klasfx
FOREX ACADEMY

Forex E-BOOK
Beginner

IS FOREX ?

Comes from the abbreviation of the words ' **FOR** eign **Ex change'** , which means foreign exchange trading in English . The Forex market emerged when world economies switched to free exchange rates (1976) and has a history of approximately 50 years. This market refers to the market where the currency of one country is purchased with the currency of another country, by taking advantage of the exchange rate of foreign currencies. Well-known expressions such as EURUSD or GBPUSD are the expression of one country's currency in another country's currency and express an equality. To give an example; The fact that the EURUSD parity is 1.1215 shows that 1.1215 USD can be purchased with 1 Euro. In Forex markets; In addition to major currency pairs such as EURUSD and GBPUSD , which are the most traded in global markets ; You can make two-way transactions with leverage up to 1:2000 on hundreds of different investment products, including many commodities such as Gold, Silver and Oil, and numerous CFD products.

liquid markets in the world with an average daily transaction volume of 7.5 trillion dollars , investors have the privilege of trading in the Forex market 24 hours a day, 5 days a week, and can follow the dynamism of the markets live at any time and from anywhere.

Banks, brokerage firms, funds, institutional and individual investors can trade in Forex markets . Although the main purpose of all these Participants may differ, the process is essentially the same. While the currency that is thought to appreciate is purchased, the currency that is thought to lose value is sold.

For example; An investor who thinks that the economic situation in Europe will worsen, banks will have problems and consumer distrust will increase may expect the Euro to lose value. On the other hand, he may think that the US economy is recovering rapidly and that the banking system is getting stronger as well as the strengthening of economic data and may predict that the Dollar will gain value. In this case, it will aim to make a profit by investing in Dollars instead of Euros.

For example; Let's assume the Euro/Dollar exchange rate is 1.20. An investor who invests 100,000 Euros into Dollars will have 120,000 Dollars in return. Let's assume that if the exchange rate falls to 1.10, it switches back to Euro . It will have 120,000/ 1.10 = 109,090.90 Euros. That is, he will make a profit of 9,090.90 Euros x 1.10 = 10,000 Dollars.

However, one of the most important factors for individual investors in the Forex market is of course "Experience". To make this decision, a lot of information and news flow is needed, as in the example above. Intermediary institutions that carry out transactions predominantly use the "Meta Trader" trading platform.

This market does not have a physical location or a center. Forex is an ' Over-theCounter - OTC' market or an 'Interbank' market.

Advantages of Forex Market

Forex markets are extremely attractive for all investors who want to increase their income. The main advantages of Forex Markets compared to other financial markets are as follows:

- High liquidity
- Ease of transaction 24 hours a day, 5 days a week
- Order Variety
- Ease of access and tracking anytime, anywhere via the MT4-MT5

electronic trading platform
- Two-way earning opportunity
- Lever

- Being the largest financial market in the world, manipulation is impossible.
- Offering the opportunity to hedge against exchange rate risk

Now, let's detail some of the above advantages;

HIGH LIQUIDITY

the world's most liquid market, fully reflects investor preferences. On the other hand, the depth in prices thanks to high liquidity brings with it healthy price formation and provides every investor with the opportunity to trade in real time in the desired volume . These situations also support the functioning of an effective market and not being able to manipulate the market.

EASE OF TRANSACTION 24 HOURS 5 DAYS

Trading can be done in Forex markets 24 hours a day, 5 days a week. In this way, investors who are interested in foreign exchange and commodity markets can trade whenever they find an opportunity to make money in the market.

ORDER VARIETY

There are many advantages to trading in a market that is open 24 hours a day, 5 days a week. Orders that can be placed in advance are important for investors in case of limited monitoring of instant price movements. Investors who want to trade based on their predictions; You can trade by predetermining the time, price, profit and loss target. This will be advantageous in terms of both time and analysis.

TWO-WAY EARNING OPPORTUNITY

Forex markets are derivative markets and a product is not physically purchased in these markets. In the FX markets, when investors think that the price of a

product will rise, they open a buy position and buy the possibility that the price of that product will rise, and they make money if the product price rises as they predict. Same way; When they predict that the price of a product will decrease, they open a sell position and buy the possibility that the price of that product will decrease and earn money at the same rate as the price of the product decreases.

LEVERAGE

The system that allows transactions in multiples of the collateral in return for a certain collateral is called leverage system. Leverage is one of the most important advantages of the Forex market. The leverage system, which offers a significant opportunity when managed correctly, is 1:100, 1:200; It may appear with ratios such as 1:1000, 1:2000. 1:1000 means leverage; This means that 1000 times larger transactions can be made against 1 unit of collateral.

For example; When an investor who does not have 10 0,000 Euros thinks that the Euro will lose value, he can sell 100,000 Euros in return for 100 Euros of collateral. In this case, the profit/loss calculation of 100 Euro collateral is made over 100,000 Euros.

The most important advantage of leverage is the ability to trade in high volumes with a low collateral amount. In this case, there is no limit to the profit potential. When the right transaction is chosen, there is the opportunity to make much more profit than the collateral. On the other hand, Risk is limited to the amount in your Forex account. In case of loss, there is no borrowing in the Fx markets.

Differences of Forex from Stock Market

Those written in black are the differences found in the book. I added the ones written in red.

* There is no leverage in stock markets, but leverage up to 1:2000 can be found in FX markets.

* The liquidity available in stock markets is much lower than Forex.

* While stock markets are open to manipulation due to liquidity difference , FX markets are not subject to manipulation.

* It is not possible to trade in stock markets at night, but in FX markets, trading can be done at night as there is 24/5 trading availability.

* Stock exchanges where stocks are traded are central institutions. However, Forex does not have a specific center.

* When you buy and sell in the Forex markets, you cannot physically own the product. Forex is a derivative market. However, in stock markets, shares are physically owned.

* Although there is a two-way transaction opportunity in both markets , you can easily make money from the decline by opening a sell transaction in the Forex markets and there is no requirement for this. You can also make money

by short selling in the stock markets, but this is not as easy as in Forex. Because in the stock markets, the investor sells the shares he has and after the decline occurs, he buys back the shares and replaces them. For this, the stock investor must borrow the number of shares for which the transaction will be made from the loan market of the brokerage firm he works with.

* While there is a risk of borrowing in the stock markets, investors trading in the Forex market do not have a risk of borrowing.

* In stock markets, product diversity covers only stocks, while in Forex markets, dozens or even hundreds of different products can be traded.

* There is no trading commission in Forex markets. The investor's cost is embedded in the spread . However, there are commissions in the Stock markets.

* Forex is an international market. Stock markets are local markets. For this reason, fewer variables are monitored in order to trade in the right direction in Forex markets .

FOREX BASIC CONCEPTS

Currency Codes

ISO 4712 criteria , currency codes are determined as 3 digits. The first two digits represent the name of the country and the last digit represents the name of the currency. For example;

Currency Code: USD Currency Code: GBP

Country name: United State Country name: Great Britain

Currency: Dollar Currency: GBP

Parity

It is the value of one country's currency against the currency of another country. The first currency written in the parity is called the base (main) currency, and the second written currency is called the quote currency.

In GBP/USD parity; GBP currency is the base currency, USD currency is the quote currency. In transactions made with parity, profit or loss calculation is made in the opposite currency. There are 8 major currencies traded in financial markets .

The fact that these currencies are considered major is due to the vitality of the economies of the countries to which they belong. In other words, it is known that the economies of these countries are much more robust and dynamic than the economies of other countries.

Currencies other than the 8 major currencies are called minor currencies .

If we go through this explanation; The parity formed by two major currencies is called major parity, and it is known that both currencies have an impact on the value of the parity.

Major pairs; They are EUR/USD , USD/JPY , GBP/USD , USD/CHF , AUD/USD , USD/CAD , EUR/JPY and EUR/GBP .

Among the major parities, the most preferred is EUR/USD.

The parity formed by a major currency and a minor currency is called minor parity (exotic) .

Minor parities are generally preferred by local investors. For example; USD/INR is a minor pair and is generally preferred by Indian investors.

Commodity

Commodity; It refers to the physical raw materials used to obtain other products. There are various types of commodities including agriculture, energy, metals and livestock

Commodity Types

Commodities can be of many different types. The most common types of commodities are:

Agriculture : Wheat, corn, soybeans, sugar used in the production of foods that meet people's basic needs, or cotton used in the textile industry are agricultural commodities.

Energy : It is used in the production of the energy required for the continuation of life and production. For example, products such as oil, natural gas, heating oil or coal and electricity are in this group.

Metals : These products are used in industry and construction sectors. For example, precious metals such as gold and silver or industrial metals such as copper and palladium.

Commodity trading is an integral part of the global economy. Understanding what drives developments in these markets is also critical to understanding geopolitical developments and political steps taken to achieve economic goals such as sustainable growth, inflation, poverty reduction, food security and climate change mitigation.

Commodity Prices and Variable Factors

Commodity prices may sometimes fluctuate sharply due to changes in supply and demand.

For example, when there is a large harvest of a particular crop, the price often drops. When there is a drought, prices often rise due to fear that supply will decrease.

During harsh winter seasons, there may be an increase in natural gas demand for heating purposes; However, during a warm period of winter, prices may drop.

However, some commodities are relatively more stable, such as gold, which acts as a reserve asset for central banks; But even gold can be significantly more volatile than stocks or bonds at times.

Similarly, many investors flock to gold during a bear market. Gold and silver, on the other hand, are widely seen as inflation hedges. High inflation often causes precious metals to rise.

Advantages of Investing in Commodity Exchange

The advantages of commodity trading include features such as protection against inflation and geopolitical tensions, leverage, diversification and transparency.

Some investors invest in commodities for diversification; because commodities generally have a negative correlation or low correlation with stocks. For example, oil and stocks tend to have a negative correlation.

Products Traded on Commodity Exchange

Commodity exchanges are markets where physically existing commodities that we need in our daily lives are bought and sold, divided into different categories such as agricultural products, energy products, metals and animal products.

The most common products traded on commodity exchanges include products such as gold , silver , copper , oil , cotton , palladium , natural gas , soybeans , and sugar .

CFD (Contract for Difference)

CFD group instruments, defined by the initials of the phrase Contract for Difference, are among the perfect products of the Forex markets designed to invest in price changes in financial products.

They are investment instruments that allow you to invest in the future expectations of the underlying product with small collateral, without owning the financial product, by tying lower collateral than the underlying product. In short, the financial product is simply the buying and selling of future expectations.

CFD trading, although you invest in the product that is the subject of the difference contract, you do not physically own the product. You just buy expectations. Stocks, indices and T-bonds can be sources of investment instruments CFD.

CFD contracts are contracts with specific dates, that is, with a certain start and end date. At the end of the contract date, the difference between the price of the relevant product subject to the contract and the starting price is calculated mutually .

The CFD group includes stock market indices , shares of large companies such as Apple and Twitter , and American bonds and bills . Analyzing and trading in the CFD group, where you can follow market prices live, is no different from trading any parity .

Spread

Spread; It is the difference between the buying price and selling price of a foreign exchange rate.

In the Forex market, the investor does not buy or sell the currency he is trading at at the same price; There is a buying and selling price for this exchange rate. In Forex transactions, a transaction cost called spread is applied instead of commission. Spread income constitutes the profit of the brokerage firm.

For example; Let's say we are considering trading the EUR/USD currency pair. A currency pair represents the value of one currency against another.

EUR/USD refers to the value of the Euro against the US Dollar. The bid and ask prices for this currency pair might look like this:

- EUR/USD Bid Price: 1.1000
- EUR/USD Ask Price: 1.1005

In this case, for the EUR/USD currency pair, the spread refers to the difference between the bid price (1.1000) and the ask price (1.1005):

Spread = Selling Price (1.1005) - Buying Price (1.1000) = 0.0005 or 5 pips .

