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BASES OF ONLINE TRADE

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Table of contents

Financial markets. Definition.

Financial market

The financial market is a broad term that describes any market in which buyers and sellers participate in the asset trading, such as stocks, bonds, currencies and derivatives.

Stock market

The stock market allows investors to buy and sell shares of publicly traded companies. Shares provide investors with a share of ownership in the company and profit potential based on the company’s future performance.

Capital market

Any government or corporation requires capital (fund) to finance its activities and make its own long-term investments. To do this, the company receives money through the sale of securities — stocks and bonds. They are bought and sold in the capital markets.

Bond market

Bonds are debt investments. An investor lends money to an enterprise that borrows funds for a fixed period of time at a fixed interest rate. Bonds are used to finance various projects and events, they can be bought and sold by investors in credit markets around the world.

Foreign exchange market

The foreign exchange market provides international payment transactions. Here the currency itself serves as a commodity, currency pairs are the basis of trading. The rate is determined by the ratio of supply and demand for a particular currency.

Commodity market

Raw materials, such as oil, natural gas, coal, agricultural products, non-ferrous and ferrous metals, etc, are traded in this market.

Working principle of the foreign exchange

Probably everyone at least once has exchanged money in the currency exchange office. To make the exchange profitable, you have to look for an office with the lowest prices for sale throughout the city. If the amount is large, the difference between the exchangers will be significant. If you buy currency cheaper and then sell it more expensive in another currency exchange office, then you can profit from the price difference.

Now imagine that these same actions can be performed directly from your computer. No need to go to any currency exchange offices, all transactions are completed in seconds. You can earn good money. This is the essence of work in the foreign exchange market. Buy cheaper, sell more expensive.

Forex is a market for interbank currency exchange at free prices. It is the largest and most liquid market in the world. Daily turnover exceeds 5 trillion dollars per day and includes all currencies in the world.

Who is a Trader?

George Soros

A trader is a person who engages in trading in the financial market and profits from changes in exchange rates and prices of securities, stocks, bonds, and raw materials.

A trader buys assets at a lower price in order to sell them more expensive, and vice versa. Both legal and physical persons can trade. As we will talk about Forex, traders will be called people who make transactions in the Forex market.

Very often, when it comes to the Forex market, the name of George Soros comes to mind. Soros has become the classic embodiment of the so-called "American" dream. The son of Hungarian immigrants, George Soros, is today a billionaire and one of the most famous investors and philanthropists in the world. The Forex market brought him the greatest success. Soros became one of the most successful traders of the market, his style was distinguished by aggressiveness, purposefulness, accurate calculation, primarily based on the analysis of macroeconomic situation. The most famous deal of Soros was his dealings for a fall of the British pound in 1992. Then, in one month, Soros earned in the Forex market 2 billion dollars, the largest profit in Forex history.

Who is a Broker?

A broker is a factoring company between you and the exchange.

Access to the stock exchange is possible only with a multi-million dollar capital, so traders work through brokerage companies.

The task of the broker: instantly, upon request, bring your transactions to the stock exchange and organize the purchase and sales transaction.

To perform the task, the broker:

Provides clients with a program for trading on the exchange

Provides material for training

Provides clients with leverage — interest-free loan

Provides online support and trading guide.

Features of the foreign exchange market

A significant difference of the Forex market is the absence of a specific place for trading. It is a worldwide network of currency dealers, which are dispersed throughout the leading financial centers and operate around the clock, as a single mechanism. They trade currencies mainly through computer terminals, and transactions are made simultaneously in hundreds of banks all over the world.

