



instaforex
Instant Forex Trading

TRADING COURSE FOR BEGINNERS

To grow plants, a farmer needs to prepare his foundation, in this case, rich soil. To grow investments, a trader needs to prepare his own foundation, solid basis, i.e. gain knowledge and experience. Our trading course will help you to grasp the ins and outs of trading, so you will be confident in making your first steps on the international currency market.

READING THIS COURSE, YOU WILL LEARN ABOUT:

- History and advantages of the forex market
- Trading hours
- Trading instruments (currency pairs and CFDs)
- Leverage and margin
- Trading platforms
- Forex charts and timeframes
- Types of order
- Types of analysis



WHEN DID FOREX APPEAR?

The Foreign Exchange market - in short Forex - was established in 1971 when American President Nixon announced that the US dollar was no longer backed by gold. At that period, the fixed currency system was replaced by the system of free-floating exchange rates. The value of the currencies was determined according to the market conditions created by the supply-demand ratio. The forex market actively employs present-day technologies. Moving up with the times, Forex has become available to absolutely everyone having a computer and internet access.

WHY IS FOREX SO POPULAR?

1. Availability

As already mentioned, anyone with an internet connection and a desire to earn from price fluctuations can access the forex market.

2. High liquidity

The daily turnover on Forex is about \$ 6 trillion. Moreover, the foreign exchange market rarely experiences crashes as the demand for money is always high. In case one currency in a pair depreciates, the value of another one goes up.

3. Round-the-clock work

Forex functions non-stop from Monday morning until Friday evening. You can easily combine trading with work or study and trade whenever you want.

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WHAT ARE THE FOREX TRADING HOURS?

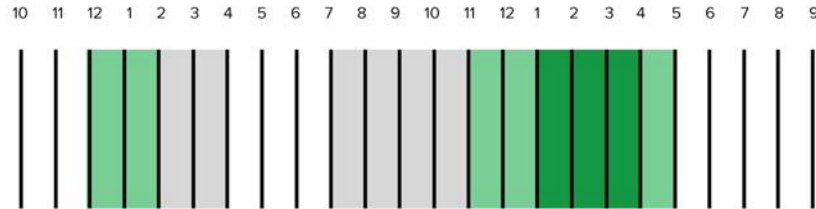
However, some currencies are especially volatile during certain periods:

- In the Asian session, when the Tokyo and Sydney exchanges open, the most actively-traded currencies are the Japanese yen, the Australian dollar, and the New Zealand dollar.
- In the European session, when Frankfurt and London exchanges open, the EUR/USD, GBP/USD, and USD/CHF currency pairs take the lead. Strong fluctuations can be observed during the first 2-3 hours of the trading session.
- The market revives as the New York session opens. All the majors are traded relative to the US dollar so the volatility is usually high during that period.

UTC Time

AM

PM



Sydney Session

Tokyo Session

London Session

New York Session



Less Volume



More Volume

The forex market is closed only on weekends and international holidays such as Christmas (December 25) and New Year's Eve (January 1). See more details about trading hours of the global exchanges [here](#)

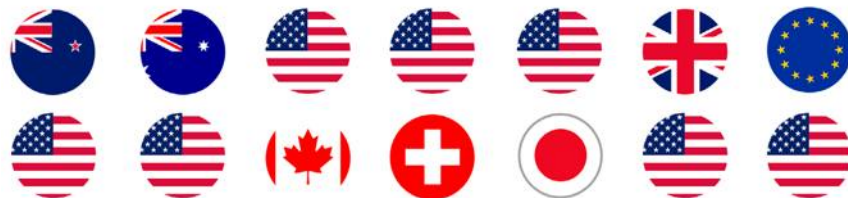
WHAT INSTRUMENTS ARE TRADED ON FOREX?



1. Currency pairs

A currency pair is a quote of one currency against the other. For example, the EUR/USD pair consists of two currencies, with the Euro being the base currency and the US Dollar the quote currency. So this quotation indicates how many dollars are needed to buy 1 euro.

The most popular and frequently traded currency pairs are the major currency pairs, aka majors, all of them including the US Dollar:



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



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2. There are also minor currency pairs, aka crosses.

These pairs include the currencies of developed countries without the US Dollar.



