



# **FOREX Trading 101**

A Manual for New FOREX Traders

[www.proacttraders.com](http://www.proacttraders.com)

# Table of Contents

<b>I.</b>	<b>INTRODUCTION .....</b>	<b>1</b>
<b>II.</b>	<b>LEGAL RISK WARNING DISCLAIMER .....</b>	<b>1</b>
<b>III.</b>	<b>INTERNET INFORMATION DELIVERY SYSTEMS DISCLAIMER .....</b>	<b>1</b>
<b>IV.</b>	<b>WHAT IS THE FOREX? .....</b>	<b>2</b>
	<b>FOREX Governing Bodies .....</b>	<b>2</b>
<b>1.</b>	<b>The National Futures Association (NFA) .....</b>	<b>2</b>
<b>2.</b>	<b>The United States Commodity Futures Trading Commission (CFTC) ....</b>	<b>2</b>
<b>V.</b>	<b>WHO ARE THE TRADERS? .....</b>	<b>3</b>
<b>VI.</b>	<b>GETTING STARTED .....</b>	<b>3</b>
<b>1.</b>	<b>A charting service.....</b>	<b>3</b>
<b>2.</b>	<b>A dealing station. ....</b>	<b>3</b>
<b>VII.</b>	<b>HOW DOES THE FOREX WORK?.....</b>	<b>4</b>
<b>1.</b>	<b>Currency LOTS are traded on the FOREX. ....</b>	<b>4</b>
<b>2.</b>	<b>Currency Pairs.....</b>	<b>4</b>
<b>3.</b>	<b>How Profit is Made.....</b>	<b>4</b>
<b>4.</b>	<b>Choosing a Trading Platform .....</b>	<b>5</b>
<b>5.</b>	<b>Entering Trades .....</b>	<b>6</b>
<b>6.</b>	<b>Setting Stop-Losses .....</b>	<b>6</b>
<b>7.</b>	<b>Setting Limits.....</b>	<b>7</b>
<b>8.</b>	<b>Exiting Trades.....</b>	<b>8</b>
<b>9.</b>	<b>Managing Your Margin Account.....</b>	<b>8</b>
<b>10.</b>	<b>Trading Psychology .....</b>	<b>9</b>
<b>VIII.</b>	<b>FUNDAMENTAL ANNOUNCEMENTS (FAS) .....</b>	<b>10</b>
<b>IX.</b>	<b>FOREX MARKET TRADING HOURS.....</b>	<b>12</b>

<b>X.</b>	<b>THE BEST TRADING TIMES.....</b>	<b>12</b>
<b>XI.</b>	<b>GLOSSARY AND TERMINOLOGY.....</b>	<b>15</b>

# **ProAct Traders**

## **Trading 101**

### **I. Introduction**

Trading the FOREX can be a very exciting and rewarding so let's get started on this journey!

In this document you will learn how to access your ProAct Traders charts as well as basic FOREX trading information such as:

- 1.** How to open a trading account
- 2.** Entering and exiting trades
- 3.** Setting stops and limits
- 4.** Managing your margin account

### **II. Legal Risk Warning Disclaimer**

Foreign Currency Trading carries a level of risk / reward that may not be suitable for all considering participation in the market known as Forex. The Forex is a "zero sum" market and its end effect is that there are an equal number of winners and losers. Consequently, the possibility exists that you could sustain an eventual loss of some or all of your initial investment. Therefore, you should never invest money that you cannot afford to lose. Before deciding to trade the Forex, you should become thoroughly educated in how the market works, have a sound money management plan and then carefully consider your investment objectives, level of experience, and risk appetite. If you have any doubts, seek advice from an independent financial advisor.

### **III. Internet Information Delivery Systems Disclaimer**

ProAct Traders (hereafter, PAT) assumes no responsibility for errors, inaccuracies, or omissions, nor does it warrant the accuracy or completeness of the information in the materials that comprised the text, graphics or other items contained in the ProAct Traders Charts as a result of computer or power failures or interruptions in the electronic delivery systems via the Internet. PAT shall not be liable for any special, indirect, incidental or consequential damages including without limitation losses, lost revenue, or lost profits that may result from these materials.