Advantages of the Forex market

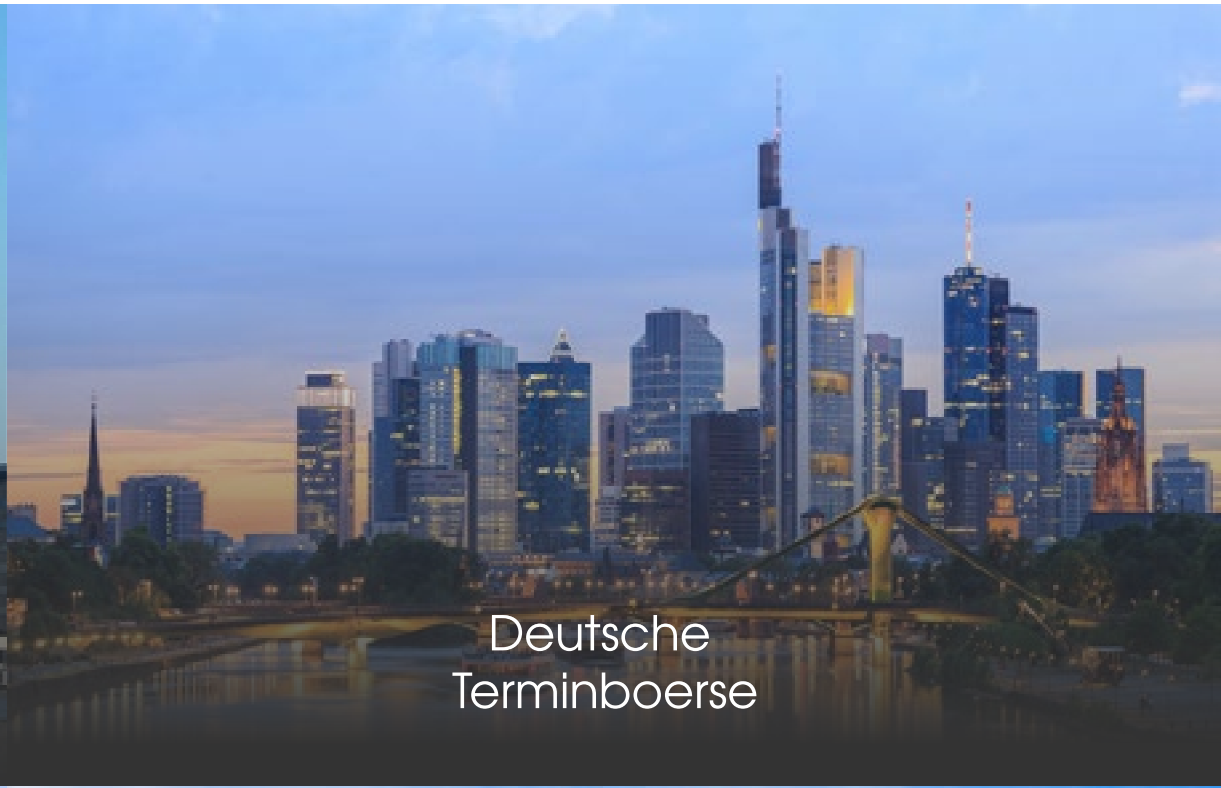
High liquidity
Given the huge volume of transactions, there can be no chance that you could not make a deal due to lack of demand. But this often happens in crisis situations on stock and securities exchanges.

Availability
Thanks to the margin trading system, individuals with relatively small capital can be market participants.

Unlimitedness
Thanks to an advanced online trading system, you can work in Forex from anywhere in the world, and your profit depends only on the frequency and quality of trading.

World Stock Exchanges

The main exchanges that provide urgent currency and financial asset trading.



Opening hours of the main world exchanges

Banks, traders and organizations from all over the world participate in currency trading. Therefore, the Forex market is awake 24 hours a day. When traders from one part of the world stop trading, in another part of the world, traders are just starting to work. This feature of the Forex market allows the trader to trade from anywhere in the world at a convenient time.

However, the distribution of active traders, banks and other market participants on the surface of the planet is not even. This results in uneven trading. At some hours, trading is most active, quotes move faster, and larger amounts of money circulate during trading. Conversely, there are periods in which the market is almost asleep, and the change in quotes is insignificant.

Traditionally, the trading hours of the Forex market are divided by regions into four trading sessions:

Pacific trading session	22:00 – 06:00 GMT	Asian trading session	00:00 – 09:00 GMT
European trading session	06:00 – 15:00 GMT	American trading session	13:00 – 22:00 GMT

The most active trading occurs when European and American trading sessions intersect — 13:30 — 16:00 GMT. At this time, significant changes in currency quotes is observed, and the largest volume of transactions is reached. Why? Trading is conducted by traders of the two most economically active regions — Europe and America, and important news about the state of the world's largest economy (USA) are released. The Forex market works all the time, all days of the week. However, on weekends, dealing centers and banks do not work, so you cannot make trade transactions.

