

Glossary

Currencies:

1. **AUD**
The AUD is currency code for the Australian dollar. Nickname: Aussie
2. **CAD**
The CAD is currency code for the Canadian dollar. Nickname: Loonie
3. **CHF**
The CHF is currency code for the Franc. From Switzerland. Nickname: Swissy
4. **EUR**
The EUR is currency code for the European Monetary Unit. Nickname: Fiber
5. **GBP**
The **GBP** is currency code for **British Pound**. Nickname: Pound or Cable
6. **JPY**
The JPY is the currency code for the Japanese yen. Nickname: Yen
7. **NZD**
The NZD is the currency code for the New Zealand dollar. Nickname: Kiwi
8. **USD**
The USD is the currency code for the US dollar. Nickname: Buck

Terms:

1. **Bounce**
Bounce is a continuation of a trend. It's when the trade touches the Support or Resistance line and comes back into the trend.
2. **Broker**
An individual or firm that acts as an intermediary, bringing buyers and sellers together for a fee or commission. In contrast, a 'dealer' commits capital and takes one side of a position, hoping to earn a spread (profit) by closing out the position in a subsequent trade with another party.
3. **Buy**
Taking a long position on a currency.
4. **Consolidation**
A period of range-bound activity after an extended price move.
5. **Currency Pair**
The two currencies that make up a foreign exchange rate, for example EUR/USD.

6. **Day trading**

Making an open and close trade in the same currency in one day.

7. **Dealing spread**

The difference between the buying and selling price of a contract.

8. **Foreign Exchange**

Buying or selling one currency against another currency.

9. **Forex**

Acronym for foreign exchange.

10. **Fresh Cross**

When the moving average RED line crosses the GREEN line going down or the GREEN line crosses the RED line going up.

11. **GMT**

Greenwich Mean Time - The most commonly referred time zone in the forex market. GMT does not change during the year, as opposed to daylight savings/summer time.

12. **Going long**

The purchase of a stock, commodity or currency for investment or speculation – with the expectation of the price increasing.

13. **Going short**

The selling of a currency or product not owned by the seller – with the expectation of the price decreasing.

14. **Leverage**

Also known as margin, this is the percentage or fractional increase you can trade from the amount of capital you have available. It allows traders to trade notional values far higher than the capital they have. For example: leverage of 100:1 means you can trade a notional value 100 times greater than the capital in your trading account.*

15. **Margin**

The required collateral that an investor must deposit to hold a trade position.

16. **Margin call**

A request from a broker or dealer for additional funds or other collateral on a position that has moved against the customer.

17. **MTFA**

Multiple Time Frame Analysis. The concept involves observing different time frames for the same asset, identifying the overall market direction on the higher time frames and then looking for entries on the lower time frames.

18. **Paper Trade/Demo Trade Account**

Free Forex Practice Account, trading software and charts. Forex demo accounts allow you to practice Forex trading without risking a monetary loss. Once you've sharpened your skills, you can begin to make big bucks by moving on to Forex live accounts.

19. **Pair**

The forex quoting convention of matching one currency against the other.

20. **Pips**

The smallest incremental move an exchange rate can make. "PIP" stands for Point in Percentage. More simply though, a pip is what we in the FX would consider a "point" for calculating profits and losses.

21. **Portfolio**

A collection of investments owned by an entity.

22. **Profit**

The difference between the cost price and the sale price, when the sale price is higher than the cost price.

23. **Pullback**

The tendency of a trending market to retrace a portion of the gains before continuing in the same direction.

24. **Range**

When a price is trading between a defined high and low, moving within these two boundaries without breaking out from them.

25. **Resistance level**

A price that might act as a ceiling. The opposite of support.

26. **Risk Management**

The employment of financial analysis and trading techniques to reduce and/or control exposure to various types of risk.

27. **Sell**

Taking a short position in expectation that the market is going to go down.

28. **Simple Moving Average (SMA)**

A simple average of a pre-defined number of price bars. For example, a 50 period daily chart SMA is the average closing price of the previous 50 daily closing bars. Any time interval can be applied.

29. **Spread**

The difference between the bid and offer prices.

30. **Support**

A price that acts as a floor for past or future price movements.

31. **Stop Loss**

A **stop-loss** order is designed to limit an investor's **loss** on an open position.

32. **Swap**

A currency swap is the simultaneous sale and purchase of the same amount of a given currency at a forward exchange rate.

33. **Technical Analysis**

The process by which charts of past price patterns are studied for clues as to the direction of future price movements.

34. **Trade size**

The number of units of product in a contract or lot

35. **Trend**

Price movement that produces a net change in value. An uptrend is identified by higher highs and higher lows. A downtrend is identified by lower highs and lower lows.

36. **Volatility**

Referring to active markets that often present trade opportunities.