See additional disclaimer information at:  
[http://www.proacttraders.com/patradere\\_disclaimer.html](http://www.proacttraders.com/patradere_disclaimer.html)

#### **IV. What is the FOREX?**

From Wikipedia, the free encyclopedia:

The **FOREX** or **Foreign Exchange market** is the largest **financial market** in the world, with an volume of more than \$1.5 **trillion** daily, dealing in **currencies**. Unlike other financial markets, the FOREX market has no physical location, no central exchange. It operates through an electronic network of banks, corporations and individuals trading one currency for another. The lack of a physical exchange enables the FOREX market to operate on a 24-hour basis, spanning from one time zone to another across the major financial centers.

Traditionally, investors' only means of gaining access to the foreign exchange market was through banks that transacted large amounts of currencies for commercial and investment purposes. Trading volume has increased rapidly over time, especially after exchange rates were allowed to float freely in 1971.

Due to increased broadband availability to the masses, many individuals are trading the FOREX. Now, many market makers offer "commission free" trading account for the budding FOREX trader.

#### **FOREX Governing Bodies**

The FOREX does not have a governing body for speculator trading like the stock market does. The agencies that govern the industry are geared toward the futures and options traders.

##### **1. The National Futures Association (NFA)**

The National Futures Association (NFA) is a congressionally authorized self-regulatory organization of the United States futures industry. Its mission is to provide innovative regulatory programs and services that protect investors and ensure market integrity.

For more details see: <http://www.nfa.futures.org/investor/FOREX/forex.pdf>

##### **2. The United States Commodity Futures Trading Commission (CFTC)**

The United States Commodity Futures Trading Commission (CFTC) is the federal agency that regulates the trading of FOREX currency, commodity futures and options contracts in the United States and takes action against firms suspected of

illegally or fraudulently selling FOREX currency, commodity futures and options. The CFTC has jurisdiction to investigate and prosecute FOREX currency fraud and scams and commodity fraud and scams occurring in its registered FOREX and commodity firms and their affiliates. Off-exchange trading of FOREX, foreign currency futures and options contracts with retail customers by a counterparty that is not a regulated financial entity as set forth in the CFMA is unlawful and may be a fraud or scam.

Although FOREX and commodity dealers who are regulated by NFA must disclose their charges to retail customers; there are no rules about how a dealer charges a customer for the services the dealer provides or that limit commodity account, you should check with several dealers and compare their charges as well as their services. Some firms charge a per trade commission, while other firms charge a mark-up by widening the spread between the bid and ask prices they give their customers. Some FOREX and currency firms may charge both a commission and a mark-up.

## **V. Who Are the Traders?**

The majority of the traders are banks and major corporations. There are approximately 5,000 banks that trade in the FOREX market. Other traders are hedgers who trade both sides of the market. Travelers to foreign countries comprise a minor portion of the traders. Then there are the speculator or spot market traders which is what we do.

## **VI. Getting Started**

You will need two pieces of software to trade:

### **1. A charting service.**

ProAct Traders LLC provides charts with visual trading signals.

Our charting system and tutorials are available through our website. When you sign up for a demo or the subscription charts, you will receive an email with instructions on downloading the tools and tutorials.

### **2. A dealing station.**

A good dealing station (trading platform) is essential to your success. Brokers constantly change their tactics so for the ones we currently use go to iur website and see who currently is in good standing with us.

The ProAct Traders website at: <http://www.proacttraders.com>

Each market maker will have an online trading manual describing how to use their platform.

Read more about this in VII, 4.

## **VII. How Does the FOREX Work?**

### **1. Currency LOTS are traded on the FOREX.**

On a standard account, one lot equals USD \$100,000.00 traded for another country's currency. To begin trading you need to establish a relationship with a FOREX Broker or Market Maker and deposit money in your margin account for leverage. For \$1,000 USD in Margin, the Broker allows you to control \$100,000 of another currency. That is a 100/1 ratio.

### **2. Currency Pairs**

Trading is done in currency pairs such as EUR/USD, GBP/USD and the USD/JPY. The first part of the pair is the base currency. It is the currency against which exchange rates are generally quoted.

The market makers allow you to buy (go long) or sell (go short).

For example, with the EUR/USD pair, if you think the Euro is going to go up against the USD you would buy (go long) on the pair. This means that you think the USD will drop compared to the Euro. If you think the Euro will drop against the USD, you would sell (go short) on the pair.

### **3. How Profit is Made**

Profit is measured in PIPs. A PIP is the smallest amount of movement that a currency can make. For example, if the price moves from 1.6754 to 1.6755, it has increased one PIP.