Pip

The concept of pip, which consists of the initials of the words "Price Interest Point", is generally expressed as the smallest change in foreign exchange prices . A change of one pip describes the change in the fourth digit of the currency after the comma. Spread rates in the Forex market are also expressed in pips. It is used in profit calculation and technical analysis studies.

For example; When the EURUSD parity reaches the level of 1.1120 from 1.1112, it will increase by 8 pips.

Lot

In the Forex market, " lot " refers to the transaction volume. A volume of 1 Lot in any product is directly proportional to the contract size of that product in the brokerage firm where the transaction is made.

For example; If the Crude Oil (CL, WTİ) contract size in a brokerage firm is 1000 barrels, 1 Lot Crude Oil transaction represents a transaction of 1000 barrels.

Likewise, if the contract size of Ounce Gold (GOLD, XAUUSD) is 100, this describes a transaction of 100 Ounces in a 1 Lot transaction.

There are various lot types in the Forex market such as standard lot, mini lot and micro lot. Investors can choose different lot sizes depending on their trading strategies and risk tolerance.

Standard Lot : 1 Standard Lot usually contains units equal to the contract size. We gave the example above. To reiterate; 1 Lot XAUUSD contains 100 units of gold. (1.00)

Mini Lot : If we give an example again in terms of gold, 1 mini lot contains 10 units of gold. (0.10)

Micro Lot : Continuing with the gold example, 1 micro lot contains 1 unit of gold. (0.01)

Swap

It is the overnight carrying cost that is reflected in the account positively or negatively depending on the interest difference between the invested currency pair.

If the opened position is closed without changing the day, swap is not possible.

Swap is determined by the rate at which highly liquid currencies lend to each other in USD in international markets, usually in the London Interbank Money Market (LIBOR).

Swap applications may vary depending on the holiday calendar in countries with currencies that form the basis of the parity.

Taking a hedge position by buying and selling the same amount in a parity does not prevent swap transactions.

Swap rate is converted into USD in the opposite currency and reflected in the account. Here, the exchange rate on the platform is taken as reference. In addition, the Swap rate varies depending on the parity traded, the direction of the position and the size of the position.

swap amount at 00:00 on Wednesdays or Thursdays .

This may vary depending on the product, as well as the dates determined by the brokerage firm where the investor works.

There are two types of Swap;

Swap Long : Shows the swap rate to be calculated for the buy position.

Swap Short : Shows the swap rate to be calculated for the sales position.

A swap rate of (-) indicates that the amount to be formed depending on the lot size will be collected from our account after 00:00, while a swap rate of (+) indicates that the amount to be formed will be added to our account after 00:00.

Balance

It shows the amount deposited into the Forex account. Since the investment made at the first opening does not result in any profit/loss, it appears as a direct balance. After making a transaction, the balance changes with the reflection of the amount of closed transactions .

Asset

It is the value formed by reflecting open positions to the balance. It gives the balance that will be obtained if the traded position is closed at that moment.

In other words, it is the Current Balance.

Margin (Collateral)

The amount of money (collateral) required to open a position is called margin. In other words, it can be said that the amount blocked by the system for our open positions. The collateral amount may vary depending on leverage. The margin for positions is calculated as follows;

MARGIN = **Product Price x Contract Size x Lot Size / Leverage Ratio**

For example;

Let our OUNCE GOLD (XAUUSD) price be 2025.52 instantly. Let's assume that the contract size of Gold is 100 Ounces and the leverage we want to enter into the transaction is 1:1000, and we want to open a 2 Lot buying position. In this case, the collateral we will use from our balance for this transaction;

MARGIN (GUARANTEE) = 2025.52 x 100 x 2 / 1000 = 405.1 USD.

Free Margin (Asset-Collateral)

It is calculated by deducting the Collateral amount blocked for positions from the Current Balance Asset amount. In order to open a new position, the required collateral amount must be available as free margin in the account.

Margin (Collateral) Level

It is expressed as a percentage and is calculated by dividing the amount in the Asset by the Margin.

Margin Level = (Asset / Margin) * 100

Margin Call

This is when the Margin Level reaches 50%. It shows the investor that the risk is very close to the 20% limit at which it will be realized .

Stop Out

This is when the Margin Level is 20%. If the investor carries more than one position, the positions start to be closed starting from the position with the most loss and the resulting loss is deducted from the balance.

PROFIT/LOSS/MARGIN/STOP OUT CALCULATIONS

Question 1 :

Leverage: 1/1000 Contract Size: 100,000

Balance: 10,000 USD

Positions; Eur/Usd 0.50 lot Buy 1 .1150

Eur/Usd 1.00 lot Buy 1 .1100

Eur/Usd 1.50 lot Buy 1 .1050

Current Price: 1.0950

a) What is the investor's total profit/loss situation when the Current Price is 1.0950 ?
b) What is Investor's Asset?
c) What is Investor's Guarantee?
d) What is Investor's Free Margin?
e) What is the Investor's Collateral level?

f) At what level will the investor Eur/Usd reach Stop Out? (Stop Out level (20%))

Solution one

a) total profit/loss situation when the Current Price is 1.0950 ;

Let's calculate profit/loss for Eur/Usd 0.50 lot Buy 1.1150. Here;

The price entered into the transaction is: 1.1150 and the current price is 1.0950.

Change: 1.1150 – 1.0950 = 0.0200 USD

Profit/Loss: Lot x Contract Size x Change

: 0.50 x 100,000 x 0.0200

= 1000 USD (Since our position is buying, loss = -1000 USD)

Eur/Usd 1.00 lot Buy 1.1150. Here;

The price entered into the transaction is: 1.1100 and the current price is 1.0950.

Change: 1.1100 – 1.0950 = 0.015 USD

Profit/Loss: Lot x Contract Size x Change

: 1.00 x 100,000 x 0.015

= 1500 USD (Since our position is buying, loss = - 1500 USD)

Eur/Usd 1.50 lot Buy 1.1050. Here;

The transaction price is 1.1050 and the current price is 1.0950.

Change: 1.1050 – 1.0950 = 0.010 USD

Profit/Loss: Lot x Contract Size x Change

: 1.50 x 100.000 x 0.010

= 1500 USD (Since our position is buying, loss = - 1500 USD)

While the instant price for the Eur/Usd positions opened by the investor was 1.0950, in total;

1000 + 1500 +1500 = 4000 USD is in loss.

b) Investor's Asset : Balance (-/+) Profit/Loss amount

: 10,000 – 4,000 = 6,000 USD.

c) Let's use our formula when calculating the Collateral (Margin) provided by our Investor for the Positions.

Collateral (Margin) = (Lot x Contract Size x Price) / Leverage

Collateral for the position opened at 1.1150: (0.50 x 100.000 x 1.1150) / 1000

= 55.75 USD

Collateral for the position opened at 1.1100: (1.00 x 100.000 x 1.1100) / 1000

= 111 USD

Collateral for the position opened at 1.1050: (1.50 x 100.000 x 1.1050) / 1000

= 165.75 USD

Total Collateral (Margin) provided by our Investor is = 55.75 + 111 + 165.75 = 332.5 USD.

d) Investor's Free Collateral;

Free Collateral: Asset - Collateral.

: 6000 – 332.5 = 5667.5 USD.

e) Investor's Collateral (Margin) Level;

Collateral Level: (Asset/Collateral) x 100.

: (6000/332.5) x 100 = 1804.51%.

Currently, the investor's situation is as follows;

Balance: 10,000 USD **Asset** : 6000 USD **Collateral:** 332.5 USD **Free T** : 5667.5 USD **Collateral S** : 1804.51% **Profit/Loss:** -4000 USD

f) At what level will the investor Eur/Usd reach Stop Out?

Our institution's Stop Out Level is 20%. Well; When an investor's Collateral Level reaches 20%, their positions will be closed automatically, starting from the position with the most loss, and the investor will consequently have to accept the loss arising from the closed position. Losses arising from closed positions are simultaneously deducted from the balance.

First of all, let's calculate how much loss the investor makes, in other words, how much amount he has left in his assets, the Stop Out will start.

Stop Out will start when (Asset/Collateral) x 100 = 20.

(Asset/332.5) x 100 = 20

(Asset/332.5) = 20/100

(Asset/332.5) = 0.20

Asset = 332.5 x 0.20

When Asset = 66.5 USD, that is, Investor; When it loses another 6000 – 66.5 = 5933.5 USD, it will start to become a Stop Out.

In fact, the shortcut to the calculation we made above is as follows; For all time; Stop Out begins to occur when 1/5 of the collateral attached by an investor remains in his/her assets.

So directly; We can also calculate it as 332.5 / 5 = 66.5 6000 -66.5= 5933.5 USD.

Now let's calculate the level at which Eur/Usd will start Stop Out. Firstly; All our positions are "Buy". In this case, as the Eur/Usd price rises, our investor makes a profit, and as it falls, he makes a loss. For this reason, in order for the investor to Stop Out, the price must move downwards and the Eur/Usd parity must fall.

We will find out how much price change Eur/Usd should undergo by using the Profit/Loss Calculation formula;

It is clear that no matter how much loss we make, we will be Stop Out: 5933.5 USD

Contract Size is determined: 100,000

Lot determined: 0.50+1.00+1.50 = 3.00 lots

Profit/Loss = Lot x Contract Size. x Change

5933.5 = 3 x 100,000 x Change

5933.5 = 300,000 x Change

Change = 5933.5 / 300,000

Change: Stop Out will start when there is a downward change of 0.0198.

= 1.0950 – 0.0198

= Approximately Eur/ Usd: Stop Out will start when it reaches 1.0752.

Question 2 :

Leverage: 1/ 1000 Contract Size: 100

Balance: 20,000 USD

Positions; XAU/USD 5.00 lot Sell 2040 .00

XAU/USD 10.00 lot Sell 2045 .20

XAU/USD 15.00 lot Sell 2048 .50

Current Price: 2050.35

a) What is the investor's total profit/loss situation when the Current Price is 2050.35?
b) What is Investor's Asset?
c) What is Investor's Guarantee?
d) What is Investor's Free Margin?
e) What is the Investor's Collateral level?
f) At what level will the investor stop out if XAU/USD reaches? (Stop Out level (20%)
g) How much investment can the investor increase the Collateral Level to 250%?

Solution 2

a) Investor's total profit/loss situation when the Current Price is 2050.35 ;

Let's calculate profit/loss for XAU/USD 5.00 lot Sell 2040,00. Here;

Price entered into the transaction: 2040.00. Current price is 2050.35.

Change: 2050.35 – 2040.00 = 10.35 USD

Profit/Loss: Lot x Contract Size x Change

: 5 x 100 x 10.35

= 5175 USD (Since our position is buying, loss = -5175 USD)

Let's calculate profit/loss for XAU/USD 10.00 lot Sell 2045.20. Here;

The price entered into the transaction is: 2045, the 20-minute price is 2050.35.

Change: 2050.35 – 2045.20 = 5.15 USD

Profit/Loss: Lot x Contract Size x Change

: 10 x 100 x 5.15

= 5150 USD (Since our position is buying, loss = - 5150 USD)

Let's calculate profit/loss for XAU/USD 15.00 lot Sell 2048.50. Here;

The transaction price is 2048.50 and the current price is 2050.35.

