You can find below some important information about Forex and CFDs Trading and analysis:

Currency Pair

-Forex trading is the buying of one currency and selling of another

-The two currencies make up what is well-known as a currency pair

-The Currencies are always traded in pairs

-Each currency is quoted by three letters. The first two letters represent the country and the third letter identifies the currency

Forex pairs are read in the opposite direction of mathematical proportions or ratios

EXAMPLE

EUR/USD = 1.10999

The currency to the left of the slash is called the base currency and the currency on the right is called the quote currency

1 unit of the base currency is =l to 1.10999

You have to pay 1 Euro to receive 1.10999 USD

When selling, the foreign currency exchange rate specifies how much units of the quote currency you get for selling one unit of the base currency

Pips/ Pipettes

Quotes currency pairs by 2, 3 and 5 decimal places – these are known as fractional pips or pipettes.

- On a 2 decimal place currency pair a pip is 0.10

- On a 3 decimal place currency pair a pip is 0.010

- On a 5 decimal place currency pair a pip is 0.00010

EXAMPLE

When EUR/USD moves from 1.10989 to 1.10999.This is one pip (.00010 USD) goes higher.

Spread

The spread is the difference between the BID and the ASK price in the market quotes. The ASK price is applicable to a BUY order and the BID price is applicable to a SELL order.

Leverage

The Users Lever their investing amount in order to get the ability to trade a higher volume on their trading transactions.in the forex markets.

EXAMPLE

TRI Leading Trader offers a maximum leverage of 400:1 which means for every single dollar you can trade $400 on CFDs..

Trade with Leverage is highly speculative and you can increase your profits/losses.
The trades must take care when using leverage.

Margin

Using Margin on trading account it gives the trader the right to borrow money in order to trade a higher volume of transactions.

Margin Call

A margin call is a warning given when your trading account is running out of adequate funds to sustain the current open positions placed on the trading platform.
If the market price of the financial instrument that an investment/trade made by the trader moves against its position, additional funds will be requested through a margin call and If no sufficient funds are available the trader's open positions will be closed out

If a trader's Equity (Balance - Open Profit/Loss) falls below a specific margin level which is the amount required to support open positions, then the trader's positions will automatically be closed.

Hedging

Hedging is meaning the opening of a new trade in the opposite direction of an existing trade on the same financial instrument.

Swaps, Rollovers

Trading on CFDs may also add an extra income or expense to a trade.
If the interest rate of the currency used for trading is higher than the interest rate of the currency a trader sold, then the trader will earn interest or "rollover" (positive roll).
If the interest rate on the currency used for trading is lower than the interest rate on the currency you sold, then the trader will pay rollover (negative roll).