You will notice in Figure 1 that the bid (sell) price on the GBP/USD is 1.8143. The last digit to the right determines the PIP measurement. If the price moves to 1.8142, it has moved one PIP. While the PIP value can vary depending on the currency pair, it is worth \$10 on the GBP/USD and EUR/USD on a standard account. This means that on a standard account, you will make approximately \$10 for each PIP that the currency moves in your direction. The currency pairs do not all have the same PIP value so you need to be aware of this. Most are from about \$7 to \$10 per pip but some are as high as \$15.

Note the difference between the Bid and Ask prices. That is the spread and it is what the market maker charges you to enter the trade. Most market makers

charge just the spread but some charge the spread plus a commission. The ones that charge a commission usually have a smaller spread.

In Figure 1, the spread on the GBP/USD is four PIPs or the difference between 1.8143 and 1.8147. Thus your cost to enter a trade with one standard lot would be \$40, the spread times the PIP value. In this example the calculation would be:

$$4 \text{ pips} \times \$10 \text{ per pip} = \$40 \text{ cost to enter trade}$$

Currency Pairs		Bid	Ask		Time	High	Low	Prm Sell%	Prm Buy%
GBP/USD	Sell	1.8143	1.8147	Buy	16:01:37	1.8147	1.8143	-2.52	0.42
EUR/USD	Sell	1.2436	1.2439	Buy	16:01:38	1.2439	1.2436	0.89	-1.49
USD/JPY	Sell	109.33	109.36	Buy	16:01:38	109.36	109.33	-4.07	2.47
USD/CHF	Sell	1.2473	1.2477	Buy	16:01:38	1.2477	1.2473	-3.66	1.55
AUD/USD	Sell	0.7725	0.7730	Buy	18:05:36	0.7730	0.7725	-3.61	1.01
USD/CAD	Sell	1.1969	1.1974	Buy	16:01:37	1.1974	1.1969	-0.84	0.54
EUR/GBP	Sell	0.6851	0.6856	Buy	17:43:30	0.6856	0.6851	1.61	-3.71
EUR/CHF	Sell	1.5512	1.5517	Buy	05:16:53	1.5517	1.5512	-2.47	0.36
GBP/JPY	Sell	198.39	198.49	Buy	05:16:52	198.49	198.39	-6.54	2.94
EUR/JPY	Sell	136.00	136.04	Buy	18:32:25	136.04	136.00	-3.13	1.03

**Figure 1**

#### 4. Choosing a Trading Platform

In addition to your ProAct Traders charts, you will need a trading account (also called a margin account). You will set this up through a market maker.

The software used to trade your account might be called a trading station, trading platform or dealing station.

There are many market makers that can serve your needs. Once you choose one, you should start with a demo account. This will function just like a real account except that you will be not trade real money. You should trade on a demo account until you can consistently make profitable trades. Once you are comfortable with the trading platform and have been successful trading, you might want to open a live mini-account where each PIP is valued at 1/10<sup>th</sup> of the amount of a standard account. For example, on the GBP/USD the pip value will be \$1.

The psychology of trading with real money is different than play money but once you can consistently make a profit on a live mini account and have grown your account, you might want to move up to a standard account. Depending on the

market maker, you can open a live mini account with as little as \$200. You should have about \$10,000 before you move to a standard account. Many traders have a mini and a standard account.

## 5. Entering Trades

When you see the proper signals to enter a trade and are ready to buy or sell, just follow the directions for your trading platform. You usually can click the “sell” or “buy” on the chosen currency and a box will pop up similar to the one in Figure 2.

Some trading platforms will give you the opportunity to enter stops and limits as well as the number of lots. Pay particular attention to the price since it can change quickly. Make sure it is a price that you want. Figure 2 is an example from ProEdge trading platform. There is a box in the lower left hand corner where you can chose to enter the Stop/Limit as soon as the order is confirmed.

**NOTE: Always write down your ticket number and make sure that you have the market makers phone number nearby. If there is an internet problem, you may need to call the market maker to close the trade and you will need to know the ticket number.**

Buying	Selling	Lots	Price
 GBP	 USD	1	1.8151 

Add Stop/Limit after Order Confirmation

Submit Cancel

Figure 2

## 6. Setting Stop-Losses

A stop-loss is an order linked to a specific position for the purpose of closing that position and preventing the position from accruing additional losses. A stop-loss order placed on a Buy (or Long) position is a stop-loss order to Sell and close that position.