Change: 2050.35 – 2048.50 = 1.85 USD

Profit/Loss: Lot x Contract Size x Change

: 15 x 100 x 1.85

= 2775 USD (Since our position is buying, loss = - 2775 USD)

While the instant price for the XAU/USD positions opened by the investor was 2050.35, in total;

5175 + 5150 +2775 = 13100 USD in loss

b) Investor's Asset : Balance (-/+) Profit/Loss amount

: 20.000 – 13.100 = 6.900 USD

c) Collateral (Margin) provided by our Investor for Positions

Collateral (Margin) = (Lot x Contract Size x Price) / Leverage

at 2040.00 : (5 x 100 x 2040) / 1000

= 1020 USD

Collateral of the position opened at 2045.20: (10 x 100 x 2045.20) / 1000

= 2045.20 USD

Collateral of the position opened at 2048.50: (15 x 100 x 2048.5) / 1000

= 3072.75 USD

Total Collateral (Margin) provided by our Investor is = 1020 + 2045.2 + 3072.75 = 6137.95 USD.

d) Investor's Free Collateral;

Free Collateral: Asset - Collateral.

: 6900 – 6137.95 = 762.05 USD.

e) What is the Investor's Collateral level?

Collateral Level: (Asset/Collateral) x 100.

: (6900/6137.95) x 100 = 112.42%.

Currently, the investor's situation is as follows;

Balance: 20.000 USD **Asset** : 6.900 USD **Collateral:** 6137.95 USD **Free T** : 762.05 USD **Collateral S** : 112.42% **Profit/Loss:** -13100 USD

f) At what level will the investor stop out if XAU/USD reaches? (Stop Out level (20%)

In this example, let's start by using the shortcut we mentioned in the previous example. First of all, let's find out how much the investor's assets need to drop in order to Stop Out;

Since the Guaranteed Guarantee is 6137.95, Stop Out will start when 1/5 of this amount remains in cash.

Well; Stop Out will start when 6137.95 / 5 = 1227.59 USD Presence remains.

Based on this, in order to have a Stop Out; 6137.95 – 1227.59 = 4910.36 If there is another loss of USD, Stop Out will start.

Now let's calculate the level at which XAU/USD will start Stop Out. Firstly; All our positions are “Sell” oriented. In this case, as the XAU/USD price decreases, our investor makes Profit, and as it rises, he makes a Loss. For this reason, in order for the investor to Stop Out, the price must move upwards and the XAU/USD parity must rise.

We will find out how much price change XAU/USD should undergo by using the Profit/Loss Calculation formula;

It is clear that the more we lose, the more we will be Stop Out: 4910.36

Contract Size: 100

Lot determined: 5.00+10.00+15.00 = 30.00 lots

Profit/Loss = Lot x Contract Size. x Change

4910.36 = 30 x 100 x Change

4910.36 = 3000 x Change

Change = 4910.36 / 3000

Change: Stop Out will start when there is an upward change of 1.64 USD.

= 2050.35 + 1.64

= Approximately XAU/ USD: 2051 Stop Out will start when it reaches .99.

g) **How much investment can the investor increase the Collateral Level to 250%?**

The investor's situation was as follows;

Balance: 20.000 USD **Asset** : 6.900 USD **Collateral:** 6137.95 USD **Free T** : 762.05 USD **Collateral S** : 112.42% **Profit/Loss:** -13100 USD

Here we will use the Collateral Level formula to answer the question and calculate how much the investor's assets should be.

Collateral Level: (Asset/Collateral) x 100

250 = (Asset / 6137.95) x100

2.5 = Asset / 6137.95

Asset = 6137.95 x2.5 = 15344.88 USD.

The investor already had 6900 usd in assets. 15344.88 -6900 = 8444.88 USD

In other words, when the investor funds his account with another 84444.88 USD, the Collateral Level will increase to 250%.

Question 3 :

Leverage: 1/ 1000 Contract Size: 1000

Balance: 20,000 USD

Positions; WITİ 10.50 lot Buy 79 .20

WITİ 15,50 lot Buy 78 .00

Current Price: 81.60

a) What is the investor's total profit/loss situation when the Current Price is 81.60?
b) What is Investor's Asset?
c) What is Investor's Guarantee?
d) What is Investor's Free Margin?
e) What is the Investor's Collateral level?

At what level will the investor's WITI reach Stop Out? (Stop Out level 20%)

Solution 3

a) Investor's total profit/loss situation when the Current Price is 81.60 ;

Let's calculate the profit/loss for WITİ 10.50 lot Buy 79.20. Here;

The price at which the transaction was entered: 79, 20. The current price is 81.60.

Change: 81.60 – 79.20 = 2.40 USD

Profit/Loss: Lot x Contract Size x Change

: 10.50 x 1000 x 2.40

= 25200 USD (Since our position is buying, profit = 25200 USD)

WITİ 15.50 lot Buy 78,00. Here;

The price at which the transaction was entered: 78.00. The current price is 81.60.

Change: 81.60 – 78.00 = 3.60 USD

Profit/Loss: Lot x Contract Size x Change

: 15.50 x 1000 x 3.60

= 55800 USD (Since our position is buying, profit = 55800 USD)

While the instant price for the WITİ positions opened by the investor was 81.60, in total;

25200 + 55800 = 81,000 USD in profit .

b) **Investor's Asset:** Balance (-/+) Profit/Loss amount

: 20.000 + 81.000 = 101.000 USD

c) **Collateral (Margin) provided by our Investor for Positions**

Collateral (Margin) = (Lot x Contract Size x Price) / Leverage

Collateral for the position opened at 79.20: (10.50 x 1000 x 79.20) / 1000

= 831.6 USD

Collateral for the position opened at 78.00: (15.50 x 1000 x 78.00) / 1000

= 1209 USD

Total Collateral (Margin) provided by our Investor is = 831.6 + 1209 = 2040.6 USD.

d) Investor's Free Collateral;

Free Collateral: Asset - Collateral.

: 101000 – 2046.6 = 98.953,4 USD.

e) What is the Investor's Collateral level?

Collateral Level: (Asset/Collateral) x 100.

: (101000/2046.6) x 100 = 493.5%.

Currently, the investor's situation is as follows;

Balance: 20.000 USD **Asset** : 101.000 USD **Collateral:** 2046.6 USD **Free T** : 98953.4 USD **Collateral S** : 493.5% **Profit/Loss:** +81.000 USD

f) At what level will the investor's WITI reach Stop Out? (Stop Out level (20%)

The collateral provided by the investor is: 2046.6 USD. When 1/5 of this amount remains, Stop Out will occur.

If 2046.6 / 5 = 409.32 USD remains, Stop Out starts.

Well; If there is a loss of 101,000 – 409.32 = 100,590.68 USD, there will be a Stop Out. For this;

Profit/Loss = Lot x Contract Size. x Change

100590.68 = 26 x 1000 x Change

Change = 100599.68 / 26000 = 3.87 USD

Well; 81.60-3.87 = 77.73 USD

stops out when the WITI price drops to 77.73.

Support Levels

It is expressed as the levels at which the decline in the price of a product is expected to stop. In the analyses, generally three support levels are determined for the specified time types.

Resistance Levels

It is expressed as the levels at which the increase in the price of a product is expected to stop. In the analysis, generally 3 resistance levels are determined for the specified time types.

Pivot Level

Pivot Level is an important tool used in financial market analysis and especially technical analysis. Pivot points are reference points used to predict future support and resistance levels of price movements and identify potential turning points .

ORDER TYPES IN FOREX MARKETS

BUY ORDER (BUY) : If an increase in the price of a product is expected, a buy position is opened to aim for profit from the price increase.

SELL ORDER (SELL) : If a decrease in the price of a product is expected, a sales position is opened to aim for profit from the price decrease.

*PENDING ORDERS

Take Profit (TP): Take Profit order helps investors limit their profits. In this way, investors can obtain the return they target by protecting their profits against momentarily fluctuating prices in their transactions.

For example; If an investor who opens a 1- lot buy order in XAUUSD when the price is 1935 writes 1940 to the take profit level, his position will be automatically closed as soon as the price reaches 1940 and the resulting profit of 500 USD will be added to his balance, even if he does not follow the market.

Stop Loss (SL): Stop Loss order helps investors limit their losses. In this way, investors can take precautions against momentarily fluctuating prices in their transactions and exit their positions at a loss amount they can accept. In this way, they prevent unwanted losses.

For example; If an investor who opens a 1- lot sell order in XAUUSD when the price is 1935 writes 1940 to the stop loss level, his position will be automatically closed as soon as the price reaches 1940 and he will not lose more than the 500 USD loss even if he does not follow the market.

****WARNING****

Take Profit and Stop Loss orders may not always be executed at the prices determined by investors. During times of high volatility in the markets, during very important news flows, and at market openings with gaps, they can enter into transactions at the first price they see. This may sometimes cause investors to make more profit or loss than they calculated.

BUY LIMIT (BUY LIMIT) : Investors in Forex markets do not have to constantly follow the market to enter into transactions at the prices they want. One of the most important orders that enable this is the Buy Limit order.

An investor uses this order to open a buy order on any product at a price lower than the current price.

For example; Let our XAUUSD price be 2075.48 instantly. If we want to open a buy order without following the market when the XAUUSD price reaches 2070, we can select Buy Limit from the order types and write 2070 in the price section. Thus, even if we are in a meeting or at a dinner, when the XAUUSD price drops to 2070, the system will automatically open a buy order for us in the volume (lot) we have determined.

BUY STOP : An investor uses this order to open a buy order for any product at a price higher than the current price.

For example; Let our XAUUSD price be 2075.48 instantly. If we want to open a

buy order when the XAUUSD price reaches 2080.50 , we can select Buy Stop from the order types and write 2080.50 in the price section. Thus, when the XAUUSD price rises to 2080.50, the system will automatically open a buy order for us in the volume (lot) we specified.

SELL LIMIT : An investor uses this order to open a sell order for any product at a price higher than the current price.

For example; Let our XAUUSD price be 2075.48 instantly. If we want to open a sell order when the XAUUSD price reaches 2077.50 , we can select Sell Limit from the Order types and write 2077.50 in the price section. Thus, when the XAUUSD price rises to 2077.50, the system will automatically open a sell order for us in the volume (lot) we specified.

SELL STOP: An investor uses this order to open a sell order on any product at a price lower than the current price.

For example; Let our XAUUSD price be 1958 at the moment. If we want to open a sell order when the XAUUSD price reaches 1950, we can select Sell Stop from the Order types and write 1950 in the price section. Thus, when the XAUUSD price drops to 1950, the system will automatically open a sell order for us in the volume (lot) we specified.

Note: When entering Pending Orders, Take Profit and Stop Loss levels can also be set. In this way, investors can open their transactions at the price they want and close their positions with the profit or loss amount they want.

PROFIT CALCULATION (B)

Calculating profit is quite easy once you find out how many pips the price has moved.

What needs to be done here is to multiply the change in pips by the contract size of the product and the lot amount entered into the transaction.

If your account at the brokerage firm is in USD, you must convert the result to USD; if your account is in Indian Rupee, you must convert the result to Rupee.

It should not be forgotten that in a product, Margin is always tied to the Base currency, while profit/loss occurs in the opposite currency.

Now let's give an example of what we said.

Example 1

EUR/ USD Contract Size: 100,000

If a purchase transaction is made over 1 lot;

Initial Price EUR/ USD : 1.0980

Last Price EUR/USD: 1.1000

Change: 1.1000-1.0980 = 0.0020 USD (Since the quote currency is USD)

Profit: Lot x Word.Spell. x Change = 1 x 100,000 x 0.0020 = $200 profit

Example 2

USD/ JPY Contract Size: 100,000

If a sale transaction is made over 1 lot;

Initial Price USD/ JPY : 144 .60

Last Price USD/ JPY : 142 .40

Change: 144.60-142.40 =2.20 JPY (since the exchange rate is Jpy)

Profit: : Lot x Word.Spell . x Change = 1 x 100,000 x 2.20 = 220,000 JPY

Assuming the account is USD account; We must convert the profit into USD.

