



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 = 1.21153

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 1.21153

You have to pay 1 Euro to receive 1.21153 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 - Leverage is the multiplication of your balance. This allows you to open bigger trading positions since the margin required will be lowered according to the leverage you have chosen. Even though with leverage you can make a bigger profit, there is also a risk of having a bigger loss because the positions you open will be of higher volume (lot size).

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 - Margin is the required amount in the base currency of the trading account needed to open or maintain a position. When trading forex, the Required/Used Margin for a specific position = Number of Lots * Contract size / Leverage. Here the result is originally calculated in the first currency of the traded pair, and then converted into the base currency of your trading account, which will be numerically displayed on your MT4, or any other trading platform.

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 loss - is an order for closing a previously opened position at a price less profitable for the client than the price at the time of placing the stop loss. Stop loss is a limit point that you set to your order. Once this limit point is reached, your order will be closed. Please note that you need to leave certain distances from the current market price when you set up stop/limit orders. For further details about the distance in points for each currency pair.

Using stop loss is useful if you want to minimize your losses when the market goes against you. Stop loss points are always set below the current ASK price on BUY, or above the current BID price on SELL.



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 1.21153 to 1.21163 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 contract 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.

STP Broker - STP broker or Straight Through Processing broker, is the name given to broker that, when upon receipt of a client order, will pass on the orders directly to their liquidity provider. Liquidity providers can include a Bank, a Hedge Fund, Investment corporations or another broker and as such no intermediary in the order will be involved – in other words the STP broker will not be filtering the orders through a Dealing Desk. The absence of a Dealing Desk intervention is what makes the broker's electronic trading platform STP.

With the absence of such an intermediary process (dealing desk) the STP broker will be able to process its client's orders without any delay and in addition the STP broker will not send re-quotes to its clients something that most investors will regard as a huge advantage, as the STP broker in effect will allow its clients to trade during the release times of financial news without any restrictions.

STP broker can benefit from having several liquidity providers as an increase in the number of providers in the system means the better the fills for the client.

Swap - is the interest added or deducted for holding a position open overnight.

Take profit - is an order to close a previously opened position at a price more profitable for the client than the price at the time of placing the take profit. When the take profit is reached, the order will be closed. Please note that you need to leave certain distances from the current market price when you set up stop/limit orders. For further details about the distance in points for each currency pair.



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.

Trailing stop - is a type of stop loss order. It is set at a percentage level either below the market price for LONG positions, or above the market price for SHORT positions. Kindly note that you need to leave certain distances from the current market price when you set up stop/limit orders. For more details about the distance in points for each currency pair.