A stop-loss order placed on a Sell (or Short) position is a stop-loss order to Buy and close that position. A stop-loss order remains in effect until the position is liquidated or the client cancels the stop-loss order. As an example, if an investor is Long (Buy) USD at 120.27, they might wish to put in a stop-loss order to Sell at 119.49, which would limit the loss on the position to the difference between the two rates (120.27-119.49) should the dollar depreciate below 119.49. The position

would remain open until the market trades at the stop-loss level. Stop-loss orders are an essential tool for controlling your risk in currency trading. Follow the directions for your trading platform for setting stop-losses.

Figure 3 is an example Stop and Limit entry box. This example is from the ProEdgeFX trading platform.

**Stops and Limits for Ticket #H05211831**

---

**Original Order**

Bought	Sold	Lots	Price
<b>GBP</b>	<b>USD</b>	<b>1</b>	<b>1.7950</b>

---

<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #003366; color: white;"> <th>Stop Reference</th> <th>Limit Reference</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">&lt; 1.7941</td> <td style="text-align: center;">&gt; 1.7955</td> </tr> </tbody> </table>	Stop Reference	Limit Reference	< 1.7941	> 1.7955			
Stop Reference	Limit Reference						
< 1.7941	> 1.7955						
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #003366; color: white;"> <th style="width: 30%;">Lots</th> <th style="width: 30%;"><input type="checkbox"/> Stop</th> <th style="width: 30%;"><input type="checkbox"/> Limit</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"># 1</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>	Lots	<input type="checkbox"/> Stop	<input type="checkbox"/> Limit	# 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="button" value="Submit"/>
Lots	<input type="checkbox"/> Stop	<input type="checkbox"/> Limit					
# 1	<input type="checkbox"/>	<input type="checkbox"/>					

---

0	<input type="button" value="Click"/> order to be replaced or cancelled
<input type="button" value="Replace"/>	<input type="button" value="Cancel"/>

---

Figure 3

## 7. Setting Limits

Limits are tied to a specific position for the purpose of locking in the gains from that position. A limit order placed on a Sell (or Short) position is a limit order to Buy and close that position. A limit order remains in effect until the position is liquidated or the client cancels the limit order. As an example, if an investor is

Long (Buy) USD at 120.27, they might wish to put in a limit order to Sell at 120.67, which would limit the profit on the position to the difference between the two rates (120.67-120.27). The position would remain open until the market trades at the limit level. Limit orders are an essential tool to use to take profit at what you believe is a good price. This is especially good to use if you cannot attend to your trade.

Just follow the directions for your trading platform to set limits.

Figure 3 is an example Stop and Limit entry box from ProEdge trading platform.

## 8. Exiting Trades

Exit trades following the directions of your trading platform.

Figure 4 is an example from ProEdge trading platform. Watch the “Price to Close” box, the price can change quickly.

Close Trade # H05211831 - On Account # GD292335

Open Trade as of 8/21/2005 12:35:52 AM

Bought	Sold	Lots	Price
GBP	USD	1	1.7950

Close Trade

Price to Close	Lots to Close	Gross \$ P/L P/L
1.7946	1	(\$4.00)

Submit Cancel

Figure 4

## 9. Managing Your Margin Account

The most enticing aspect of trading Forex is the high degree of leverage used. Leverage seems very attractive to those who are expecting to turn small amounts of money into large amounts in a short period of time. However, leverage is a double-edged sword.

There are basically two levels of margin accounts; standard accounts and mini accounts.

With a standard account, for each lot that you trade, you are managing \$100,000 of money. It takes an average of \$1000 in margin to trade one lot. It is recommended that you have about \$10,000 in your account to be able to trade standard lots. The average pip price on a standard account is \$10. If you put in a trade on a currency pair that has a price of \$10 per pip and has a 4 pip spread; it will cost you \$40 to enter the trade. For each pip of profit, you will get \$10.

A mini account takes about \$100 in margin to traded one lot. You will be managing \$10,000 per lot in this type of account. It is comfortable to start with an account of about \$1000 but you can start with less, especially if you are using a market maker that lets you trade lots worth less than a mini account value. With a mini account, each pip is worth about \$1. To enter a trade on a currency pair that has a 4 pip spread will cost you \$4. You will make \$1 for each pip of profit.