1 USD : 142.40 JPY, 220.000/142.20 = 1547.11 USD profit.

Example 3

WITİ (Crude Oil) Contract Size: 1000

If a purchase transaction is made over 0.50 lots;

First Price WIT: 79.30

Last Price WIT: 80.40

Change: 80.40-79.30 = 1.10 USD

Profit: Lot x Word.Spell. x Change = 0.50 x 1000 x 1.1 = 550 USD Profit.

Example 4

XAU/USD (Ounce Gold) Contract Size: 100

If a sale transaction is made over 0.03 lots;

Initial Price XAU/USD: 2014.16

Last Price XAU/USD: 2010.16

Change: 2014.16 – 2010.16 = 4.00 USD

Profit: Lot x Word.Spell. x Change = 0.03 x 100 x 4 = 12 USD Profit.

FUNDAMENTAL ANALYSIS

Fundamental Analysis is the branch of science that explains all the dynamics that enable prices to move with economic developments at the macro level, and examines all changes that cause speculation, including the political situations in countries, the relations between each other, monetary policy decisions and their effects .

The role of Fundamental Analysis is quite limited for Forex trading strategies. Because an investor needs a serious academic education to gain knowledge about the dynamics of the global economy and to be able to analyze it. Balance sheets, current situations, testing tools and many fundamental analysis techniques are not very important issues for the Forex Market. Especially when investing in parity pairs, knowing the dynamics of country currencies allows you to use fundamental analysis more efficiently. The way to benefit efficiently from Fundamental Analysis in Forex Markets is to follow the Economic Calendar faithfully. Because the Economic Calendar represents the most important part of the fundamental analysis. Following the data here is very important for Forex investors. Because, when some reports that have a high impact and clearly show the situation of the country in question are announced, it can have a great impact on the country's currency. Especially developments in a currency that acts as a reserve currency can affect many parities and commodities. High volume transactions and high volatility that may occur after the release of data can be dangerous but also offer very good investment opportunities. Another development that may interest Forex investors is the changes in interest rates and monetary policy statements of the central banks of the countries. In general, investors turn to sources that will provide the highest real interest return on their money. Therefore, a deposit account with a high interest rate may be more attractive than risky real sectors. This shifting movement of existing currency between recipients will have an impact on the value of the currency. For exactly these reasons, Central Banks may frequently resort to deliberate interest rate changes.

Central Banks

The institution responsible for the monetary policy of a country or group of countries is called the Central Bank . Although at first glance it is defined as the treasury department of the relevant country, it has acquired much more important duties in modern market conditions. The main purpose of the central bank is to maintain the stability of the currency and money supply. However, central banks also have duties such as being the last credit authority of the banking sector and controlling the interest rate limit. In addition, the central bank may also have powers to supervise banks and other financial institutions against imprudence and fraud. They can also have many important missions such as fighting inflation, regulating the borrowing resources of governments, being a bridge to banks, protecting the value of the national currency, managing gold and foreign exchange reserves, and regulating the exchange rate regime.

Central Banks are independent institutions. A central bank cannot be in control of the politics of the country concerned. If such a risk occurred, there would be no economic stability in the country.

Now let's talk about the main Central Banks;

CENTRAL BANK OF THE UNITED STATES (FED)

As the central bank of the United States, the system and institution that manages the country's entire monetary policy and helps ensure and maintain the stability of the financial system is the Federal Reserve System (Federal Reserve), in short, the FED. Especially in recent times, the FED has become a "supranational" financial institution that is much talked about and closely followed not only in the USA but globally in all countries. The reason for this is that the FED is an extremely effective, powerful and important institution, both in the USA and globally. Founded in 1913, the FED is headquartered in Washington. FED; It consists of the Board of Governors, the Federal Open Market Committee (FOMC), the Federal Reserve Banks (FRB), Member Banks, and Advisory Commissions. FED law divides the country into 12 departments. 12 separate Federal Reserve Banks operate in these regions. At the FOMC meetings held 8 times a year, monetary policy decisions are made according to the course of the American economy and the global economy. In the FOMC, which consists of 12 members, 7 people are members of the Board of Governors and 5 people are FRB presidents. All FRB chairmen attend the meeting, but they have 5 voting rights. The chairman of the New York FRB is a permanent member of the FOMC. The Fed President's press conference takes place in four of the monetary policy committee meetings that meet 8 times a year. Jerome Powell has been the President of the FED since February 5, 2018.

Responsibilities of the FED, which has the status of the American Central Bank

• Generally, to carry out the country's monetary policy to try to achieve full employment and maintain price stability, which is the main function of all central banks.

• To ensure the stability of the financial system and maintain it.

• To regulate, monitor and supervise the banking sector in order to protect the credit rights of consumers and ensure the security of the banking system.

• To control systematic risks that may arise in financial markets.

• Providing financial services to the U.S. government, the public, financial institutions and official foreign entities.

CENTRAL BANK OF ENGLAND (BANK OF ENGLAND) (BOE)

The Bank of England, contrary to its name, is a central bank belonging to the whole of the United Kingdom. The bank was established in 1694 as a private commercial bank to issue bonds and collect deposits to finance England's war with France. The bank, which was given the authority to print money for the first time in 1844, was nationalized in 1944. In 1997, the authority to determine monetary policies and interest rates was taken from the government and transferred to the Bank of England, and the bank gained an independent status for the first time. Andrew Bailey has been the Governor of the BOE since March 16, 2020.

BOE's Responsibilities

• Determining the country's monetary policy

• Ensuring price stability by keeping inflation under control

• Printing money and providing liquidity to the markets.

EUROPEAN CENTRAL BANK (ECB)

is one of the most important central banks in the world, responsible for managing the monetary policy of 20 countries within the Eurozone . It was established on June 1, 1998, with headquarters in Frankfurt, Germany. The Bank's main task is to preserve the purchasing power of the Euro and ensure price stability in the Euro area. As of November 1, 2019, its president has been French politician Christine Lagarde .

ECB's Responsibilities

- Determination and implementation of monetary policy
- Ensuring foreign exchange buying and selling
- Management of member countries' monetary resources (Portfolio management)
- Promoting the circulation of money in the economy, especially a smoothly functioning payments system.
- Permission to issue Euro banknotes, issuance in person through national central banks
- Supervising credit institutions, checking financial market stability
- Consultancy with Community and national authorities, cooperation with other international and European institutions
- Collecting statistical information required to fulfill its mission
- Preparation of the Central Bank balance sheet.

CENTRAL BANK OF JAPAN (BOJ)

The Bank of Japan, established in Tokyo in 1882, is authorized to manage the monetary policies of the Japanese economy. The monetary policy practices of Japan, the world's third largest economy according to GDP ratios, are carefully monitored by world countries. The Bank of Japan, which has been struggling with the problem of low inflation for many years, is trying to stimulate inflation and economic activity with its negative interest policy. Haruhiko Kuroda has been its chairman since March 20, 2013.

BOJ's Responsibilities

- Being responsible for the distribution of Japanese Yen banknotes and coins.
- Ensuring the stability of the financial system
- Implementing monetary policy
- To carry out exchange rate policy.

CENTRAL BANK OF CHINA (PBOC)

Founded in 1948 in Beejing, the Central Bank of China manages the monetary policy of the People's Republic of China. China, the world's most populous country and the world's second largest economy, has rapidly increased its share in world trade and achieved a serious growth momentum. Its share in the global economy has made China an actor that should be watched carefully. In addition, the Central Bank of China, which we know as the central bank with the most reserves in the world, implements a fixed exchange rate policy.

The decisions of the central banks and the statements of their presidents listed above may cause serious global volatility. However, as expected, the main effects will be on countries' own currencies. For example;

While FED decisions and Powell's statements will create volatility on the USD, ECB decisions and Lagarde's statements will primarily cause serious fluctuations on the EURO currency.

We have mostly talked about currencies so far. However, of course, in money markets, it is not just parities that have volatility and provide profit opportunities.

Especially Commodities, CFD products and Indices provide good earning opportunities.

While we are talking about this issue, we need to make special mention of OUNCE OF GOLD and OIL.

KEY FACTORS AFFECTING GOLD (XAUUSD,GOLD) PRICES

Gold is a precious metal used as a commodity and monetary asset. Its historical past is very old and it was used as a central currency from the 600s BC until the 21st century. The fact that gold has been used as a store of value for centuries, its production amount is limited according to demand, and there is no other material to replace it, reveals the feature of gold as a precious metal.

The main factors affecting gold prices are as follows:

- The value of the US Dollar against other currencies. Generally, the Dollar index is followed.

• Economic growth rate in the world.

• Inflation Rates.

• Real interest limits

• US 10-year bond interest rates

• Central Banks monetary policies

• Oil and other commodity prices

• Hedging transactions of gold producers

• Short and long position amounts in the futures markets where gold is traded

• Transactions for speculative purposes

• Geopolitical situations of countries that have a high weight in gold supply and demand

• Gold extraction costs of gold mining companies

• Demand for gold, primarily for jewellery.

KEY FACTORS AFFECTING OIL PRICES

Oil is the energy source with the highest share in global energy consumption. While the main factor affecting oil prices in the long term is the supply-demand balance, many factors can affect oil prices in the short term.

In addition, factors such as limited reserves, newly released reserves falling behind consumption, and the fact that a large share of the reserves is under the monopoly of OPEC member countries, have an impact on oil prices.

There are more than 100 types of oil globally, but West Texas Intermediate

(WITI-Crude Oil), Brent (British) Oil and Dubai Fateh oil are accepted as reference in determining oil prices. The main factors affecting oil prices are as follows:

• Supply-Demand conditions

• Geopolitical Factors

• Paper Oil transactions in financial markets

• Value of the US Dollar against other currencies

• Speculative transactions

• Financial Crises

• Hedge fund transactions • Sectoral Investments

• OPEC policies • Climate Changes

• Stocks and Spare capacity • Energy Efficiency

• Refining Costs • R&D Costs

• Economic Growth

• Share of alternative energy sources in consumption

ECONOMIC CALENDAR

Economic calendar; It is a list of events, data releases, and report releases on a specific date focused on the economic activity of a country or region. It is of great importance for local and global markets.

It includes economic reports and data published periodically by government institutions or other research institutions, central bank meetings and press releases on its activities and policies, public funding activities and statements.

The calendar also includes political events such as parliamentary hearings, speeches by policymakers, and meetings between country leaders, as well as developments that may not occur regularly but may affect the markets, and elections.

Some data in the calendar occur at regular intervals; They can be weekly, monthly, quarterly or yearly and have varying potential for impact on the market. Investors and professionals follow these developments closely to get an indication of market and economic conditions.

Some of the developments that occur at regular intervals are employment and inflation reports, public funding activities and announcements, and central bank meetings.

How to Interpret the Economic Calendar?

the economic calendar page is only possible if we understand what they mean for that country's economy. This shows that data should be taken into account according to their level of importance. Considering that not all data have the same degree of importance, we can understand that they will not cause the same price movement.

Along with the announced figures, expectations are also of great importance in terms of numbers. Comparing the figures announced in the previous period with the expected figures allows the data to be interpreted as positive or negative. However, it is also important to understand the rapid pricing that can be seen before the data time. Such examples can be explained as **expectation pricing as well as technical reasons** . These instances of early pricing are one of the reasons why data does not provide rapid pricing at the data hour.

