Unit 1

Welcome

Welcome to the foreign exchange market, more commonly known as Forex. In this unit, you will be learning what the Forex market is. You have probably heard of one of these statements: “this is risky,” “it's a get rich, quick scheme,” or “it's too good to be true.” People who say these things either have a lack of knowledge about trading in general or had a bad experience. The good news is, Pathway is here to teach you and walk you through the strategic steps on how to stay ahead and be confident in the market. You will be able to live the lifestyle you desire and take control of your life by being your own boss. All the negative things you hear about Forex are entirely avoidable. Take the time to 1)complete this program, 2) Invest your money, resources and time in developing yourself, 3) and learn a new lifelong skill that will give you an impressive bank account.

Forex is the market in which currencies are traded. The Forex market is the largest, most liquid market in the world, with average traded values that can reach trillions of dollars per day. It includes all of the currencies in the world. In the Forex market, we simultaneously buy and sell currency pairs against each other. As traders, we can profit from currency fluctuations.

Forex trading started during the age of the Babylonians. This system was designed for the exchange of goods. In early times, a good was traded for another tangible item. When the Metal Age began, the creation of coins came into play. When gold became a vital trading tool, its use became restricted due to people trying to trade the value of money for gold. Due to this, the value of money diminished. In 1931, the gold standard was removed, and the Forex market was born. This made it possible to freely trade currencies that helped stabilize currency exchange rates.

Unlike other markets that trade only during business hours, the Forex market operates 24 hours a day, five days a week. This flexibility allows you to trade whenever it fits into your schedule.

Congratulations, you just completed the first unit. This might not seem like much, but you just took the first step of achieving greatness by taking the initiative to learn something new. You are now one step closer to living your desired lifestyle!

## Unit 2

### Mindset

Why are you trading Forex? What is your goal?  These are things you need to consider. Having an understanding of these things will profoundly impact your career as a trader. Being a successful trader can enable you to live independently, pay off your loans and live your life on your terms. First, let us go over the proper mindset. Make sure to enter every trade with a clear conscience. You must learn to be comfortable with losing before you can win. Never make the most common mistake which is chasing money.  By pursuing money, you are only looking at the short term reward, not the long term growth and profit.

Entering the zone - this part is crucial. Always open the trade with a clear head and a positive attitude. Many people lose money from not being in a calm place. Your emotion and attitude will profoundly impact your trading method. If you are feeling angry or stressed, it can most likely result in negative results. Before you enter any trade, you must make sure you're on your A-game and have a clear head. Make sure you don't feel pressured. Be confident and informed when entering your trades. In summary, you must improve your mindset to improve your life.  If you have the right mindset and complete this course, you can become a successful Forex trader.

One final tip on mindset...if you ever lose money on a trade, do not immediately jump into another trade to try to recover from your loss.  After losing, your mindset may not be stable for another trade right away.  Sometimes it's best to close the computer, walk away and give yourself time to recover mentally.

## Unit 3
## The Forex Market

The foreign exchange market is a unique system that will allow you to pursue your desired lifestyle and be the best of what you can be without the modern day limitations of money. The forex market moves approximately 5 trillion dollars a day!

Many of you might question how this system works. For example, let's say you want to trade the currency pair EUR/USD. The EUR/USD rate represents the number of US Dollars one Euro can purchase. If you predict that the Euro will increase in value against the US Dollar, you will go in for a long position (buying) Euros with US Dollars. If the exchange rate rises, you will go short (selling) the Euros back, making a profit. As a trader, your primary goal is to bag as many pips (points in percentage-see unit four) as you can while the graph of the currency pair fluctuates using effective strategic methods such as fundamental and technical analysis (we will cover more on pips next unit).

Most of the world's currencies are bought and sold based on exchange rates; meaning that their prices fluctuate based on the supply and demand in the foreign exchange market. High demand for currency or a shortage in its supply will cause an increase in price. There are also many political and economic acts and agreements between countries that can significantly impact the value of currencies such as tariffs, imports, and exports.

Forex brokers provide currency traders with access to a trading platform such as Meta Trading 4, and Ninja Trading and many others that allow them to buy and sell foreign currencies. A currency trading broker, also known as a retail forex broker, or forex broker, handles a tiny portion of the volume of the overall foreign exchange market (we will dive deeper in brokers later on in the course).

Unit 4

PIP

Welcome to pips! In this unit, we will be covering what a pip is, how to calculate them, and how they work.

The fluctuation of every currency pair is calculated by the number of pips (Points In Percentage) the price has moved up or down. Each currency pair has five decimal places, the fourth one being the pip and the fifth one being the pipette. The pipette rarely needs to be considered.

Some examples of pip calculations:

GBP/USD: 1.5900 to 1.5905 is an increase of 5 pips.
EUR/USD: 1.3490 to 1.3590 is an increase of 100 pips.