Forex Basic Terminology

Currency

We are talking about the national currency of different countries. Anyway, all currencies in the market are quoted by central banks. However, in Forex, as a rule, significantly fewer currencies are quoted — only the main currencies (majors) and cross-rates of the main currencies. Major currencies include: USD — US dollar, EUR — Euro, international European currency, GBP — British pound sterling, CHF — Swiss franc, JPY — Japanese yen, CAD — Canadian dollar, AUD — Australian dollar. All major currencies are quoted against the US dollar.

Quote

This is the unit price of one currency (called the base currency), denominated in units of another currency (called the quoted currency). In the designation of the currency pair being traded (for example, USD/CHF), the base currency is written first, i.e. USD, and the quoted is written second, i.e. CHF. The quote consists of two numbers. The first digit — Bid (offer) — the price at which the customer can sell the base currency. The second is Ask (demand) — the price at which the client can buy the base currency for the quoted one. The difference between these rates is called the spread. The size of the spread depends on the currency pair in question, on the amount of the transaction and on the state of the market.

Fee

This is a fixed fee to the broker for the transaction. Currently, almost none of brokers charge a fee in the Forex market. Thus, the broker earns money only through spreads and swaps.

Forex Basic Terminology

Pip

This is the minimum change in quotes (also called Point). Different trading instruments (currency pairs) are quoted with different accuracy, that is, with a different number of decimal digits in the quote. Most currencies are quoted with an accuracy of 0.0001, some, for example, the yen and its crosses — with an accuracy of 0.01.

Direct and Indirect Quotes

Direct quote — amount of national currency per unit of foreign currency.

Indirect quote — amount of foreign currency per unit of national currency.

The use of direct and indirect quotes has a historical justification. The US dollar is the main global reserve currency, so for most currencies, quotes like USD/JPY, USD/CHF are used, that is, the dollar is the base currency. However, in the quote of the pound sterling (GBP/USD), the pound is the base currency and the dollar is the quoted currency. The currencies of the former British colonies are quoted in the same way: the Australian dollar (AUD/USD) and the New Zealand dollar (NZD/USD). The European currency, the euro, is also quoted against the US dollar as the base currency (EUR/USD).

Liquidity

This is the economic term that refers to the ability of assets to be quickly sold at a price close to the market price. Usually, highly liquid, low liquid and illiquid assets are distinguished. The easier and faster you can get the full value of the asset, the more liquid it is. The liquidity of the product will correspond to the speed of its realization at a nominal price.

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Forex Basic Terminology

Lot

The unit of currency purchase and sale using the amount of guarantee — margin. The size of one lot for different currency pairs is not the same. For example, 1 lot for EUR/USD = 100,000 EUR, USD/CHF = 100,000 USD, USD/JPY = 100,000 USD, USD/CAD = 100,000 USD; GBP/USD = 70,000 GBP.

Swap

Payment for long-time holding of the position, transfer over the night. If a position is open for a long time (more than a day), banks charge bank interest to the amount of an open position. Swaps are usually charged once a day, at night around 00:00 GMT. If at the moment of accrual of the swap the position was open, the interest will be charged, even if the position was not held for 24 hours. In addition, on the night of Thursday, the swap is usually charged three times the amount, assuming that the position will be transferred until Monday, taking into account weekends. Spreads, swaps and commissions are usually very small, but it is better for a novice trader to check these figures in advance.

Forex Basic Terminology

Margin trading

By trading with a small amount of funds in Forex, it will not be possible to quickly get a substantial profit. Let's calculate the profit from the thousand dollars, if the Euro quotes change by one or two hundred points a day. This is only 1,000 * 0.01 = $10 per day with luck. Lunch money with quite tangible investments, is not it? To make Forex trading more attractive and active, the principles of margin trading are applied. The principles of margin trading allow the trader to manage funds that are much larger than he actually has at his disposal, thereby increasing the effect of currency fluctuations.
The broker company provides the trader with an instant interest-free loan for an amount that several times exceeds his deposit. The number, how many times a loan can exceed real funds, is called a leverage. It usually ranges in size from 5 to 500. The standard leverage in the Forex market is 100, which is recorded as 1: 100. Thus, a trader can make a profit when trading currencies starting from an amount that exceeds his real funds by a factor of 100. With $1,000 in the account, you can open a position of $100,000, that is, 1 standard lot. Accordingly, the profit will be 100 times higher, not $10, but $1,000.

