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Forex trading for beginners

A one-page reference and practice worksheet

01 / Understand the quote

EURUSD at 1.0800 means 1 EUR is quoted at 1.08 USD. The bid is the usual sell quote; the ask is the usual buy quote. The spread is the difference.

02 / Check the units

For many non-JPY pairs, one pip is 0.0001; for many JPY pairs, 0.01. Verify the instrument. A standard forex lot often equals 100,000 base-currency units.

03 / Estimate cash risk

Example: EURUSD, USD account, $10 per pip per standard lot. At 0.10 lots and a 25-pip stop, gross risk is $25 before costs. Stops can fill at worse prices.

Practice: balance _____ risk budget _____ pip value _____ stop distance _____

04 / Understand margin and the broker

Margin is collateral, not a loss cap. Verify the legal entity, registration, spread, fees, withdrawal terms and risk disclosure. US readers: cftc.gov/check.

05 / Observe before risking money

Record pair, session, quoted spread, planned invalidation and a hypothetical outcome. Compare your calculation against a demo or replay record.

CONTINUE YOUR STUDY

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Free position size calculator | https://forexsom.com/tools/position-size/