCTURES ON 5 MIN TF(TIME FRAME)
- 6- WAIT FOR AN AGRESSIVE PUSH IN YOUR ORDER FLOW (WITH THE CURRENT DIRECTION)
- 7- AFTER THE AGRESSIVE PUSH MARK OUT THE MOST RECENT MARKET STRUCTURE ON 5M
 TF
- 8- WAIT FOR THE 5M STRUCTURE TO BE BROKEN IN ORDER TO VALIDATE YOUR TRADE.
- 9-MAKRET SHOULDNT CARRY ON IN THE SAME DIRECTION AFTER BREAKING THE STRUCTURE FOR LONG
- 10-TAKE 3 ENTRIES (ORDERBLOCK BODY,LIQUIDITY VOID,IMBALANCE)
- 11- STOP LOSS WILL BE BELOW OR ABOVE THE MARKET STRUCTURE ON 5M TF



| How to get Certified



After you have completed the course videos and went through the pdf/power point and had your live sessions with huzaifa you will then be provided with a 100k demo account

- You will have 30 days to increase the account by 6 %
- Risking only 0.5 to 1%
- No drawdown limit but risk should not exceed 1% per trade
- Each trade taken must be journaled on what was the reason for the trade with a screen shot of entry and exit of the setup given to huzaifa in a pdf
- If you manage to increase the account to 6% before 30 days you will be eligible to move on as well
- After completing all the steps you will receive a certification for graduating through BITFX