In order to correctly interpret the announced data, it will be important to know which ones are considered **leading data that can measure economic power within a country's economy in order to distinguish it from other components.** As an example of the leading data we mentioned here; We can provide data such as interest rate statements, unemployment and employment rates, and gross domestic product.

What Should We Consider When Examining The Economic Calendar?

TIME : Indicates the time when the data will be announced.

FOREIGN EXCHANGE: Describes the country where the data will be disclosed and the currency it will affect as a result. For example; If we see a US flag and USD text here, it means that the data will be announced from the USA and may have an impact on the USD.

IMPORTANCE: It tells how likely the data to be announced may have an impact on the relevant country's currency.

Importance * : Although the relevant data is not very important for money markets, it may have a limited impact on the relevant currency.

Importance ** : Although the relevant data is important for money markets, it may have a moderate impact on the relevant currency.

Importance * :** Although the relevant data is very important for money markets, it may have a high impact on the relevant currency.

EVENT: This is the part that shows what the data to be disclosed is.

PREVIOUS: Indicates the value at which the data to be announced was announced in the previous period. This value can sometimes be corrected when new data arrives. Positive or negative corrections may cause increases or decreases in the relevant currency.

EXPECTATION: It refers to the value expected as a general opinion in the market.

EXPLAINED: The value that appears when the data is disclosed. This value is interpreted by looking at the number written in the expectation section. If the announced number is higher, lower or the same as the expected number, it may cause price movement in the market.

Now let's show what we said on the economic calendar;

Zaman	Döviz	Önem	Olay	Açıklanan	Beklenti	Önceki
18:00	USD	★★★	Conference Board (CB) Tüketici Güveni (Ara)	110,7	103,8	101,0
18:00	USD	★★☆	Mevcut Konut Satışları (Aylık) (Kas)	0,8%		-4,1%
18:00	USD	★★★	Mevcut Ev Satışları (Kas)	3,82M	3,78M	3,79M
18:00	EUR	★☆☆	Tüketici Güveni (Ara) p	-15,1	-16,5	-16,9
18:30	USD	★★★	Ham Petrol Stokları	2,909M	-2,283M	-4,259M

Let's examine this table;

Based on what we have explained before, we see that in this data set, 4 data were announced at 18:00, 3 from the USA and 1 from EUROPE . We understand that the other data came from the USA at 18:30 .

If we look at their order of importance;

Conference Board (USA) *** : Very important – Can create high price movement

Existing Home Sales (USA) ** : Important – May create price movement.

Existing Home Sales (US) *** : Very important – Can create high price movement

Consumer Confidence (EUR) * : Insignificant – May or may not create limited price movement.

Crude Oil Stocks (USA) *** : May create high price movement on oil.

Now let's interpret some of these data together:

Conference Board (USA): We see that the announced figure (110.7) is higher than the expectation (103.8). This may create an appreciation in the USD currency. We can understand that this effect may occur as the data announced is colored " green ". However, another thing we need to pay attention to in this data is that the "Previous" number (101.0) in this data is corrected by painting it " red ". This tells us that the previously announced figure has been revised to negative. This shows us that a USD rise that may occur due to this data may be limited.

Existing Home Sales (USA): The announced figure is reflected as 0.8, and we understand that there is no expectation in the market based on this data, as the "Expectation" section is empty. Even though the figure was higher than the previous data, the market did not pay much attention to this data. Sometimes, when there is much more important data, the market can focus its concentration on that data.

Existing Home Sales (USA): We see that the announced figure (3.82M) is higher than the expectation (3.78M). This data may also cause an increase in value in the USD currency. We can also understand that this effect can be created by the fact that the announced data is colored " green " and explained. One of the issues we need to pay attention to here is that the "Previous" (3.79M) data does not undergo any correction. This gives us a clearer image. Thus, we can more easily conclude that there may be an increase in value in the USD currency.

We see that two data (Conference Board - Existing Home Sales), which were announced at the same time and had the status of "Very Important", were higher than expectations. As we mentioned before, this shows us the possibility of an increase in value in USD. Based on this, after the data is announced,

USD/ JPY: Increase EUR/USD: Decrease

USD/CHF: Rise GBP/ USD: Fall

USD/INR: Up XAU/USD: Down

Their movements can be observed.

Crude Oil Stocks (USA): We see that the announced figure (2.909M) is higher than the expectation (-2.283M). This figure may cause a decrease in oil prices. We can understand that this effect can be achieved by coloring the disclosed data in " red ". Because it is announced stock data. Apparently, while a decrease in stocks is expected (-2.283M), the announced figure is that oil stocks are in surplus (+2.909M). With the simple logic that the value of the product that is abundant in the market decreases, we can expect a slight decrease in oil prices after this data.

However, it should not be forgotten that the data may not always show us the correct directions. While the data is being announced, whether the market has priced the expectations in advance, important announcements that may come after the data, and geopolitical risks that may occur should be followed along with the data.

Data In The Economic Calendar And Their Meaning

Non-Farm Employment Change (NFP)

It is the most important data that contains a report on the employment status of all employees outside the agricultural sector. It is an important criterion that has the power to determine the direction of the dollar.

It is considered a very important indicator of the healthy development of the economy. The report attempts to estimate the number of wage earners in the United States. Agricultural workers, home workers, and non-profit businesses are not taken into account. The remaining part constitutes 80% of the income. High data may have positive effects on the USD.

It takes its place in the Economic Calendar on the first Friday of every month.

Adp Non-Farm Employment Change

The data published by ADP two days before the official employment office is considered a good indicator of official non-farm employment data. Therefore, it is an important data taken into consideration by the markets. If it is positive, it may indicate an upward movement on the USD.

It is published on the first Wednesday of every month.

Employment Requests

Weekly published data is created by evaluating unemployment insurance applications made during the relevant week. Unemployment insurance applications are seen as an important indicator of the change in unemployment and are therefore an important weekly data. If the announced value is lower than expected, it may have a positive impact on the USD.

It is published every week on Thursdays.

Us Unemployment Rate (%)

It is one of the indicators that best reflects the current economic situation of the country. It is determined by a survey conducted among 60,000 households and 375,000 businesses. The usual unemployment rate for an economy is generally expected to be between 4% and 5%. When unemployment falls, the USD is expected to strengthen.

It is published together with the Non-Farm Employment data on the first Friday of each month.

Gdp – Gross Domestic Product (Gdp)

It tells the market value of goods and services produced during the period. While earnings of foreign companies operating in the United States are included, income earned abroad by U.S. citizens is deducted. GDP provides information about whether a country's economy is growing or stagnating. Positive development of GDP, which is a very important indicator, may increase the value of USD.

It is calculated with monthly data. It is published as quarterly data approximately 5 weeks after the end of a month.

Core Retail Sales

Calculates monthly differences between total retail sales. It is the indicator that reflects the style of consumer spending with the most uncertain time of announcement. It is adjusted for seasonal variables, holiday times and trading day differences. The acceleration in retail sales can be considered as a positive development regarding the economy. Therefore, positive increases may cause the USD to gain value.

It is announced at the end of the first half of each month.

Industrial Production

It is a type of chain-weighted measure in which the differences in the total amount of production in factories, mines and infrastructure services in a country are measured at certain time intervals, and in addition, how much of the available resources can be used for production. The manufacturing sector accounts for one-third of a country's economy. Capacity utilization rate gives an idea about how much of the capacity of the factories is used. If it is higher than expected, it may be a sign of an increase for the USD.

It is published in the middle of every month.

Housing Starts

The housing starts report indicates the number of new housing or building construction starts each month. Housing or building constructions whose new foundations have begun to be laid are defined as housing starts. Housing starts data is extremely sensitive to changes in interest rates and is one of the first indicators to react to a change in interest rates. When housing starts or permits have a significant response to changing interest rates, this can signal that interest rates are nearing a peak or bottom . An upward value data may create upward pressure on the USD.

The report is published in the middle of the month .

Manufacturing Index (ISM)

Data published by the Institute of Supply Management provides insight into activities in the manufacturing sector. The inventory of the nearby manufacturing company is created by compiling items such as production line status, orders and deliveries. If the index value is numerically above 50, it is assumed that the industry is alive, and below it is stagnant. An announcement of a value above expectations may cause positive movements in the markets.

It is published on the first business day of every month.

Michigan Sensitivity

It reflects consumers' confidence in the US economy. It is the result of a telephone survey conducted by the University of Michigan with a community of at least 500 people. It includes two variables: sentiment and expectations. It tries to understand the financial situation and future expectations of the public. A high index will affect growth positively. Therefore, a rising value may also indicate an increase for the USD.

The draft report is published approximately on the 15th of each month, and the final report is published on the last Tuesday of each month.

Consumer Price Index (CPI)

CPI, the main indicator of inflation in the country, calculates the change in prices of a basket of certain goods and services used by consumers living in the city, according to the economic environmental conditions that affect them. The CPI is determined by the U.S. Department of Labor based on analysis of prices in 85 cities. Under normal economic conditions, an increase in the CPI causes a growth in interest rates, which in turn causes the dollar to appreciate over the period.

It is published between the 15th and 21st of every month.

Producer Price Index (PPI)

PPI (Producer Price Index) is defined as the producer price index of finished goods. It measures the price change of all products in the production phase. It calculates inflation for producers and does not include services in the calculation. Typically, a sudden increase in PPI triggers a decline in stock and bond markets. At the same time, it may trigger the rise of the USD along with the increase in interest rates.

It is published monthly for the previous month.

Purchasing Managers Index (PMI)

The Institute of Supply Management publishes a composite index of the nation's manufacturing sector monthly. More than 50 sectors are examined and data on new orders, production, supplier distribution times, accumulated orders, inventory prices, employment, export and import orders are obtained. A rising data may have positive effects on the USD.

It is published at the end of each month.

Employment Cost Index

This index shows the price change of employees in workplaces operating in all sectors throughout a country. In a way, it is an element that defines labor cost. A value higher than expected could mean an increase for the USD, while a value lower than expected could mean a decline.

It is published at the end of the month.

Factory Orders – (Durable Goods)

Durable goods orders represent orders received by domestic manufacturers for durable goods for immediate or future delivery. The term durable goods is used for goods with a useful life of three years or more. Durable goods orders data is provisional but is used as an indicator of future economic activity. The increase in orders provides preliminary information for the increase in production. Therefore, if the index goes high, it may increase the USD value.

Fomc Decisions – Fed Interest Rates

The FOMC makes key decisions in open market operations in which securities of U.S. government and federal agencies are bought and sold. The FOMC holds eight regular meetings every year, where they review the economy and financial situations; determines its stance on monetary policy; long-term price stability and sustainable economic growth are discovered and appreciated. At the end of these meetings, interest rates are announced. Since interest rate decisions deeply affect the monetary policies of the country in which they are located, they also have a great impact on parity. Increasing interest rates increases the value of the country's currency, while decreasing it decreases its value in the opposite direction.

Consumer Confidence Index (CCI)

Consumer confidence index is a national economic indicator that shows consumers' opinions about the current state of the economy and their expectations for the future. Consumers are asked certain questions in the survey and based on the answers given, certain calculations are made and explanations are made. Participants answer the questions taking into account their personal income and market conditions. Interest rates and personal income are the factors that affect personal consumption the most. The figures announced for the government are important, and it takes these figures into account when determining interest rates. As a result, a positive increase in consumer confidence index data will positively affect the currency of the country to which it belongs.

Trade Balance

Trade balance is the value difference between a country's imports and exports of goods and services within a certain period. It is a combination of the balance of payments that includes all kinds of transactions between people living in one country and people living in another country. If a country's export rate is greater than its import rate, it is said to have growth in trade. The fact that import rates are higher than export rates indicates that there is a commercial deficit. The trade balance occurs in the absence of this deficit. It is a data with a very high degree of importance.

