Glossary

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

Balance – the sum held on Client Account within any period of time.

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 equal 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

Equity – provided part of the Client's Account including open positions which are tied to the balance and floating (Profit/Loss) by the following formula: Balance + Profit - Loss. These are the funds on the Client's Account reduced by the current loss on the open positions and increased by the current profit on the open positions.

Expert Advisor shall mean a mechanical online trading system designed to automate trading activities on an electronic trading platform such as the Company's Trading Platform. It can be programmed to alert the Client of a trading opportunity and can also trade his Trading Account automatically managing all aspects of trading operations from sending orders directly to the Trading Platform to automatically adjusting stop loss, Trailing Stops and take profit levels.

Financial Markets – international financial markets in which currency and other financial assets exchange rates are determined in multi-party trade.

Financial Instruments – any of the financial instruments offered by the Company and which are defined as such under applicable Law or Regulation.

Floating Profit/Loss – unrealized profit (loss) of open positions at current prices of the underlying currencies, contracts or stocks, equity indexes, precious metals or any other commodities available for trading.

Free Margin – funds not used as the guarantee to open positions, calculated as: Free Margin = Equity – Margin

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

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 30:1 (on retail clients) which means for every single dollar you can trade $30 on CFDs.

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

Lot – a unit measuring the transaction amount, equalling to 100.000 of Base Currency (i.e. 1 lot = 100.000 of Base Currency).

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

Initial Margin – Initial Margin shall mean the minimum amount of money required in your Trading Account in order to open a Transaction, as specified on the Trading Platform from time to time for each specific Underlying Asset.

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.

Stop–out level – such condition of account when the open positions are forcedly closed by the Company at current prices.

Pips/ Pipettes
Quotes of 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 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.

Slippage shall mean the difference between the expected price of a Transaction in a CFD, FX or other derivative contact and the price the Transaction is actually executed at. At the time that an Order is presented for execution, the specific price requested by the Client may not be available; therefore, the Order will be executed close to or a number of pips away from the Client's requested price. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Slippage often occurs during periods of higher volatility (for example due to news events) making an Order at a specific price impossible to execute, when market orders are used, and also when large Orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade.

Swap - for FX and CFD trading is the interest added or deducted for holding a position open overnight.

Trading Account shall mean the exclusive personalized account of the Client consisting of all the Open Positions and Orders of the Client the balance of the Client money and deposit/withdrawal transactions of the Client money. More information on the various types of Trading Accounts offered by the Company from time to time and their particular characteristics and requirements may be found in the Website.

Trading Platform shall mean the electronic mechanism operated and maintained by the Company, consisting of a trading platform, computer devices, software, databases, telecommunication hardware, programs and technical facilities, which facilitates trading activity of the Client in FX and CFDs and other derivative contracts and options via the Trading Account.

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).