EUR JPY GBP CAD AUD NZD

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

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

EUR/CAD GBP/JPY GBP/CAD NZD/CAD

EUR/AUD CAD/JPY GBP/NZD

EUR/NZD NZD/JPY

EUR/JPY

3. The third class of currency pairs is the exotic pairs.

An exotic pair usually comprises a currency of a developing country and a major currency. These pairs are highly volatile but lack liquidity, so they have a potential of high returns and equally high risks.



USD/HKD

US DOLLAR
HONG KONG DOLLAR



EUR/TRY

EURO
TURKISH LIRA



USD/SEK

US DOLLAR
SWEDISH KRONA



USD/SGD

US DOLLAR
SINGAPORE DOLLAR



USD/NOK

US DOLLAR
NORWEGIAN KRONE



USD/DKK

US DOLLAR
DANISH KRONE



USD/ZAR

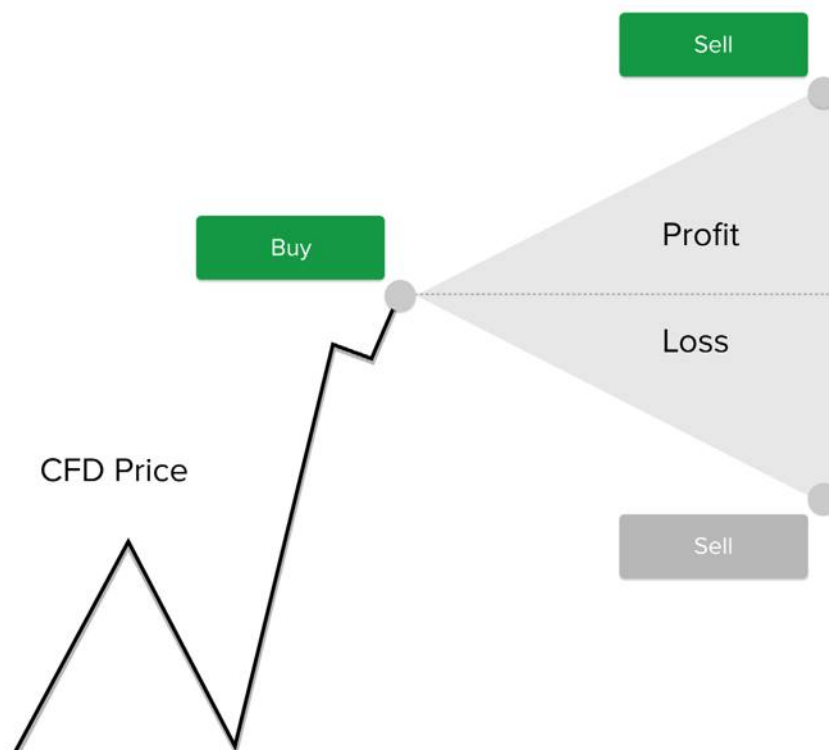
US DOLLAR
SOUTH AFRICAN RAND

CONTRACTS FOR DIFFERENCE (CFDs)

A contract for difference is a derivative trading instrument that enables investors to speculate on the difference in prices of stocks, indices, commodities, cryptocurrencies and other assets without actually owning them. The basic idea of CFDs is rather simple: to make a profit, a trader needs to foresee whether the difference between the current price and the future price will be positive or negative. CFDs are suitable instruments for short and medium-term trading. CFDs have plenty of advantages such as low requirements for initial deposit, a wide choice of underlying assets, risk hedging and other. To see them all, go [here](#). One of the key advantages of CFDs is that they give you an opportunity to diversify your portfolio. The CFD underlying assets are broad-ranging and include commodities, stocks, metals, indices, and cryptocurrencies.



How It Works



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CRUDE OIL

Crude oil is perhaps the most traded commodity. Oil prices are highly sensitive to various factors and consequently they are constantly moving which makes oil CFDs an ideal instrument for short and medium-term investments.

What factors influence oil prices?

The key factor is the supply-demand ratio.