Stop Loss

Stop Loss is needed to limit possible losses while trading. Its essence is that the trader indicates to the broker the price level at which it is necessary to close the position. This order can be set immediately when opening a position, or at any time later. Also, at any time, a trader can change the level of Stop Loss. The only exception is setting a Stop Loss too close to the current price, usually a broker limits the proximity of a Stop Loss to a price by 10-15 pips. When buying currency, Stop Loss is always set below the current price, and when selling, it is always higher than the current price.
If the trader made an incorrect forecast of the currency price behavior or there were some adverse changes in the market, the loss will be limited and amount to the value of Stop Loss — the difference between the opening price and the level of Stop Loss. When the trader has a profit, he can move the Stop Loss to the level at which the closing will occur with a profit.
The closure of a position by Stop Loss is executed by a broker, that is why the trader does not have to control this process, trader's trading terminal and computer can be off.

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Forex Basic Terminology

Take Profit

Similarly to Stop Loss, which limits possible losses, there is a Take Profit order, which captures the profit of an open position. Of course, traders use this order not to earn less. This order is applied by the trader in the case when there is reason to believe that having reached a certain level, the price will stop, or change the movement to the opposite. If Take Profit was not set when opening a position, then it can be set at any time later.

Like Stop Loss, take profit cannot be set closer than 10-15 points from the current price. This restriction is set by a specific broker and may differ from one broker to another. The Take Profit value is measured in points, and when ordering it, you indicate a specific price level at which this order should trigger.

Pending orders

In addition to the order for the immediate purchase or sale of currency in the here and now, it is possible to set pending orders - orders to the broker to buy or sell currency upon reaching certain price values. The broker will execute a pending order only when the price in the market reaches the level specified by this order. Up to this point, the execution of a pending order can be canceled. The immediate execution of a pending order is made by the broker and does not depend on the presence or absence of communication with the trader at the moment the order triggers, that is, by setting such an order, the trader may not wait for its execution, he can even turn off the computer and do other things. As with a normal market order, Stop Loss and Take Profit levels can be set for a pending order. Thus, in the event of opening a position based on such an order, the trader will be protected from possible losses. A trader can set any reasonable number of pending orders, as long as their level is at a distance of 5 to 15 points from the current price, depending on the rules of the broker.

It should be remembered that a pending buy order is triggered by the coincidence of the order level with the Ask price, and a pending sell order is triggered by the coincidence of the order level with the Bid price.

Forex Basic Terminology

Types of pending orders

Limit Sell — a pending order to sell a currency at a higher price. Such an order is applied under the assumption that the price, having reached this level, will cease to grow and will begin to decline.

Limit Buy — a pending order to buy a currency at a lower price. Such an order is applied under the assumption that the price, having reached this level, will stop the decline and will start to grow.

Stop Sell — a pending order to sell a currency at a lower price. Such an order is applied under the assumption that the price, having reached this level, will continue to fall.

Stop Buy — a pending order to buy a currency at a higher price. Such an order is used under the assumption that the price, having reached this level, will continue to grow further.

The use of these four types of pending orders allows the trader not to keep an eye on price changes in the market. Also, pending orders help with trading in the moments of possible sudden price changes, when the trader simply does not have time to react to the rapid price movement and opens a position when the price is no longer as good as it could be if it acted instantly.

Who can become a Trader?

Another big advantage of the Forex market is that everyone can trade here!

You do not need special education and diplomas, additional equipment and a huge start-up capital.

Here is all you need to trade:

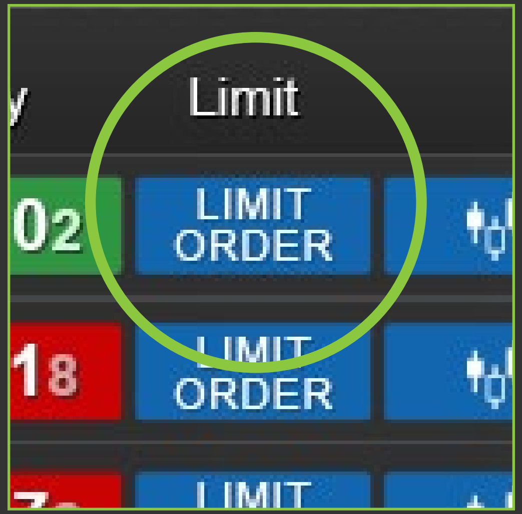
The most important thing is the desire to earn