Tankan Report

Of all the announcements made four times a year in Japan, the Tankan Report is the most eagerly awaited. The Tankan Report is issued by the Bank of Japan and asks Japanese companies about their future plans regarding pricing, employment and investment. If the announced number is positive, it will have a positive effect on the Japanese economy, while if it is negative, it will have a negative effect. The further the result is from zero, the higher the expectation of activity in the forex markets. It is a data that has a high impact on the Japanese yen.

Oil Stock Data

The energy market has a very important place in the world economy. One of the most important energy sources is oil. Oil prices are one of the most important indicators for interpreting the performance and course of the economy. The main factors that create the price in the oil market are oil supply and demand. Crude oil stock data is announced every Wednesday in the USA. While the decrease in stocks may have a positive impact on the price of oil, an increase in stocks in the announced data may have a decreasing effect on the price of oil. Along with this data, there are also items that will directly affect the price of oil, such as weekly oil production in the USA and total oil imports.

TECHNICAL ANALYSIS

Technical analysis is to predict price movements based on graphics by using past price data of products and to make result-based analysis.

The only data of technical analysis is price and all predictions are made based on past price movements. Price movements are caused by changes in supply and demand.

Technical analysis tries to find out in which direction price movements are changing or tending to continue. Based on this, past price movements enable investor trends and predictions about the future .

Dow Theory

Dow Theory is the theory first put forward by Charles Dow in 1900-1902 and later named after him. Six basic principles were developed based on Charles Dow's articles published between these dates. The six fundamental principles of Dow Theory form the basis of technical analysis. The 6 basic principles of Dow Theory are:

1. Averages Tell All.

   The price of a product reflects everything about that product. Positive or negative news affects the price of the product.

2. There Are Three Basic Trends in the Market .

   These trends; They are called main trend, secondary trend and minor trend.

   *The main trend is the trend that shows the long-term direction of the financial instrument. It must be more than one year.

   *Secondary trend refers to price movements lasting from one month to several months that develop in the opposite direction of the main trend.

   *Minor trend can be defined as price movements lasting from one day to three days. Since it is short-term, it is open to manipulation.

3. Main Trends Consist of Three Stages.

Recovery Period - Ascension Period - Distribution Period

4. Indices Should Confirm Each Other.

Indices that are expected to be in relationship with each other must move in the same direction.

5. Trading Volume Should Confirm the Trend.

According to Dow theory, trading volume should be in line with the main trend. In the opposite case, if the price increases while the transaction volume decreases or the price decreases while the transaction volume increases, it can be said that there may be a change in trend.

6. The Trend Remains The Same Until A Definite Reversal Signal.

An end to the main trend is only possible with a clear reversal signal.

Reading Prices

In order to perform technical analysis, it is necessary to read the prices regularly.

Prices can be read with different chart types according to the selected time intervals on the technical analysis screen.

There are three chart types commonly used in Technical Analysis.

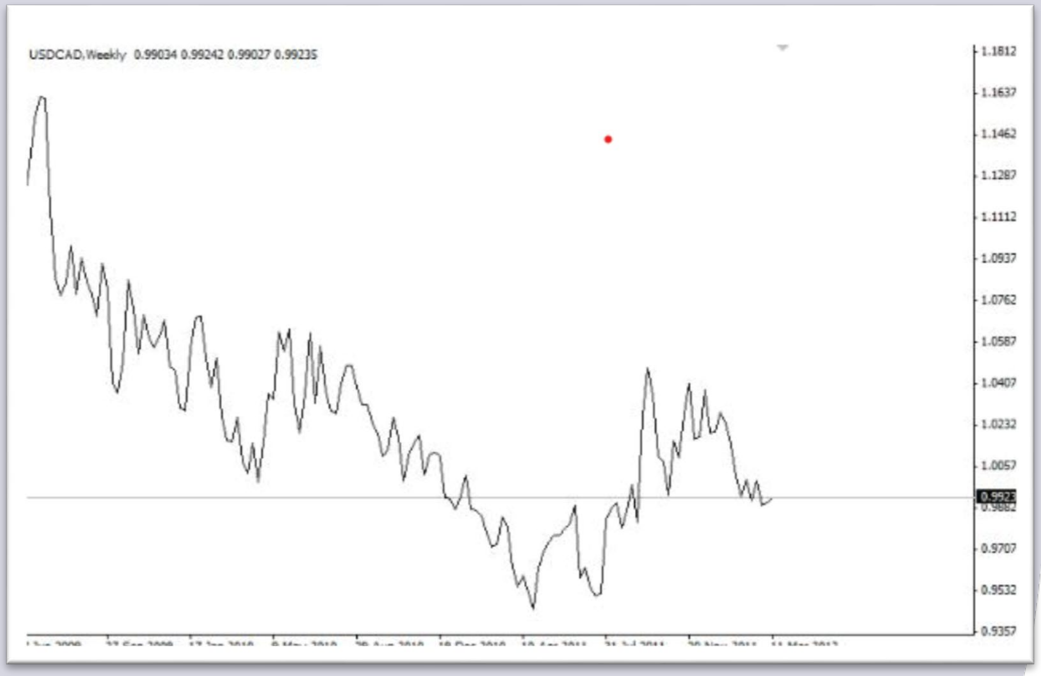
PRICE CHARTS

These;

a) Line Charts
b) Bar Charts
c) Candlestick Charts.

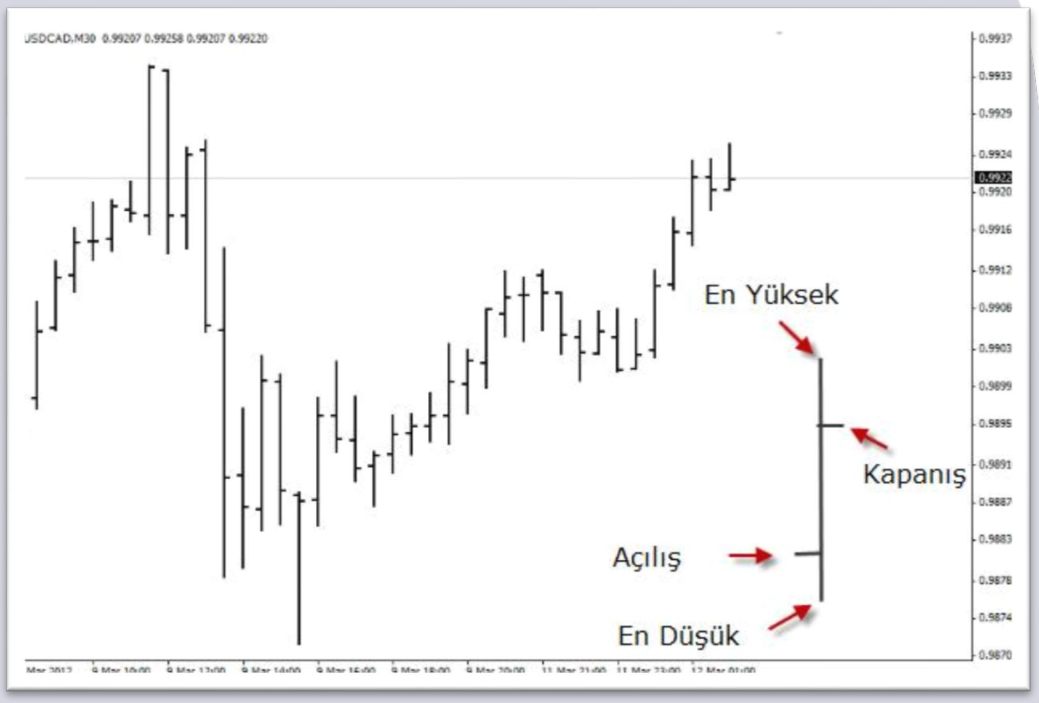
A) LINE GRAPHICS

Each type of chart is drawn with the date horizontally and the price vertically. Line charts are the easiest type of chart to read. In graphs in the form of a straight line, the points where the date and price intersect give the price for that date.



B) BAR CHARTS

Bar Charts are a type of chart that gives the investor more detailed information about the price. Unlike line charts, the lowest and highest price of the product as well as the opening and closing prices of the relevant period can be seen on the bar chart of that date.



C) CANDLE CHARTS

Candlestick charts provide the same information as a bar chart. It is also possible to see the opening, high, low and closing values on candlestick charts. Unlike the bar chart, in the candle chart the area between the opening and closing is colored. By painting the body (the area between the opening and closing values), it is easier to understand visually how that period closed. This convenience provided by candlestick charts provides a great advantage in understanding the movement of the market.

This type of chart helps investors easily distinguish which direction the market is going at first glance. If the closing value is greater than the opening (i.e., there is an increase), the body is colored green; if the closing value is lower than the opening (i.e., there is a decrease), the body is colored red. Of course, these colors may vary depending on the visual preferences of investors.

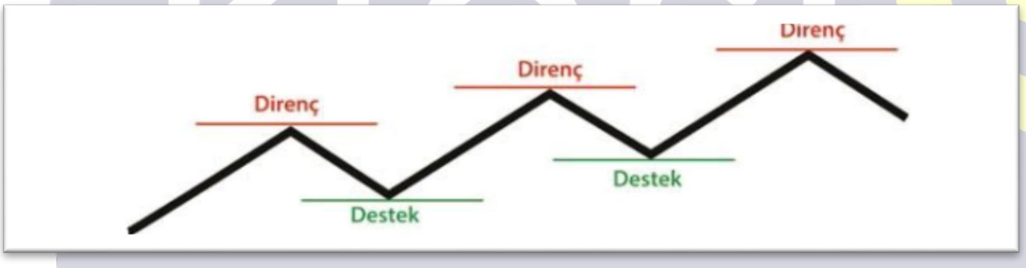
The lines formed by high and low levels are called “tails” or “shadows”. Essentially, the most important difference between bar charts and completely bearish candlestick charts is that they help us visually understand the situation of the market.

LINEAR ANALYZES

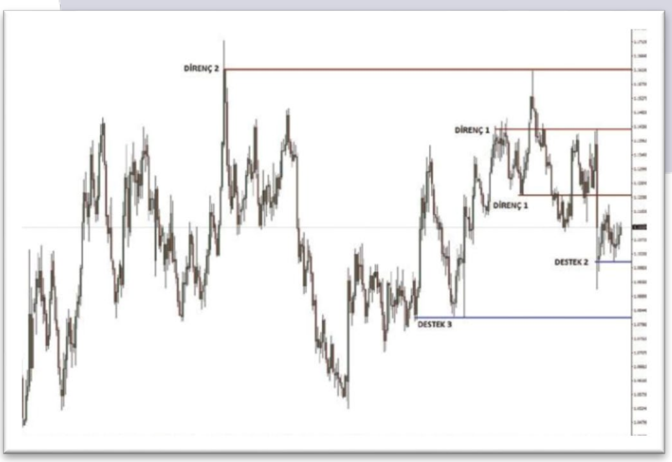
In technical analysis, some linear analyzes such as support - resistance and trend concept are used to detect price movements .

Concept of Support – Resistance

Support is the concept used to express the level at which falling prices will not fall further and from this level prices can rise again. Resistance is the concept used to express the level at which rising prices will not rise further and from this level prices may decline again. However, support and resistance levels can be broken and these levels can be overcome and moved to different points. In trend changes, support can turn into resistance and resistance can turn into support.



Support and resistance points are important levels for determining market entry and exit levels and estimating profit areas



FOREX DICTIONARY

A.

Auto Chartist : It is an automatic trading tool that highlights the best trading opportunities to help traders decide which trade to make and when.