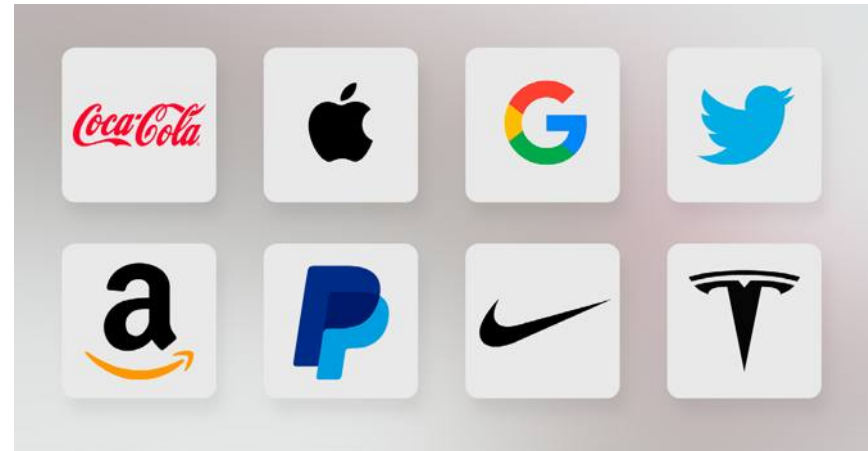
A shortage in supply results in higher demand and higher prices, whereas excessive supply can lead to a fall in demand and a fall in prices. The oil supplies, in turn, are influenced by macroeconomic and geopolitical factors such as relations between oil-exporting countries.



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STOCKS

Surely, you have heard of such giants as Google, Microsoft, Apple, Tesla, and Facebook. These and many other corporations issue shares which are securities confirming ownership of the company's fraction. However, to buy such shares, one needs quite a lot of money. To bypass the high deposit requirements, many investors prefer to trade stock CFDs. Thus, without owning a stock, still you can benefit from the stock price fluctuations.



METALS

Gold is the most traded precious metal. It has a status of a safe-haven asset as it is considered to be a good hedge against economic disturbances such as deflation or recession. Trading gold CFDs has a number of advantages. For instance, you don't have to pay a full value of this asset to earn on the difference in its price. Besides, gold CFDs have no expiration term, so you can close your position whenever you want. Many traders see gold as a solid investment, so it can be a good tool for portfolio diversification.



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INDICES

Stock indices are the indicators reflecting dynamics of the stock markets. The major stock markets and their indices are:

- the American with the S&P 500, NASDAQ, and the Dow Jones Industrial Average indices
- the British with the FTSE 100 index
- the German with the DAX index
- the Japanese with the Nikkei 225 index

Trading indices CFDs instead of single-company stocks allows for diversified exposure as more factors are included in the price formation of a stock index.



CRYPTOCURRENCIES

To put it simply, cryptocurrency is virtual money that has no physical form. It can be used to pay for purchases, transferred between accounts and exchanged for fiat money. The main features of cryptocurrencies are anonymity, decentralization, transparency and security. That is why digital money has gained immense popularity among investors. Surely, everybody has heard something about Bitcoin, but there are also other cryptocurrencies such as Ethereum, Litecoin, Ripple and Bitcoin Cash which you can trade in a form of CFDs with InstaForex.



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WHAT IS LEVERAGE AND MARGIN?

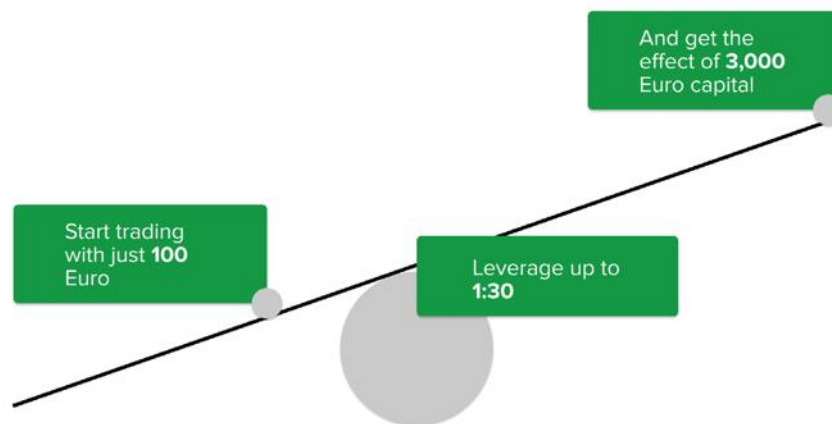
To put it simply, leverage is a loan that a broker gives you so you could trade bigger volumes.