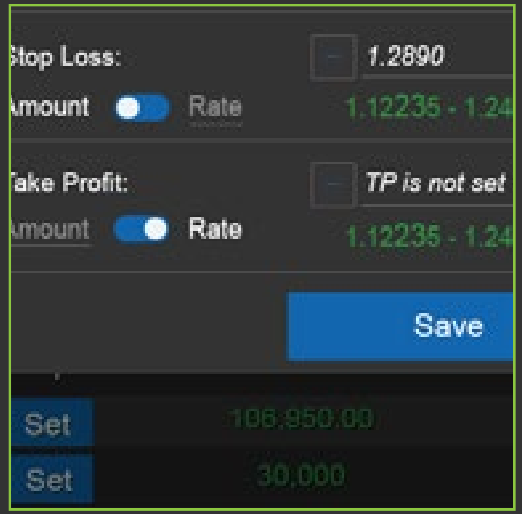
Willingness to learn, profit is not gained just like that

Internet-connected computer or smartphone

30 minutes a day (minimum) to analyze and manage transactions

Profit in Forex: Example
In today's news there have been reports of a significant increase in the budget deficit in the United States. Based on the analysis of exchange rate charts, you can see that the dollar fell against the Euro during the last week, but today it began to grow. For the foregoing reasons, you make the assumption that the dollar will grow further against the Euro, respectively, the rate of the Euro against the dollar will fall. You open the deal "Rise of the Dollar against the Euro".





You choose "the direction of a transaction".

In this case, buy dollar, sell euro.

You choose the amount of the transaction. The platform gives you a leverage of 1: 200. In other words, having $1,000 in the account, you can open trades in the amount of 1000 * 200 = $200,000. In this case, your profit is calculated taking into account the entire amount of the transaction.

You choose Stop Loss, in other words, you minimize losses.

You click on the "Fix" button — this action fixes the price of the transaction for 3 seconds. Within this period, you click on the "Confirm" button.

Basics of Trading: example of transactions, analysis, strategies

So, you have opened an EUR/USD trade transaction for the purchase of dollar in the amount of 100,000 EUR (base currency).You bought a dollar at the rate of 1.2810 and sold (closed the position) at the rate of 1.2890.

Your profit will be:
100,000 * (1.2890 - 1.2810) = 100,000 * 0.008 = 800 dollars. It is important to note that thanks to the leverage of 1: 200 and with $1,000 in the trading account, you earned $800.

To profit from changes in prices, you need to follow one simple rule: buy cheaper, sell more expensive.

The rule is simple, however, to follow it, you need to learn how to predict the value of your financial instrument. It does not require special education, only effort and a little ingenuity.

All methods of market analysis can be combined into two large groups: fundamental analysis and technical analysis.

Fundamental analysis studies the economy of states.
For example, how to conduct a fundamental analysis of the ruble exchange rate?
It is strongly tied to oil, which means that we take into account changes in its price. Sanctions and government policies also affect the ruble. Having studied the latest news on these factors, one can predict the behavior of the ruble exchange rate.

TexнTo predict the movement of rates, technical analysis uses the price history that is displayed on the charts.
Technical analysis is based on three assumptions:

Market movement takes into account everything.
Price behavior depends on supply and demand, economic news and political events. Accordingly, all forecasts can be made by analyzing the price only.

There are trends in the market.
Price does not move erratically, it has a certain logic of behavior, which means that it can be traced.

History repeats itself.
There is a high probability that a situation that once developed in certain circumstances will be repeated with similar initial data.

You can study all the ways of analyzing the market and choose the one that suits you, that will help make accurate forecasts and will bring stable income.

Common trading strategies for active trading.
Active trading is an act of purchase and selling securities on the basis of short-term movements in order to profit from price fluctuations on a short-term exchange chart. Active trading strategies fundamentally differ from long-term purchase and hold strategies.

There are various methods of the implementation of an active trading strategy. Here are the four most common active trading strategies:

Day trading

Day trading is perhaps the most famous way of active trading. It is often used as a synonym for this definition. Day trading, as its name implies, is a method of buying and selling securities to the day. Positions are closed on the same day when they are accepted, no position is held overnight.

Traditionally, day trading is carried out by professional traders. However, electronic trading platforms have provided novice traders with this opportunity.