USD/CHF: 1.5000 to 1.4995 is a decrease of 5 pips.
AUD/CAD: 1.3490 to 1.2919 is a decrease of 571 pips.

Yen-based currency pairs are a little different; the pip is the second decimal place, and the pipette is the third decimal place.

Some Examples:

GBP/JPY: 145.78 to 147.70 is an increase of 192 pips.
USD/JPY: 145.78 to 138.80 is a decrease of 698 pips.

Pips are vital because they can help you calculate a variety of things. You can use them to figure how much you should leverage in your trade, where you should place a target level, and where you should set a stop loss or take profit.

So how do pips work? Let's say you're doing your analysis and you see a potential buy position coming up. You have found your target level, and it is a 100 pip gain. Then you look at your account balance to see how much leverage you can support. In this example, let's say you have a $3,000 account and your target level is 100 pips away. You use a leverage of $2.00 per pip, that is an amount that you're $3,000 account can support. Based on the leverage that you put in, every pip that you gain is $2.00 added to your account and every pip that you lose, $2.00 is deducted from your account.

Many traders make the mistake of tracking success by monetary factors, but a true trader keeps his/her eyes on the pips. Make sure your real aim is bagging pips, and the money will naturally follow.

## Unit 5
## Candlesticks

A candlestick chart is a style of a financial table used to describe price movements of a security, derivative, or currency. Each "candlestick" typically shows one day; thus a one-month chart may show the 20 trading days as 20 "candlesticks."

Candlesticks are ideal because they show price action in a clear manner. The candlestick displays the high and low of a currency during a specific period. Unlike the bar chart, the candlestick chart shows the range between the opening and closing prices.

The thin vertical line, or wick, above the candlestick is known as the upper shadow, and the other wick below the candlestick is known as the lower shadow. The main block of the candlestick indicates the opening and closing prices. The wicks show the trader where the price has reached previously on that currency pair.