Margin is a part of your own funds that a broker locks up in order to provide you with the leverage. Leverage gives bigger trading opportunities but it also poses a great risk. Suppose a trader decided to trade with a deposit of \$100 and chose leverage of 1:10. This means every price movement by one pip will change his deposit by \$0.10 (with a deal size of 0.1 lot).

In other words, a price movement of just 100 pips against his position will cause the trader a loss of \$10.



Leverage



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WHAT IS A TRADING PLATFORM?

Trading on Forex is facilitated through a special software - a trading platform. In fact, there is a great variety of trading platforms, but the most popular is the MetaTrader 4 (MT4), or its sibling, the MetaTrader 5. InstaForex provides the InstaTrader platform developed on the base of the MT4. InstaForex provides the **InstaTrader** platform based on the MT4. This platform supports many languages, has an extensive toolkit for charting and built-in indicators, allows to perform several tasks, provides economic news feed, and has many other features. Apart from desktop versions, you can also use smartphone trading platforms (for iOS and Android) or trade on a web browser with our WebTrader.



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A screenshot of the InstaForex web trader interface. The top header features the InstaForex logo and the tagline "Instant Forex Trading". Below the header is a navigation menu with options: Classic, Dashboard, Chart, Client Cabinet, Deposit money, and Logout. The main content area is divided into two columns. The left column contains an "Information" section with details about the account (Account: 64489934, Account type: Standard, Leverage: 1:200) and a "Finance" section with details about equity (5000.00 USD) and free margin (5000.00 USD). The right column features a "Trading instruments" section with a list of currency pairs and Bitcoin, each accompanied by a small icon and the pair name: EURUSD, GBPUSD, USDJPY, USDCHF, USDCAD, AUDUSD, NZDUSD, EURJPY, EURCHF, EURGBP, and #Bitcoin. The interface is clean and professional, with a light gray background and clear typography.

HOW TO LOG IN TO A TRADING PLATFORM AND START TRADING?

After registering a trading account, you automatically receive your login credentials in your email address. To start trading, you need to download a trading platform from [here](#) and install it on your PC. Once you've done it, run the platform and enter your Login and Password in the pop-up window. Please make sure you select the correct Server for either a Demo or Live account and click on Login.

Demo account is available for free at InstaForex [here](#). It will help complete beginners to get a feeling of trading, or test some strategies, using virtual funds instead of their own money. Please note that our Demo account is mostly suitable for total beginners, and is based on the same characteristics of a Standard Live account, so maybe our other Live accounts might be more appropriate for your trading strategy.



Client

Guest


Account

Password

Login

Forgot Password?

Sign Up

 English



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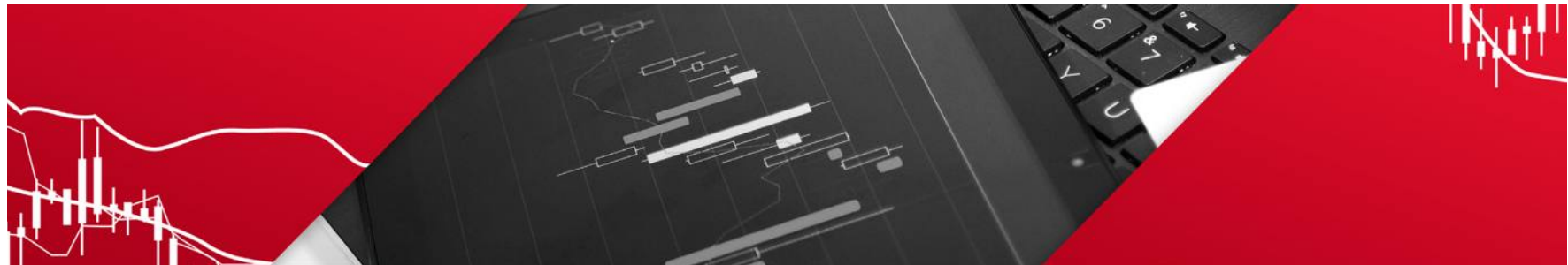
WHAT ARE THE FOREX CHARTS?

After opening a trading platform, you see price charts. The InstaTrader and MT4 offer three types of charts.