Position trading

Some believe that position trading is a purchase and hold strategy, rather than active trading. When an advanced trader undertakes to trade positions, it can become a form of active trading. Position trading uses long-term charts — from daily to monthly — in combination with other tools for determining trends in the current market direction. This type of trading can last from several days to several weeks, and sometimes even longer, depending on the trend.

A trend (or tendency) is a vector that indicates the direction of market dynamics, this movement is transient and at the same time very profitable. Properly assessing the situation and "catching the wave" of the new market trend in due time, the trader guarantees himself a good income.

Swing trading

At the end of the trend, there is usually some price volatility, as the new trend is still trying to establish itself. Swing traders buy or sell as price volatility increases.

Swing trading takes less time, about 1-2 hours a day. At the same time, the potential of profitability for the average trader remains. Position on average holds about 4 days, although it may be 2-3 weeks. Swing traders usually use technical analysis to open and close positions.

Scalping

Scalping is a special trading method, with the help of which a large number of deals are executed per day with minimal amount of targets and Stop Loss orders. The word "scalp" means to get small profits from the movements on the currency pair chart. Price can not constantly move in one direction, its movement fluctuates up and down. A trend is always accompanied by rollbacks, and during flat (without any movement) the price fluctuates up and down in a certain range. This is the scalping strategy.

It is necessary to determine when the current movement will end and a new one will begin. Since it is impossible to know for sure how long this movement will last, traders set minimum targets — starting from a few points. This increases the likelihood of Take Profit triggering. Despite the small profits from each transaction, traders can earn good money, because sometimes the number of transactions can go up to 200 per day.

Active traders can use one or more of the above strategies. However, before using these strategies, it is necessary to examine and consider the risks and costs associated with each of them.

How to protect your money from risk

These rules are very simple to implement, and they are effective in relation to any trading portfolio.

Minimize leverage

Leverage is tempting, and we all understand that. You can deposit $100 to your account, and trade using $10,000. Sounds crazy right? But this powerful tool has a big drawback: losses. Your positions can move up and down. With the use of high leverage, you can either scoop a large profit with a successful transaction, or drain all your balance.

Advice: use a small leverage, 1:10, 1:50 or 1: 100. Leverage of 1: 500 and 1: 1000 will only add unnecessary risks.

Follow the rule of 2%

Allocate the minimum percentage of your capital that you may initially put at risk. The best option is 2% of the capital. If you deposit $1,000, then the maximum loss will be $20 per transaction. That is, losing 2% with one transaction, you will have another 50 unsuccessful transactions before you lose the entire deposit. If you build a proper strategy, then such an outcome is very unlikely.

How to protect your money from risk

Set Stop Loss orders correctly

Stop Loss orders at the wrong level actually increases your risk. Why? Since there is a greater chance that your position will be closed needlessly, leaving you with nothing in your pockets. You should always leave room for possible small losses. Do not place Stop Loss orders too close to make your position more dynamic.

Learn all the time

Read blogs, use the training materials of your Forex broker, keep track of the news, be in search of new reliable information. All this will help you become a more experienced trader and make your trading less risky. Do not be lazy, the result will justify all your efforts.

Two more very important tools that can help prevent risks will be discussed later.

Drawing an effective trading plan

Trading plan gives the trader all the information necessary to make a profit or reduce the possible loss in case of mistakes.

Preparation of the initial trading plan

Great if you can get a trading strategy from a more experienced trader in order to understand how trading plans should work in practice.

The main characteristic that needs to be achieved with the help of a trading plan is an objective way to trade in the Forex market, which will help exclude the emotional factor.

The main elements of the trading plan

Firstly, you need to establish a series of clear and objective rules. Ideally, these rules will show you:

What to observe by monitoring trading signals

When to enter the market

When to exit the market with a profit or loss

What is the size of the trading position to choose

Drawing an effective trading plan

It will be much easier for you to maintain discipline and fulfill a plan if it consists of relatively simple rules.

It is important to describe the rules of the trading plan in detail so that you have something to refer to during trading. Many traders also use a schematic diagram to quickly make the necessary decisions.

You can follow someone else's plan, thereby saving time and effort. If the plan fits your trading style and you are able to follow the rules, then it doesn't matter who developed it, as long as it gives positive results.

In the market, time is money. Time really costs money when it comes to Forex trading, so you should always be ready to refer to the rules of the trading plan and execute them clearly and quickly.