Open Position : A buy or sell order opened by the investor in any product with the expectation of profit.

Buy Order : An order placed with the aim of making money from the rise of any product in its investment.

Buy Signal : A signal indicating that the right time and suitable conditions have occurred to purchase an investment instrument. The indicators that investors use on their platforms provide these signals .

Purchase Price : The price at which the investor can purchase any product.

Arbitrage : If the price of a financial product is different in different markets, the situation of buying from the cheap market and selling from the high price market without risk .

Ascending Trend Channel : An ascending trend channel connects the bottoms of downward waves and moves parallel to a trend line. The ascending trend channel and trend line form the boundaries of an upward trend. This is used in bear markets.

Supply : The desire to sell a financial product at the current price.

Love : See. Sale price.

Overbought : It is a technical term that expresses the situation when prices have increased too much and may change direction. It is predicted that prices will change direction in overbought/sold regions, which can be determined by oscillators such as the Stochastic Oscillator or RSI (Relative Strength Index), when the indicator line breaks the levels detecting the regions in question.

AUD : Australian Dollar

Aussie : The name of AUD/USD Parity in Forex jargon

Bear Market : A market in which sales are strong or prices are falling rapidly.

Bear Trap : In a rising trend, which is a false sell signal, prices continue their rising trend after breaking the support level.

B.

Back-Test : Testing the profitability of the trade strategy on historical data.

Band : The highest and lowest level where the price moves in a certain period .

Initial Margin : The amount of money required to open a position.

Flag Formation : Flag formations are formations formed by price movements in the opposite direction of the current trend and signal that the trend movement will continue. They constitute short pauses in a stable market movement .

Base Currency : Currency expressed with a fixed value in a parity (EUR/USD Base currency: Euro)

Basis Point : It is the last digit in the transaction price. For most currency pairs, this point is 1/10000. The most well-known exception to this rate is the USD/JPY parity, whose basis point is 1/1000 .

Basis Trading : Trading to make a profit from the change between basis points.

Bearish : See. bear market

Bullish : See Bull Market

Pending Order : The type of order that is desired to be executed at a price that has not yet been formed in the market.

BOE : Bank of England

BOJ : Bank of Japan

Bollinger Bands: It is a popular technical analysis tool that shows whether the price of any financial instrument is relatively high or low. Invented by John Bollinger in the 1980s, Bollinger Bands can be applied to a variety of different financial instruments including indices , currencies and stocks.

Bull Market : A market in which buying is strong and prices are gaining value rapidly.

Broker : Intermediary institution that brings buyers and sellers together in Forex markets.

Bundesbank : Central Bank of Germany

Buy Limit : A purchase order that is requested to be made at a price below the market price.

Buy Stop : A purchase order intended to be made at a price above the market price.

Budget Deficit : The situation in which expenditures exceed revenues in the public balance of a country.

C-C

Cable : The name of the GBP/USD parity in forex jargon.

CAD : Canadian Dollar

CHF : Swiss Franc

Candlestick Chart : See. Candle Chart

Copy Trading : It is a system that allows an investor to directly copy the position opened by another investor. Every trade made by the selected trader is automatically copied and opened for the trader. The most important element here is to choose the right investor.

Candlestick Pattern : Candlestick Pattern

Carry Trade : It means borrowing money from a low-interest-bearing currency and investing the resulting amount in a relatively higher-interest-earning currency.

Current Account Deficit : The income a country receives from the goods and services it exports is less than the payments made by the country for the goods and services it imports abroad.

Cross Rate : The name given to parities that do not include the dollar .

Core Inflation : Sub-index consisting of certain categories that have a relatively high weight in Price Indices and are limited to be affected by seasonal movements.

Chart : Graphic

Bar Chart : As in other charts, the opening, closing, highest and lowest levels of the prices are clear. The opening price indicates the price of the first trade of that time frame and appears as a line to the left on the bar. The closing price shows the price of the last transaction within the time frame and is a line to the right on the bar. The highest price is the top point of the bar, indicating the highest price realized within the time period. The lowest price indicates the lowest price within the time frame and is located at the bottom of the bar .

Chunnel : EURGBP's name in forex jargon

D

Dax Index : German stock market index that tracks the performance of the 40 largest companies listed on the Frankfurt Stock Exchange, meeting certain quality and stability criteria .

Floating Exchange Rate System : A system in which the value of the national currency is freely determined according to the demand for foreign exchange and supply in the market.

Dealer : A person or institution that buys and sells securities on its own account or on behalf of its customers .

Death Cross : When the short-term moving average (for example, 50 days) crosses the long-term moving average (for example, 200 days) downwards, it is called a "death cross". The occurrence of the Death Cross is interpreted as a long-term bear market in which prices enter a downward trend and the bottom points on the charts may move lower.

Deflation : In general, the situation in which prices in the market constantly decrease over a certain period of time.

Support Level : It is estimated that price declines will become harder or stop, or; price level that has been experienced in the past to have become difficult or stopped .

Resistance Level : It is estimated that price increases will become difficult or stop, or; a price level that has been experienced in the past to have risen or stalled

Day Trading : See Day Trading

Demo Account : An account type where the investor can trade in any institution with virtual amounts of the size he/she determines, without risk.

Devaluation : It is the loss of value of a country's currency.

Doji : These are candlesticks where the opening and closing prices are the same or very close to each other.

Dollar : US currency

Dollar Index : An index of the value of the U.S. dollar relative to a basket of foreign currencies, called the basket of currencies of U.S. trading partners. The index rises when the US dollar gains "strength" relative to other currencies. It shows the strength and weakness of the US dollar in the global market. There are 6 main currencies used to calculate the dollar index . These currencies are; Euro, Yen, Franc, Pound, Canadian Dollar and Swedish Krona. The dollar index is calculated by taking the current geometric average of the dollar against these 6 currencies .

Dow Jones Index : A stock market index that tracks the performance of the 30 largest publicly traded companies (also referred to as Blue Chip stocks in reference to quality) traded on the New York Stock Exchange (NYSE) and Nasdaq .

Dovish : It refers to the dovish approach, that is, relatively moderate approaches.

Currency Pair : Two currencies bought or sold simultaneously in a transaction. (USD/JPY)

Downward Trend : See Falling Trend

World Bank : International organization that provides long-term project loans mostly to developing countries. In recent years, combating the foreign debts of developing countries and poverty has also been included in their job descriptions.

TO

EA (Expert Advisor): See Expert Advisor

ETF (Exchange Traded Fund): It is a basket of securities that you can buy and sell on the stock exchange with authorized brokerage firms. Funds traded on the stock exchange make it possible for you to invest in many securities and investment instruments with different features at the same time .

ECN (Electronic Communications Network) : Uses market execution and allows you to trade at raw price from banks and liquidity providers while being charged a small commission.

Exotic Currency : Parity usually traded by investors of the country to which it belongs . Currencies that are traded less than minor parities can also be defined as exotic parities (e.g. USD/PLN, USD/SEK, USD/NOK).

Economic Indicator : These are macroeconomic data that show the general course of an economy .

Economic Calendar : A list of events, data releases, and report releases on specific dates focused on the economic activity of countries or regions .

ECB : Central Bank of the European Union

Inflation : It is the situation in which total demand in an economy exceeds total supply .

Euppy : The name of EUR/JPY in Forex jargon.

Euro : European Union currency

F

FED : US Central Bank

Fibonacci Retracement : It is a method of technical analysis to determine support and resistance levels. A trend is named after the Fibonacci sequence of numbers that provide price levels at which markets tend to retrace part of a move before resuming in the original direction

Fibonacci Extension : A tool that investors can use to set profit targets or predict how far a price may go . Extension levels can also be areas where price reversals are expected. Extensions are plotted on a chart showing price levels of possible significance

Fibre : The name of EUR/USD in Forex jargon.

Fictitious Trading : Transactions that are not carried out for real buying-selling purposes .

Financial Product : Values traded in financial markets.

Forex Market : International money market that is open 24/5 and has a wide range of participants from Central Banks to private banks to very small investors .

Forward : A transaction that will take place at a future date is made today with an agreement in which interest and exchange rates are determined in advance. The process starts at least two business days later and ends at a later date.

FOMC : US Federal Reserve Open Market Committee

Future : It means forward-dated transactions. It envisages the delivery of a certain asset at a predetermined price on a predetermined date. Its difference from forward markets is that it is traded on standardized contracts in organized markets (such as the amount of a contract, the release dates of the contracts, having a collateral system called margin) . When done for speculative purposes, there is theoretically infinite possibility of profit and loss.

Future Contract : It is an agreement to buy and sell a certain foreign currency or different investment instrument at a future date.

g

G7 : It is an international association of seven countries. The group consists of seven countries: Germany, the United States, the United Kingdom, Italy, France, Japan and Canada, and the European Union is also represented in the G7. Member countries account for 64% of net global wealth.

G8 : Group of Eight, or G8 for short, is a form of international governments, and its current members are Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States, representing approximately 65% of the world economy.

G20 : It consists of 19 countries, among the world's largest economies, and the European Union Commission .

Yield Curve : It is a graphical expression of the relationship between various maturities of an investment instrument and its returns on these maturities in any time period. It basically means showing the relationship between interest rates and maturities of debt instruments .

Good 'Til Canceled (GTC): It describes a type of order that an investor can place to buy or sell a security and that remains active until the order is executed or the investor cancels the order.

Golden Cross : The upward intersection of the short-term moving average (e.g. 50-day) with the long-term moving average (e.g. 200-day) is called a "golden cross". Golden Cross is interpreted as a long-term bull market awaiting us, where prices rise with great momentum and past peaks on the charts can be exceeded .

Grid Trading : It is designed to place orders in the market at predetermined intervals within a specified price range. Grid trading is the creation of a grid of orders with increasing and decreasing prices by placing orders above and below a certain price . In this way, a trading grid is created.

Daily Trading : It is the day when the trader closes his positions without paying attention to profit or loss.

Pigeon : Term used for those who advocate loose monetary policies .

GBP : British Pound

Gopher : The name given to the GBP/JPY parity in Forex jargon.

Graph : Shapes consisting of lines with date on the horizontal plane and price levels on the vertical plane, used to visually track price movements .

Gross National Product (GNP) : It is the sum of the values of the total goods and services produced by the citizens of a country for a given year in exchange for a certain currency.

H

Volume : The sum of the values obtained by multiplying the number of products to be traded by the current transaction price.

Moving Average : An indicator that shows the average of asset prices over a certain period of time .

Hawkish : Hawkish Politics .

Hyperinflation : The economic situation caused by excessive abundance of money in the market. It is when inflation exceeds the 200 percent limit per year. It is also called galloping inflation. It is the most severe form of inflation in which money loses its value

Hedge : It is the transaction of the same amount in the opposite direction of the foreign exchange risk carried by the investor or institution in order to avoid risk .

Hedge Fund : It is a special investment fund that uses funds collected from wealthy individuals and large institutions to buy and sell financial assets for the purpose of generating returns and evaluating capital.

Histogram : It is the name given to Column Charts .

I-İ

IB (Introducing Broker) : They are independent entrepreneurs who act as representatives to bring new investors to brokerage firms. They earn rebates and commissions based on the transaction volumes of the new investors they bring in .

IMF : Founded in the USA in 1946, it is an international organization with duties such as monitoring global financial markets, auditing issues such as stock markets, payment plans, exchange rates, and providing financial support to countries in financial difficulties. The IMF carries out its duties to ensure liquidity in the international foreign exchange market and to support free exchange rates .

Interbank Rates : These are the quotes given by major banks to each other for major foreign exchange transactions .

Indicator : These are statistics used to measure the current situation in the markets and to detect price movements that are more likely to occur .

