



**ForexMart**  
THINK **BIG.** TRADE FOREX

FOREX MARKET:

**THE 10 IDEAS**

**BEHIND FOREX TRADING**



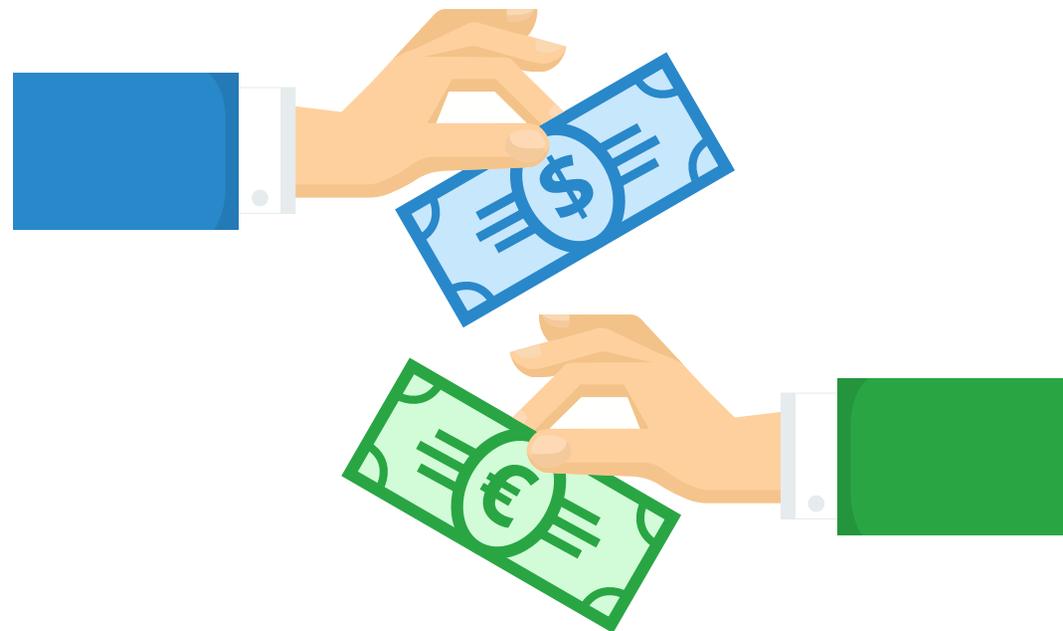
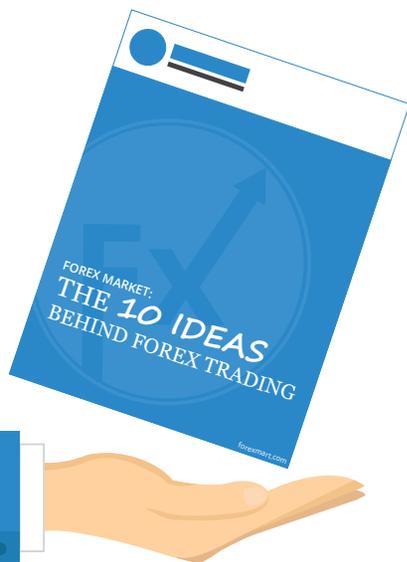
### **RISK WARNING**

Foreign exchange is highly speculative and complex in nature, and may not be suitable for all investors. Forex trading may result to substantial gain or loss. Therefore, it is not advisable to invest money you cannot afford to lose. Before using the services offered by ForexMart, please acknowledge and understand the risks relative to forex trading. Seek financial advice, if necessary



# ForexMart, EQUIPPING FUTURE CURRENCY TRADERS!

Let **ForexMart** help you unlock boundless opportunities in the complex forex market. This easy-to-learn manual will teach you all the things you need to learn in the world's most liquid financial market.



## WHAT IS FOREIGN EXCHANGE?

**FOREIGN EXCHANGE** is the global marketplace for buying and selling currencies, which operates 24 hours a day and five days a week.

Also called **FOREX**, it is the world's largest and most liquid market, with more than \$4 trillion daily trading volume.

## WHY FOREX?

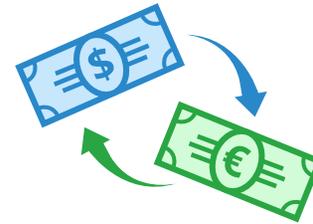
Let **ForexMart** count the ways:

- An investor can trade currencies 24 hours a day. So, he can trade instantly at his most convenient time.
- Economic data and news items encompassing the market are available to everyone.
- Being a decentralized market, the forex market is not governed any single country group or institution.
- You can trade at any time, regardless of the market's overall direction. Also, you can take advantage of the current market situations, depending on which currencies are on the up and down.

## WHY FOREX



## HOW TO TRADE FOREX?



Currencies are traded in pairs; meaning traders are buying and selling a pair of currencies simultaneously. In simplest terms, **it is the same with exchanging a particular currency for another.**

For discussion purposes, we will use the **EUR/USD**. The first currency (in this example, the euro) is the **base currency**, while the other one (the US dollar) is the **secondary currency**. The cost of selling the base currency is known as the **bid price**, while the cost for purchasing the base currency is the **ask price**. A trader can either sell the base currency or buy the base currency.