Money management issues. Another key part of your trading plan should include a methodology for determining position size and a well-thought-out risk management strategy.

Testing of the trading plan

The easiest way to test a trading plan is to open a demo account with a broker and download its trading platform.
Remember, virtual trading is not the same as real money in the account. Your emotional reactions will be different when you have nothing to lose.
Nevertheless, it will give a good sense of whether trading in Forex is right for you.

Switch to trading on a real account

If trading is your way to earn income, open a real account. Here, compliance with your trading rules will lead to profits in hard currency.
Why do professional traders remain successful? They strictly follow their trading plan and stay disciplined in the face of losses.

How to use a demo account to its fullest extent

Work on a demo account has its own rules, here are the main ones:

1. **Take your demo account seriously**

Forget that this is virtual money and that nothing will happen if you lose it. Treat your demo account as real. After all, you can lose your real account as easily as a demo.
Discipline is the first thing you need to develop with a demo account. If you trade carelessly, open trades, without waiting for the best trading opportunities, you will do the same with your real account. During such half-hearted trading, you will develop habits, which then will cause the loss of your real deposit.
And vice versa, if you treat a demo account as your money, calculate risks, set Stop Loss and Take Profit correctly, take care of your money, then when working on a real account, all these habits will help you increase your earnings.

2. **Do not open a real account until you repeat your success on the demo**

It is enough just to understand why it makes no sense to open a real trading account while you have not earned money on a trial account. If you do not make a virtual profit on a demo account, then you will also lose money on the real one. If you are not sufficiently trained, if you are not experienced and disciplined enough to make a profit on a demo account, then you cannot make a profit on a real account either. A demo account is a great opportunity to test your knowledge, hone your skills, create the necessary habits for successful trading.

3. **Ideally, the size of your demo account should match the size of your real account**

I mean, if you intend to open a real account in the amount of $5000 in the future, then practice on a demo account with a balance of $5000. This will help you behave with a demo account in the same way as with a real one. This will help you take your trial account seriously. After all, when you open a demo account in the amount of thousands of dollars, you know that you are joking.

Keep in mind that your demo account should be treated exactly like your REAL ACCOUNT. Although you open a demo account for free, in fact it is not "free". You spend your time on it. You develop your experience and discipline with it. So it is not only not free, it is too expensive and valuable. This is the "foundation" of your future career.

Trading Psychology

Your personal qualities and ability to cope with emotions are just as important as the level of knowledge and skills

Kindness. An aggressive approach in the financial world can work against you.

The behavior of hedge fund managers has been studied for ten years in a study published by the Society for Personality and Social Psychology. Managers with psychopathic, narcissistic or Machiavellian personalities lagged behind their peers by 1% per year. Over time, their merciless approach to decision-making led to noticeable losses.

Avoiding aggressive instincts and insidious aspirations, we can focus on developing positive, compassionate traits. These qualities have helped billionaire investors, such as Warren Buffett and George Soros, to achieve amazing results. It is necessary to understand that selfish and insidious investors become successful only in Hollywood.

Trading Psychology

Optimism. Some people do not invest because they think that they will never make money anyway. They are sure that they are always unlucky, and problems are pouring on them from all sides. This confidence can be a self-fulfilling prophecy. Do not make this mistake, if you never plunge into investments, then you will never see a profit.

Develop your own skills to create an investment strategy, or contact your Forex broker's personal finance manager; only faith in your ability to make sound financial decisions will help you move forward.

Maintaining inner optimism can be difficult, but it will be much easier to dive into the world of investment. Follow thematic groups on social networks, view the personal blogs of popular financiers, head the advice of investors who have experience of long-term success.

Trading Psychology

Focus. People with this quality are always more successful in investing. Their attention is focused on the ultimate goal and it helps avoid distractions.

Intermediate goal is as important as the ultimate. For example, take courses from a Forex broker, consult with a financial planner, diversify your portfolio. Small fixations lead purposeful people to the desired results.

Coolness. Warren Buffett is firmly convinced that in big things, a rational mindset is more important than intelligence.

Panic in the markets can be contagious, especially when hard-earned money is at stake. Your ability to remain calm in the face of short-term fluctuations will lead to better solutions and opportunities that investors tend to ignore following the crowd.
As Warren Buffett said, “The most important quality for an investor is temperament, not intelligence.”