Managing your margin is one of the most important issues in trading. Most traders analyze the charts correctly and place sensible trades, yet they tend to over leverage themselves (get in with a position that is too big for their portfolio), and as a consequence, often end up forced to exit a position at the wrong time. You need to manage your margin and trades so that you have the funds to enter a trade when the opportunity arises.

## **10. Trading Psychology**

***Emotion, or lack of discipline, is the greatest enemy of every trader.*** This is so true that one could argue that discipline is a more precious trading commodity than capital itself, since capital can only be sustained with discipline.

This is not to say that the trader does not have value to bring – he does. In moments of clear, objective contemplation, many traders – even novices – can be builders of excellent trading systems. These systems can take advantage of their understanding of the forces of FOREX and test out incredibly. Once live, however, the system falls apart. Why?

The simple reason is that emotion has no place in trading. Emotion causes the trader to act differently following large wins or losses. Emotion causes the trader to act irrationally when large moves occur. Emotion causes the trader to apply his trading system inconsistently.

If you took a survey of successful traders you would find many similarities. The traders would understand and apply all of the forces of FOREX. They would usually trade incredibly simple trading systems. They would trade using

conservative, well thought out money management philosophies, and they would trade with *absolute consistency*.

For the institutional investor, absolute consistency is not a problem, since they have an array of personnel and resources at their disposal. For individual investors, there are three groups. Those who trade without consistency, those who trade with manual consistency, and those who trade with automated consistency. The novice, of course, is the trader who thrashes from trade to trade. The individual investor who uses consistent discipline or automation as the foundation of his trading activity maximizes his level of sophistication.

What is a safe amount of margin to risk? Most experts believe that you should not risk any more than 10% of your account at any one time; 2-5% is much safer. For example, if you have \$10,000 in your margin account, the amount you could lose should be no more than \$200-\$500. This is determined by the stop-loss on your active trades. Say that you have a one lot trade with a stop of 25. If it goes against you, the loss will be \$250.

As the guardian of your margin account; you need to make a set of rules that you will follow. For example; I will trade only 1 lot at a time until I increase my margin to a certain amount. I will start out going for 5 - 10 PIPs profit on a trade until I have the confidence to stay in longer. You might want to keep a journal of your trades and emotions. You can review it and learn from it.

### **VIII. Fundamental Announcements (FAs)**

A Fundamental Announcement is an event in the economic or political arena that affects the relative value of currencies. The affect of the FA is a topic of much speculation and anticipation by many elements of the financial community. A Technical Trader must consider the FA in the perspective relative to the currency crosses in which he is trading. The Trader must be aware of the timing of the FAs and the nature of the FA in his trading arena.

Depending on the nature of the specific FA, it can cause rapid price movements in currency crosses. Many times the movements are rapid and large in magnitude. The movements may happen in both directions and thus, makes it difficult to avoid a loss on an active trade. Even though your active trade may eventually move in your desired direction, the movement caused by the FA is likely to trigger your stop/loss order and cause your trade to exit with a loss. If you 'straddle' the trade, you could end up with losses in both directions.

An additional hazard is that many brokers will not honor stops or limits during FAs. So, your loss might exceed the value expected for your stop/loss order.

High activity during an FA may cause the broker to be less responsive to a trader's attempts to enter or close a trade. So, the market may move many pips beyond the point at which a trader might attempt to enter or exit the trade. The

broker might not accept the order or it might be accepted at a value much higher/lower than expected.

There are several ways a Trader can stay aware of impending FAs. Watching economic or market news on TV, newspapers, and the internet can provide awareness. There are many sources in these media and each Trader should identify the ones most trusted, timely and available to them.

Many dealing stations provide access to News announcements from organizations such as Thompson Financial. In addition, many platforms indicate additional valuable information such as outstanding option positions, trading positions of large Traders, values of resistances, supports, channels, stops, and much more.

At a minimum, a Trader should consult an economic calendar prior to a trading session. One of the better ones can be found at <http://www.forexfactory.com> and <http://www.dailyfx.com>, select the 'Calendar' button, and then select the 'Global Economic Calendar For Week of ...' link on the left side of the page under the title 'WEEKLY FOCUS'. The specifics of finding this calendar may change, but this calendar is consistent and identifies major announcements with bold text.

Since FAs vary in their effect on the markets, check out the influential levels of FAs at <http://www.aboutforex.com/fundamentals.html>.

For a Technical Trader, the prudent strategy is to be aware of the times of FAs that could affect the currency cross of interest. Experience will improve your judgment on this. Once the time is known, the Trader should attempt to be flat ( out of the market) on their trades, not in an active trade, at the moment of the FA.