BASE CURRENCY ◀ **EUR/USD** ▶ SECONDARY CURRENCY

*(Point of reference: A news report about the likelihood of the European Central Bank to increase interest rates.)*

### Option 1: Bid - Sell the base currency

If you think the value of the euro is likely to plunge against the US dollar, with the latter increasing in value because of prospective ECB rate decision, then you will sell. When selling this currency pair, you are selling the euro and purchasing the US dollar at the same time.

↓ EUR    ↑ USD    BID

**Option 2: Ask** - Buy the base currency

If you stipulate the value of the euro is likely to increase relative to the US dollar, supposing the ECB won't raise rates, then you will buy. When you ask EUR/USD, you are purchasing the euro and selling the US dollar at the same time.

↑EUR   ↓USD   ASK

## WHAT IS PIP?

**Pip** is the smallest measure of a currency, which is the last number after the decimal point. Traders use pips to monitor their wins and losses in the market. Most major currency pairs are priced to four decimal places.

Referring to the example above, let us presume the **EUR/USD** currency pair is quoted at 1.1312. Hence, the euro is at \$1.13. Now, let's say the currency moves up by two, from **1.1312** to **1.1314**. Therefore, the euro's value rises by **two pips**.

**1.1312** ▶ **1.1314**   UP BY TWO PIPS

## WHAT IS LEVERAGE?

**Leverage** is the usage of borrowed capital to bolster an investment's potential return. ForexMart offers various leverage options to start trading in a safe, responsible manner with lower risk.

## WHAT IS LOT?

In finance, lot represents the standardized quantity of a financial instrument set by an exchange or other regulatory body. One lot is equivalent to 100,000 units of the base currency.

## HOW CAN I MINIMIZE THE RISK WHILE TRADING?



We are proud to say **ForexMart** has equipped our clients with distinct tools to help them reduce their risk when trading. Aside from that, traders should take note of the following:

### STOP LOSS ORDER

This feature enables you to set in advance the maximum you are willing to risk. So once the traded currency goes below the threshold, this order will automatically close the trade.

### TAKE PROFIT ORDER

The measure allows you to lock in your profits and close your trade once the market reaches a pre-determined goal, and the rate remains high. Although it limits the profit you can gain, this will protect you from any sudden plunge in the currency's price.

## WHERE CAN I LEARN MORE DETAILS ABOUT FOREX?



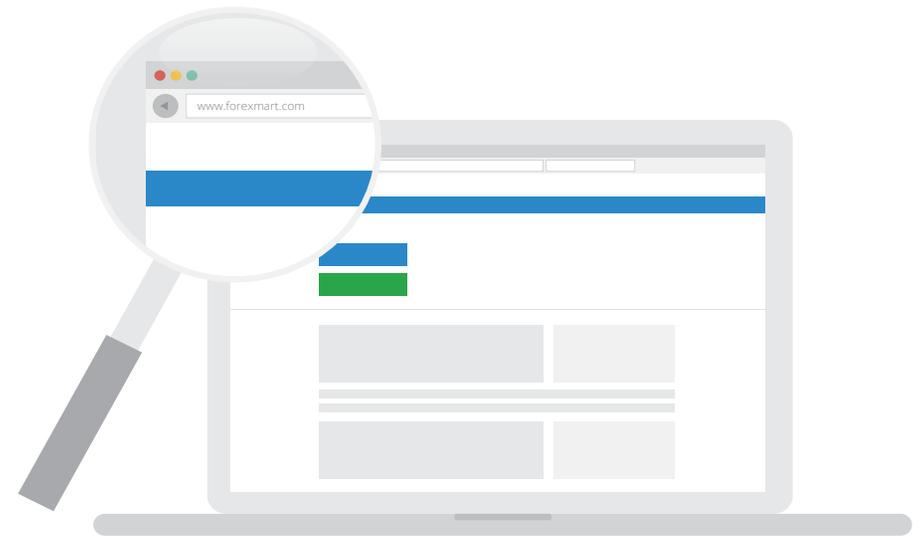
- SEMINARS / CRASH COURSES
- FINANCIAL ADVISORS
- E-BOOKS
- WEBINARS / VIDEO TUTORIALS
- VISIT ForexMart's FAQ or Forex Glossary

## WHY TRADE WITH FOREXMART?

- **ForexMart** complies with regulations set by different countries across the globe. Our commitment to following the industry's best practices and meeting the needs of the customer keeps us at the leading edge in our field.
- We provide our clients with the world-class trading platform.
- Our customer support team is available 24 hours a day and five days a week to assist you in trading-related matters wherever you are.
- We have no dealing execution, ensuring competitive and transparent pricing. Also, we process trades at the soonest possible time.

## HOW TO OPEN A TRADING ACCOUNT?

Visit the **ForexMart** homepage at [www.forexmart.com](http://www.forexmart.com).



[WWW.FOREXMART.COM](http://WWW.FOREXMART.COM)



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