J.

Jobber : A trader who makes very short-term transactions.

JPY : Japanese Yen

K

Leverage : It is a mechanism that allows investors to trade larger amounts of their own capital.

Profit Level : It is the level at which the profit will automatically be realized if an open position reaches a predetermined price at which a profit can be made .

Quote Currency : Refers to the second currency in a currency pair. It is also referred to as quoted currency or pip currency.

Key Points : These are support and resistance levels in an ongoing trend .

Short Position : Sell position .

Killer : Used for sudden moves that activate the stop loss level.

Kiwi : The name of the NZD/USD parity in Forex jargon.

Convertibility : The ability of a national currency to be freely converted into another national currency or Gold.

Quotation : It means market price in Forex markets .

Knocking : The price touches the support and resistance levels twice.

Correlation : It is the relationship between two or more variables, one of which is dependent.

Exchange Rate Risk : Risks of loss arising from the uncertainty created by changes in exchange rates in international trade.

L.

LIBOR (London Interbank Overnight Rate) : London interbank interest rate. The interest rate announced by the world's 16 largest banks every morning at 11 am and accepted as a reference by other financial institutions of the world.

Libre : The unit of measurement, also known as Pound, is 454 grams .

Liquidity : The speed at which a market or a financial product can be converted into cash .

Limit Buy : See. Buy Limit

Limit Sale : See. Sell Limit

Long Position : It is a buying position.

Loonie : The name of the USD/CAD parity in Forex jargon.

Lot : The transaction unit in Forex markets is called lot . 1 lot represents a size of 100,000 units in the base currency.

M.

Macro Economics : It is the sub-branch of the economy that examines the total size of items such as consumption, production, savings, investment, national income and employment and makes analysis and inferences about them.

MAMM : Multi-account manager trading system

MAMM Account : Account type that allows experienced traders to handle and manage a certain number of trading accounts held by various individuals .

Major Parity : Parities found with the ratio of seven major currencies in the world are called major parities. (USD, GBP, AUD, CAD, CHF, JPY)

Minor Parity : They are currencies with lower transaction volume compared to major parities . (NZD, ZAR,SGD)

Margin : It is the minimum amount of capital required to carry out a transaction .

Margin Call : When the value of an investor's margin account falls below the required amount held for the transaction, it is called a margin call, which is delivered to the investor .

Market Maker : Market maker. An intermediary institution that tries to regulate the stability and liquidity in the market of financial assets in question by providing continuous buying and selling quotations .

Central Bank : It is the authorized institution affiliated with the state that determines the monetary policy of a country and submits it to the system.

Meta Trader : A buying and selling platform frequently used in Forex markets.

Microeconomics : It is the discipline that studies the economy at the level of consumers, firms and industries .

Moving Average : See. moving average

Candlestick Chart : It is the most used chart form. The thin lines on the candle show the lowest and highest price levels that occurred over a certain period of time. The wide body above the line shows the opening and closing prices in the market. If the closing price is above the opening price, the body will usually be green or blue .

Mini Lot : One tenth of a Lot .

Micro Lot : One hundredth of a Lot .

N

Net Position : It is the difference between Buy and Sell positions opened on the same product .

NFA (National Futures Association) : US National Futures Association

NZD : New Zealand Dollar

NOK : Norwegian Krona

NASDAQ : It is a private stock exchange established in New York. It is considered the world's technology stock market.

O-O

OHLC (Open-High-Low-Close) : Opening, High, Low and Closing price levels .

Ounce : It is a British weight measure used to measure the weight of assets such as gold, silver, platinum and precious stones in international markets. It is also expressed as troy ounce. 1 Ounce is approximately 28.349 grams

Volatility : It is the expression of the variability in the price of a financial product .

Balance of Payments : It is a statistical report prepared to obtain systematic records of the economic transactions made by residents of an economy with residents of other economies (persons residing abroad) within a certain period .

Oscillator : These are indicators that can detect correction levels when prices move in a horizontal band on the charts and a trend has not yet formed .

Over The Counter (OT C) : These are markets that are not organized and not gathered under a certain structure. Transactions are carried out by mutual agreement between the parties

P.

Money : A medium of exchange put into the market by the authorized bodies of the states .

Money Market : These are markets where short-term funds and supply demand meet .

Monetary Policy : It is the set of policies implemented to ensure price stability and a balanced value between national currency and foreign currencies in a country and to control the effects of money on basic economic dynamics.

Parity : The rate between two currencies .

PAMM (Percentage Allocation Management Module) : Multiple resource manager processing system

PAMM Account : Special account type that allows trading managers to trade funds collected from various sources labeled as sub-accounts .

PLN : Polish ziloty

Pyramid Trading : A trading strategy that consists of adding to an existing trade or position as the price moves in the expected direction

Petrodollar : Dollars earned by oil producing countries from the sale of oil .

Pip : In financial markets, the smallest range in which the value of a product can change is called a price step. The equivalent of this concept in Forex markets is pip .

Pivot Point : Technical analysis tool used to determine the support and resistance points that the parity will encounter in the short term.

Market Price : It is the price subject to the current transaction, which is the result of meeting the supply and demand .

Market Maker : See. Market Maker

Market Interest Rate : It is the interest rate paid for deposits and other investments in the money market, determined according to the interaction of money supply and money demand.

Profit(Gain) : Profit, profit.

R.

Range : See. Tape

RSI : It is an indicator that allows making predictions about the direction of the short and medium-term trend calculated by comparing the closing values in the specified period with the previous closing values of the period.

Risk Management : It refers to the investor's ability to manage the risk within the framework of certain rules when the possibility of losses from the transactions made and loss of the managed capital becomes stronger.

Risk Appetite : It is the desire to make purchases that increases with positive expectations in financial markets and decreases with negative expectations.

RBA : Reserve Bank of Australia

RBNZ : Reserve Bank of New Zealand

Requotation : Sudden price change

Recession : In macroeconomics, traditionally, real gross domestic product shows negative growth for two or more consecutive quarters .

Resistance : See. Resistance

Revaluation : The appreciation of a national currency against other currencies .

Reserve Money : Gold and foreign currency held by international financial institutions and governments are called reserve money.

Risk : The situation in which the outcome of an event may be negative due to the uncertainty of future events. For investors in financial markets; It means experiencing losses and shrinking your portfolio .

Risk-Return Ratio : It is the ratio that shows how much of the investor's capital is risked for each unit of profit.

S-S

Selling Price : It is the price at which the Forex trader can sell the product he has chosen .

Sell Signal : Indicators used for technical analysis produce signals about the downward movement of prices.

Fixed exchange rate : It is one of the Exchange Rate regime applications. It is determined by the central bank, not by market actors.

Fixed Exchange Rate Regime : It is an exchange rate system in which the value of the country's local currency is tied to a foreign currency or a basket of more than one currency.

Scalping : Taking very short-term positions for small profits.

Sell Limit : It is a sell order given at the market price .

Sell Stop : It is a sell order given below the market price .

Capital Market : Markets where investment instruments with a maturity of more than one year are issued and traded.

Short : It is a short position, that is, a sales position .

Limited Order : It is a type of automatic order entered to buy at a level lower than the current market price.

Slipping : These are very sharp movements and jumps seen in price quotes .

SGD : Singapore Dollar

SEK : Danish Krone

Speculation : It is making a prediction about the future in a certain direction by assuming more risks with the expectation of a higher return than the market average return or with the idea of protecting from loss .

Spike : A notable change in price that occurs in a short period of time. Often seen in data descriptions.

Spot Price : These are the current prices of the market .

Spot Market : The difference between buying and selling .

Standard Lot : See. lot

Standard Deviation : It is the value that shows the deviation of the data in a data set from the average of the data set.

Stocky : Swedish Krona

Stop Order : It is similar to a limit order and its opposite. It is entered to buy above the market price or sell below the market price .

Stop Loss Level : It is the level at which the loss will automatically be realized if an open position reaches a predetermined price at which a loss may occur .

Stop Loss : When the price reaches a certain level, it turns into an active order and the position is closed at a loss level determined by the trader .

Stop Out : If the asset reaches a certain level of the collateral used, the system closes the positions starting from the position with the most loss .

Support : See. Support

Swap : It is the reflection of the difference in interest rates between the base currency and the quote currency as a positive or negative balance in the investor portfolio .

Swing Trading : It is a buy-sell method in which positions are closed when prices reach the expected turning points.

Free Collateral : It is the collateral that the investor keeps in his account in order to open a new position.

S&P Index : It is a market capitalization-weighted stock index consisting of 500 leading US companies. It is an index that includes companies from 11 different sectors that make up its components .

Signal Line : The moving average used on the price chart or the curve in the oscillator indicators below the chart that moves with the prices gives a buy or sell signal depending on its location. RSI, MACD, Stochastic Oscillator, signal lines are the most commonly used indicators.

Şahin : Term used for those who advocate tight monetary policies .

T

Take Profit : It is used to profitably close a position to be opened or opened at the specified level.

Following Stop Loss Order : It works depending on the stop loss order. With this order, the stop level will automatically be moved to a better price as long as the price in the market moves in favor of the investor. When using this order, the investor determines a price range and when the price returns from its highest or lowest level within this range, the order is executed and the position is closed .

-Counter Market : Transactions that take place outside the stock exchange. In this market, transactions take place between the buyer and the seller via fax, telephone or computer network. In this type of market, where there are no specific rules and no physical location, prices are determined by bargaining.

Technical Analysis : It is a form of quantitative analysis performed by considering price as the main variable . It is carried out using past prices and indicators developed based on them .

Fundamental Analysis : Making predictions by interpreting economic data affecting a financial product.

Base Rate : It is the reference rate by which the size of trading amounts is calculated. In pairs, the exchange rate written first is always the base exchange rate. In EUR/USD, Euro is the base exchange rate .

Trader : Trader, person who buys and sells in financial markets, processor, investor .

Trading Central : A technical analysis software that allows investors to benefit from technical analysis .

Trend : Trend. It is the general direction of movement of any price, index, indicator or data .

Trend Lines : These are lines on the chart formed by combining the bottom levels of prices in an uptrend or the top levels of prices in a downtrend. Breaking these lines is often perceived as a trend reversal signal.

Consumer Price Index (CPI): It is the index that measures changes in the prices of goods and services purchased by the consumer.

Derivative Instruments : Financial instruments whose value is directly dependent on the value of another financial asset or commodity.

Derivative Markets : These are the markets where derivative instruments such as futures contracts and options are bought and sold.

Aggregate Demand : It is the total demand for goods and services in the economy. It is the total demand from domestic and abroad for the total goods and services produced by the private and public sectors in a country.

U-Ü

Upward Trend : Rising Trend

Mismatch : In technical analysis, these are situations where price and indicators do not support each other or do not move in the same direction.

Producer Price Index (PPI) : It is the price index that measures the price changes of the products produced in the country's economy and sold domestically in a certain period by comparing the producer prices over time.

Exponential Moving Average : An indicator that takes more recent data into account compared to the simple moving average.

Expert Advisor : These are special software used for trading in the Forex market .

VW

Volatility : See. Volatility

Maturity : It is the exchange rate for a foreign currency with a certain predetermined contract date. Determined by the interest rate difference between the two relevant exchange rates

Forward transactions : These are transactions in which the maturity, amount and price of a security (foreign exchange, interest, goods) that will be delivered at a later date beyond the spot (two business days) transaction date are determined today and entered into a contract.

Value date : Closing date of the transactions made

Allocation of Assets : It is the process of allocating funds to different markets for risk management purposes.

Volume : See Volume

Y

Yard : Used for size of 1 Billion .

Yen : Japanese Yen