LINE CHARTS

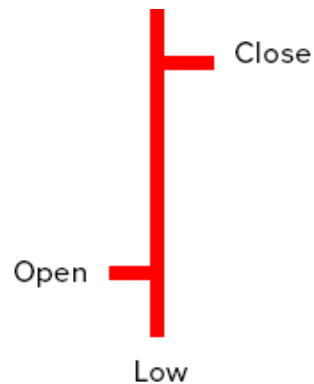
A line chart shows a line, connecting a series of closing prices logged for a certain period of time. For example, on the M5 timeframe below you can see that every 5 minutes the lines are connected to show the overall price trend of a currency pair.



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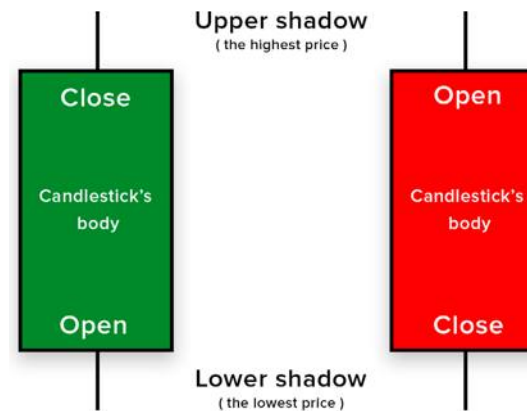
BAR CHARTS

A bar chart shows the opening and closing prices as well as highs and lows for a certain period of time. The time frame can be chosen in the platform settings. The bar's upper point is the highest price for a chosen period, while the lowest one stands for the minimum price. A line on the right represents an opening price, whereas the left one depicts a closing price.



JAPANESE CANDLESTICKS

A Japanese candlestick chart provides the same information as a bar chart. However, the Japanese candlesticks are simpler and easier to work with. If the price increases in a given period, the candlestick body is empty. If the prices decline, the body is painted black. The candlestick body represents a range between the opening and closing prices. InstaTrader allows you to adjust the color setting for comfortable trading. In the picture below the green candlestick shows the price growth, while the red one indicates a price fall.



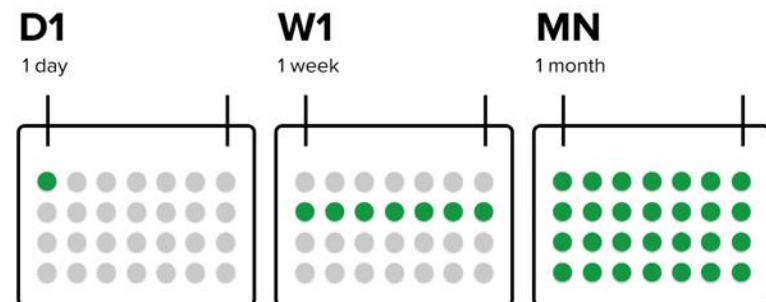
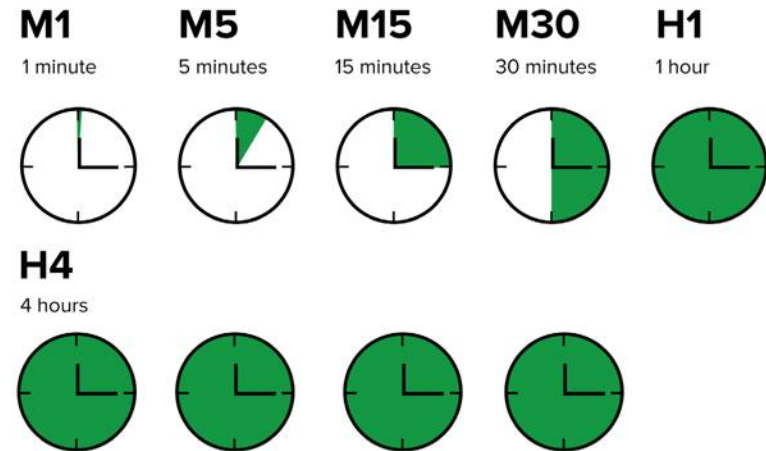
The consistent chart analysis should be performed on different time frames. Larger time frames help to analyze long-term trends. A weekly chart, for example, can show the price movements for a period of five years, and a monthly one for twenty years. Larger time frames help to analyze long-term trends. A weekly chart, for example, can show the price movements for a period of five years, and a monthly one for twenty years.

The charting time frames include the following periods:

This way, you analyze market movements from a long-term perspective and make correct forecasting as you get more objective data.



Charting Time Periods:



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WHAT ARE THE GRAPHICAL TOOLS AND HOW TO USE THEM?