It is usually good to stay out of trading until the affect of the FA has stabilized. Watching the charts will give you a feel for this. The period to avoid includes a period before the FA. If you cannot complete the trade before the time of the FA, it might be good to pass on making a trade until you can judge the price movement accurately without the FA affecting it.

One particular FA is more dramatic in its affect on markets influenced by the USD. That FA occurs near the beginning of each month and is known as the NFP, **Non-Farm Payroll**. This FA can cause particularly large price movements with dramatic speed and it is typically best to avoid trading during the time it affects the market.

For the Technical Trader, the axiom best relating to FAs is "Fore Warned, Fore Armed". Take heed of FA's and even though you are a Technical Trader, you would benefit greatly by staying aware and knowledgeable of the pending FAs including the time and possible impact of the FA. Don't trade it, be aware of it and avoid it.

One of the first things you should every day before trading is to consult an economic calendar. Make this a rule!

## **IX. FOREX Market Trading Hours**

The FOREX market opens at approximately 4:00 PM Sunday and closes at approximately 4:00 PM Friday (EST). Your trading station determines the hours you can trade and they can vary. In general, the most productive trading hours are from 1:00 AM to 11:00 AM EST.

If the market is moving sideways and the trading range is less than 20 pips, it is not a good time to trade. By the time you get in and pay the spread, there is not enough room to make any profit.

See the tables below for more specific information and trading hours and market movement.