Emotions can lead to mistakes. For example, you can make several unsuccessful transactions in the morning, and after that feel a keen desire to get your money back soon. Of course, you will rush to place new deals, not paying due attention to market indicators, and what they are trying to say to you. On some days, the Forex market is simply too impetuous to cope with it, and it is better not to trade. In general, the Forex market tends to be more active than other markets, but even here one must be able to call a timeout.

Auxiliary tools for working in financial markets

Automated trading is actually a good option for novice traders.

Trader's activity is based on constant tracking of the market. It is quite difficult even for a professional to study all the incoming information. That is why experts create computer programs that facilitate the work in the market.

The advantages of automated trading:

Significant acceleration of trading

Ability to improve data processing, all calculations are made automatically

Absence of mistakes, caused by the human factor. For example, fatigue or lack of necessary knowledge

Lack of emotional impact on trading

Operational reliability, programs can work even at night

Auxiliary tools for working in financial markets

Programs for automated trading

Each profitable Forex strategy consists of many components. Each component is selected depending on the desires and needs of the trader. However, a novice trader should know what to choose.

Robot forecaster.
This is a special program code that interacts with the trading terminal. Using the algorithm, it analyzes charts and detects signals for profit. The robot responds to changes in market prices and places orders to buy or sell currencies at the appointed time.

Forex advisors.
Usually, they work with currency pairs. They notify the trader of any price changes, make recommendations on trading based on automatic analysis.

Indicators.
They are also very popular among traders, both beginners and experienced ones. The main goal is to make graphical and analytical analysis of the market simple and effective. When analyzing, the indicator draws auxiliary lines on the chart and notifies the trader using the "buy" or "sell" signals. The program is able to calculate possible price changes, but the trader himself decides when to make a deal, unless otherwise programmed.

Where to find these programs

There are many offers of free and paid consultants. However, free advisors may not work correctly if it is not provided by your Forex broker. For the beginning, this is quite enough, because a novice trader can get some idea of how they work and in which direction he wants to move.

In order to gain experience, a trader needs a better and more effective advisor capable of generating much profit. It is quite difficult to buy a really good robot, so always consult with your broker's personal manager.

How to start trading: Instructions

Of course, some start with a degree in economics or finance, but the fact is that this education will not give you an advantage in commerce. Regardless of your past, you have the same potential to become a great trader like anyone who reads this.

As a first step, you just need to believe

If you are interested in earnings, then I am sure that you know at least one success story of a Forex trader. Such stories are very popular, but they often raise doubts and arouse mistrust.

Why is it so hard to believe that someone without help and special privileges can become a Forex trader? The only answer is fear, the way your mind protects you from imaginary pain. In most cases it is the fear of trying and failing.

Focus on the process

You should not dwell on how much you should earn per day or month. The only thing you need to focus on is the process by which you have to become a successful trader.

In a pre-game interview, a professional athlete never says: “We hope to score more points than the other team.” Of course, this is a victory in the game, but this is not the reason why it is won.

Instead, a professional athlete will say something like: “We need to go there and realize our plan, to do what we do best — to limit the mistakes and benefit from the opportunities.”

Do not make the mistake of striving for a certain amount every day. If a million is your final goal, fine, but don’t make it your daily problem. Instead, focus on each part of the process that will lead you to consistent profits.

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Small victories every day

Instead of waking up in the morning and saying to yourself: "Once I'll earn a million dollars," try something more manageable, for example: "Today I'm going to learn an entry strategy." You are much more likely to complete the last in one day. This is what is called a "swift victory".

Add two "swift victories" to your plan every day. It may be something completely simple.

These "swift victories" create momentum, thanks to which you can achieve larger goals without even noticing it.

Learn from real experts

Regardless of the skill, there is someone who is already good at it. The fastest way to become a professional in something is to find a person who has already achieved the desired results. Find out how he did it. Having such an information you can model your own journey along this path.

Good Forex brokers will help you with trading in financial markets. They always provide free training for their clients.

Now you have to choose your trusted broker. The resistibility of the broker's trading platform and server depends on its experience and stability. Pay attention to the availability of fast and competent technical support, and preferably a personal manager. Get free access to your broker's training materials. Learn, train and dare!

Maybe it will be you to become the next Warren Buffett in the foreign exchange market!