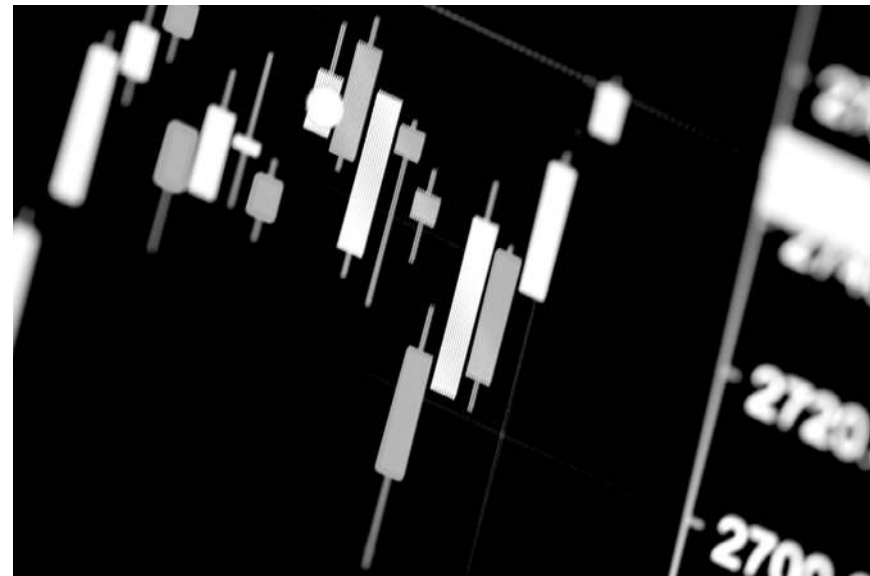
The graphical tools can help you to analyse the market movements on charts. InstaTrader has a toolbar that contains elements and graphical objects such as text, shapes, signs, etc. These elements can be added to the chart window. In technical analysis, a number of line tools are important for efficient trading, but we'll touch upon this later.



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WHAT ARE THE TYPES OF ORDERS?

An order is your instruction to a broker to buy or sell a certain asset. There are the Instant orders which are executed right after you place them and Pending orders which are executed in the future as soon as certain conditions are met. To learn how to place an order on the InstaTrader, watch our [video tutorial](#).



PENDING ORDERS ARE OF THE FOLLOWING TYPES:

Buy Limit order is placed below a certain price level. That is, when analyzing the market, a trader expects the price to rise in the near future, he places a **Buy Limit** order below the current price level.

Sell Limit is exactly the same as the **Buy Limit** order, but it is placed above the current price level.

Buy Stop and **Sell Stop** pending orders differ from **Limit order** only in that they are placed when the trend is supposed to continue and not to reverse.

The **Stop Loss** and **Take Profit** orders are also indispensable tools for a trader for managing open positions. As the name suggests, the **Stop Loss** order is intended for limiting losses. It is an instruction to a broker to close a trade as soon as a price reaches a particular level known as the stop price. Once this level is met, the **Stop Loss** order turns into a market order and is executed at the best available price.

The **Take Profit** order is usually used in short-term trading in order to fix profits. Similar to **Stop Loss** orders, the **Take Profit** order is triggered once a price reaches a specified level and is executed at the best available price.

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WHAT ARE THE TYPES OF MARKET ANALYSIS?

FUNDAMENTAL ANALYSIS

Company Analysis

Industry Analysis

Economic Conditions

Future Profit Outlook

TECHNICAL ANALYSIS

Moving Averages

Charts

Indicators and Oscillators

For any forex trader it is crucial to foresee a further price movement in order to take the right trading decision. For that purpose the market analysis is applied. There are 2 main types of analysis: Fundamental and Technical.

Fundamental analysis is based on the study of the economic indicators of a certain country. Fundamental analysts pay close attention to the news about the gross domestic product, interest rates, inflation and other statistics, trying to anticipate how they will affect currencies and other assets.

Technical analysis is the forecasting of future price movements based on examination of past price movements. The essence of this analysis is the identification of patterns on trading charts in combination with the use of technical indicators. The technical analysis is applicable to all trading instruments, such as currencies, stocks, cryptocurrencies, etc.

Risk Warning: CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 71.99% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford the risk of losing your invested funds.

Disclaimer:

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