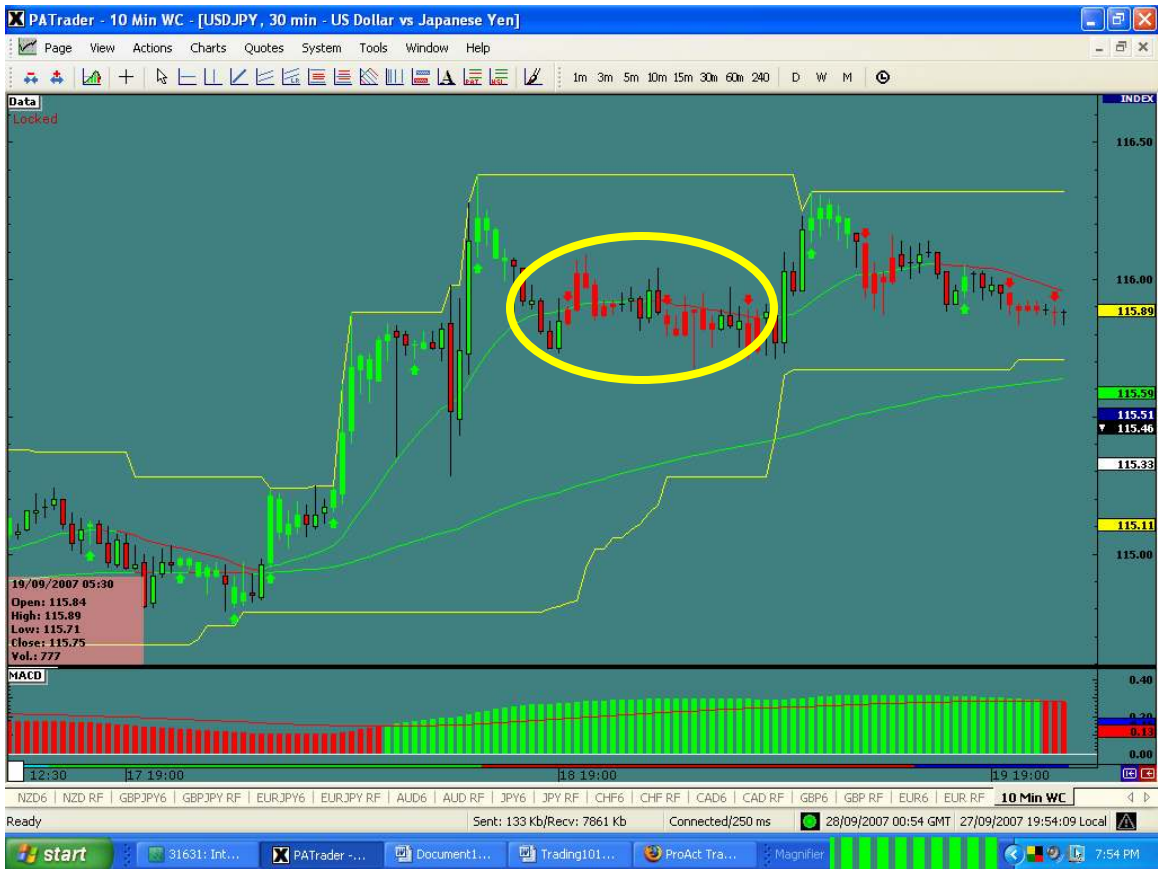
## **X. The Best Trading Times**

This is a very important aspect of trading. If the market is flat and has less than 20 pips of movement from top to bottom, there is not enough room to make a profit.

Getting into a trade in this type of market is frustrating due to the slow movement and much of the time you will not make anything for your effort.

Note figure 5 below. In the area circled in yellow, the market is moving sideways and there is not enough volume to make money. This is when you need the patience to wait until the time is ready.

Figure 5



### Figure 6: When to Trade - AM

Give yourself a chance! Trade when the market is most likely to help you. Take a look at the average trading ranges for the four majors below.

EST	EURUSD	USDJPY	GBPUSD	USDCHE
12 AM - 1 AM	10 PIPS	14 PIPS	11 PIPS	15 PIPS
1 AM - 2 AM	13 PIPS	15 PIPS	15 PIPS	20 PIPS
2 AM - 3 AM	21 PIPS	20 PIPS	25 PIPS	30 PIPS
3 AM - 4 AM	23 PIPS	21 PIPS	29 PIPS	34 PIPS
4 AM - 5 AM	20 PIPS	20 PIPS	27 PIPS	29 PIPS
5 AM - 6 AM	17 PIPS	18 PIPS	25 PIPS	26 PIPS
6 AM - 7 AM	17 PIPS	18 PIPS	24 PIPS	26 PIPS
7 AM - 8 AM	18 PIPS	19 PIPS	24 PIPS	27 PIPS
8 AM - 9 AM	26 PIPS	25 PIPS	31 PIPS	39 PIPS
9 AM - 10 AM	24 PIPS	23 PIPS	29 PIPS	36 PIPS
10 AM - 11 AM	30 PIPS	26 PIPS	34 PIPS	45 PIPS
11 AM - 12 PM	24 PIPS	22 PIPS	29 PIPS	36 PIPS

### Figure 7: When to Trade - PM

The markets sleep when London and New York are off.

EST	EURUSD	USDJPY	GBPUSD	USDCHE
12 PM - 1 PM	20 PIPS	19 PIPS	25 PIPS	31 PIPS
1 PM - 2 PM	16 PIPS	15 PIPS	19 PIPS	25 PIPS
2 PM - 3 PM	16 PIPS	15 PIPS	18 PIPS	24 PIPS
3 PM - 4 PM	12 PIPS	12 PIPS	15 PIPS	19 PIPS
4 PM - 5 PM	9 PIPS	10 PIPS	11 PIPS	14 PIPS
5 PM - 6 PM	9 PIPS	9 PIPS	9 PIPS	12 PIPS
6 PM - 7 PM	8 PIPS	11 PIPS	9 PIPS	12 PIPS
7 PM - 8 PM	10 PIPS	15 PIPS	11 PIPS	15 PIPS
8 PM - 9 PM	11 PIPS	17 PIPS	11 PIPS	16 PIPS
9 PM - 10 PM	10 PIPS	15 PIPS	10 PIPS	14 PIPS
10 PM - 11 PM	10 PIPS	13 PIPS	12 PIPS	16 PIPS
11 PM - 12 AM	8 PIPS	11 PIPS	9 PIPS	11 PIPS

Above from the "6 forces of FOREX".

## **XI. Glossary and Terminology**

There are many on-line glossaries of FOREX terms. This one is from ProEdge but you can find others by searching the web for “FOREX glossary”.

[http://www.proedgefx.com/fb\\_fxglossary.aspx](http://www.proedgefx.com/fb_fxglossary.aspx)

One Final Note: ProAct Traders wants you to be successful. We have multiple weekly calls that are free to help you gain the knowledge you need. Please consult our website for more info.

Please check our website often at [www.proacttraders.com](http://www.proacttraders.com)

Please feel free to download our FREE “Cooking in the Forex” ebook. Copy this link and paste it in your browser:

[www.proacttraders.info/ebook.html](http://www.proacttraders.info/ebook.html)