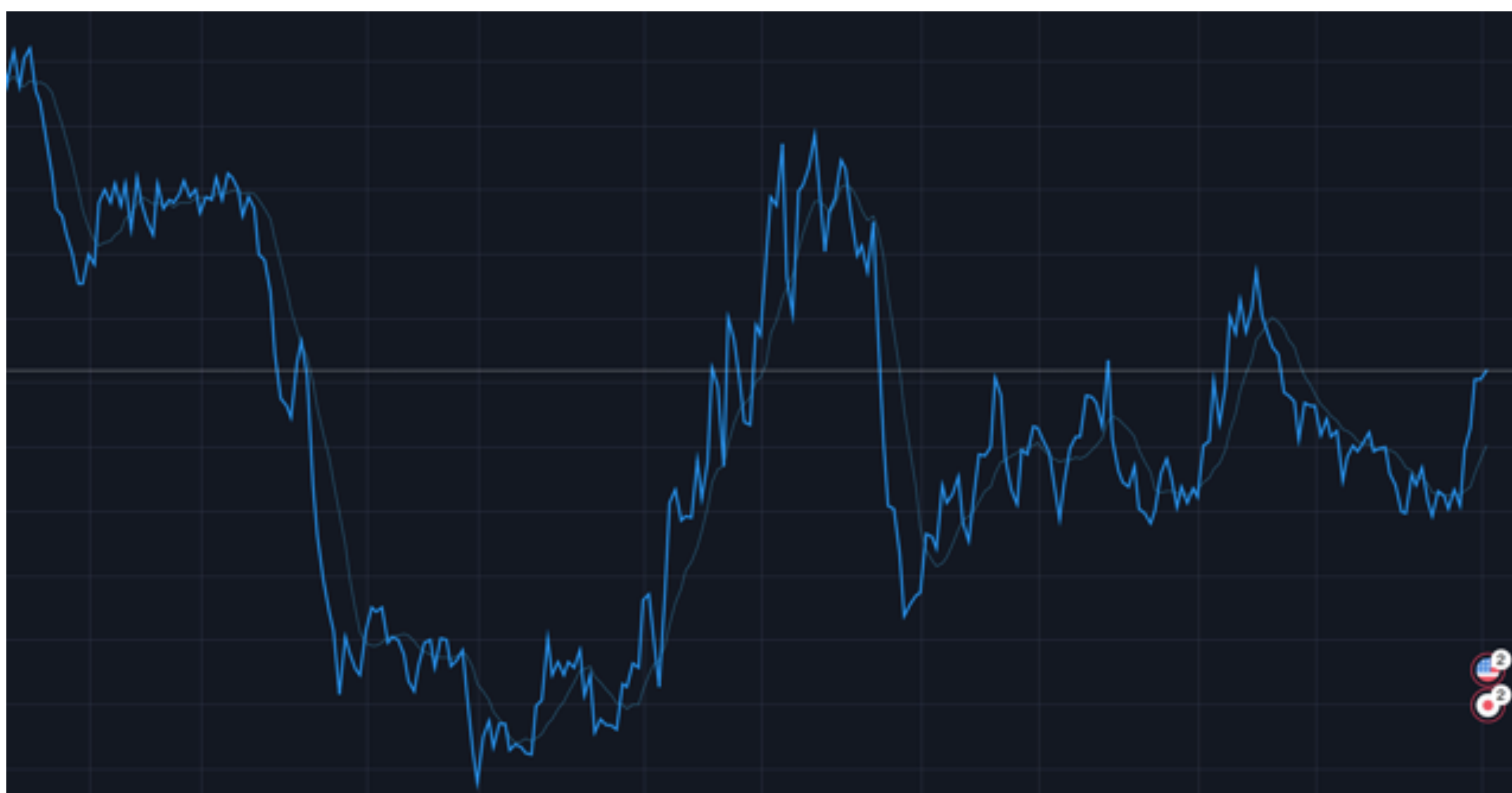
## Unit 6
## Charts

In the trading community, there are multiple ways to visualize a currency pair. In this unit, you will be learning about the different kinds of charts used to display a currency pair and how to read them.

The Bar Chart: This chart shows us the opening and closing prices and the highs and lows for a specific time frame. This chart gives you more information to help your analytics. For example, if you were analyzing a currency pairs price action in a daily time frame, each bar would represent 24 hours of activity. Also, if you wanted to analyze a weekly time frame, each bar would show one week of action. Reading these are easy. There are only four parts of a bar chart to remember; the high, low, open and close.

High: The highest point that the price has reached in a given time period.
Low: The lowest point that the price has reached in a given time period.
Open: The opening price of the given time period is displayed as the horizontal line to the left.
Close: The closing price of the given time period is displayed as the horizontal line to the right.

The Line Chart: A line chart is a super simplified way you can visualize a currency pair's movement between an opening and closing price. It helps the trader get an excellent overall view on the trend of the market, especially picking out the support and resistance levels.



The Candlestick Chart: This is by far the most popular chart to trade from because of its clear representation of a currency pair price action. The candlestick chart is very similar to the bar chart, but it's easier to visualize. This chart format is highly recommended because all of the chart patterns we will be teaching are most clearly depicted in the candlestick chart format.

Charts are super important because when you learn how to read them, you will be able to spot out chart patterns that help predict the market and increase your gain. Now that you have a basic understanding of how to read charts in multiple formats, you should be able to analyze any chart that your trading career throws at you. Keep it up!

Unit 7

Currency Pairs

In this unit, we will be discussing currency pairs. A currency pair is the value of a currency against the value of another currency in the foreign exchange market. Each currency pair contains a base currency and a counter currency.

Counter<br>
Currency<br>
↓<br>
EUR/USD<br>
↑<br>
Base Currency

The most commonly traded pairs are called the Majors. These take up 85% of the forex market. These currencies are popular because of there high volatility, creating lots of good trading opportunities. Notice that the US dollar is always present in the major currency pairs.

The Majors include:

EUR/USD<br>
USD/JPY<br>
GBP/USD<br>
USD/CHF<br>
AUD/USD<br>
USD/CAD

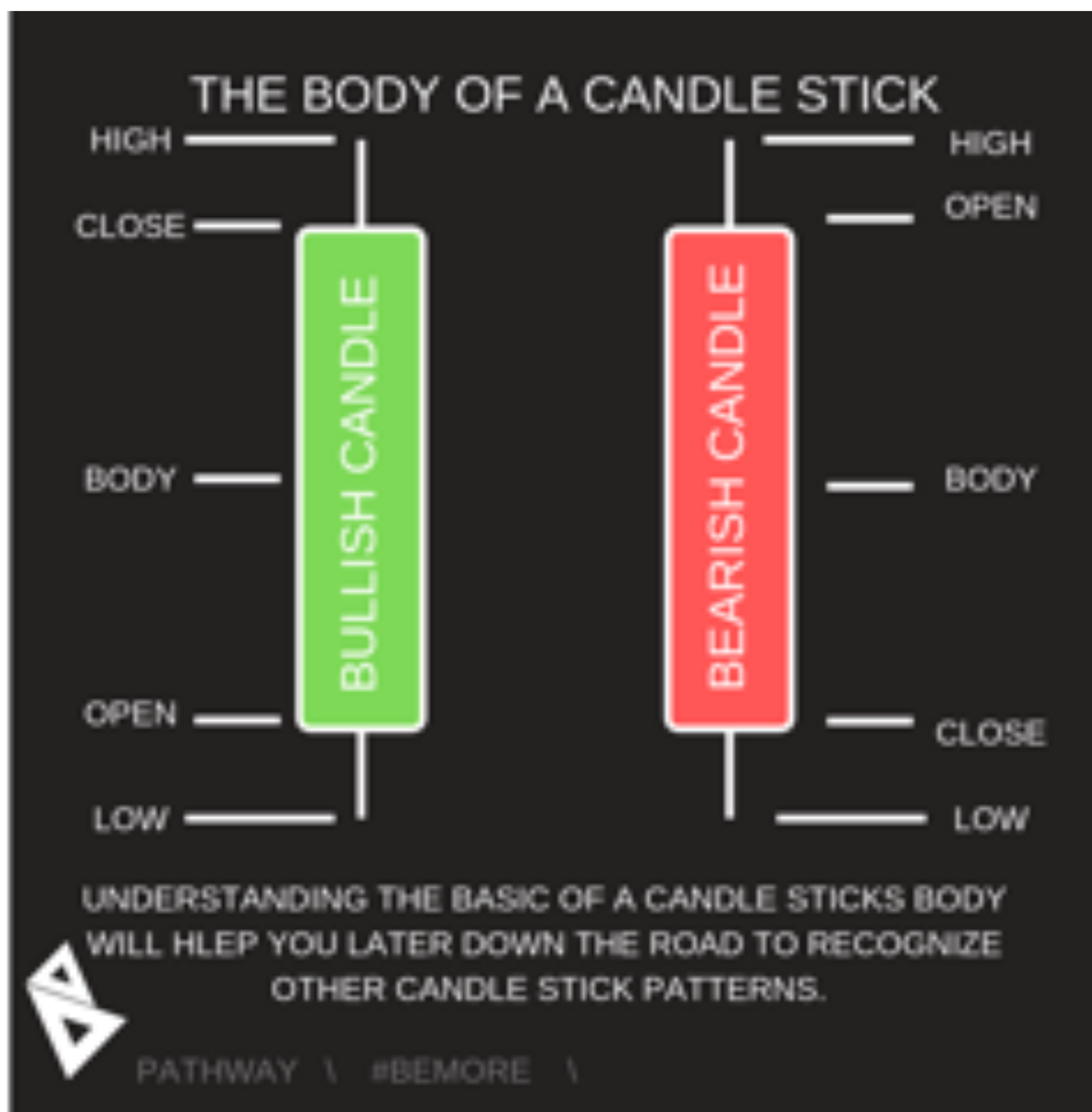
Traders also have the option of trading cross currency pairs. Crosses do not contain the US dollar, but they include other major currencies.

EX: EUR/CHF, GBP/JPY, AUD/CAD etc.

Finally, we have the exotics; these are pairs that contain one major currency and another that is from an emerging market.

EX: AUD/SGD, EUR/ZAR, etc.

You may be curious to know which currencies to trade. That depends on your trading style and your analysis. Overall you want to find a currency pair with stable fluctuations where it will be simple to identify patterns and predict the next direction of the currency.

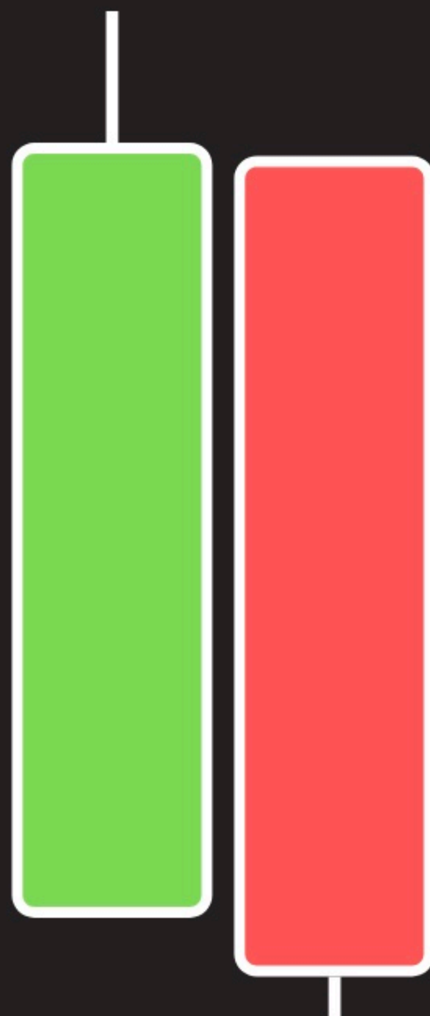



If the candlestick is red, then that shows that the price is currently moving down, this is known as a bearish candlestick. If the candlestick is green, then that indicates that the price is moving up, this is known as a bullish candlestick.

Candlesticks, as you can see, are very important because they tell the trader the direction of the price and helps the trader predict his/ her next move. We are going to show you some examples of candlestick forms that will help you predict the market.

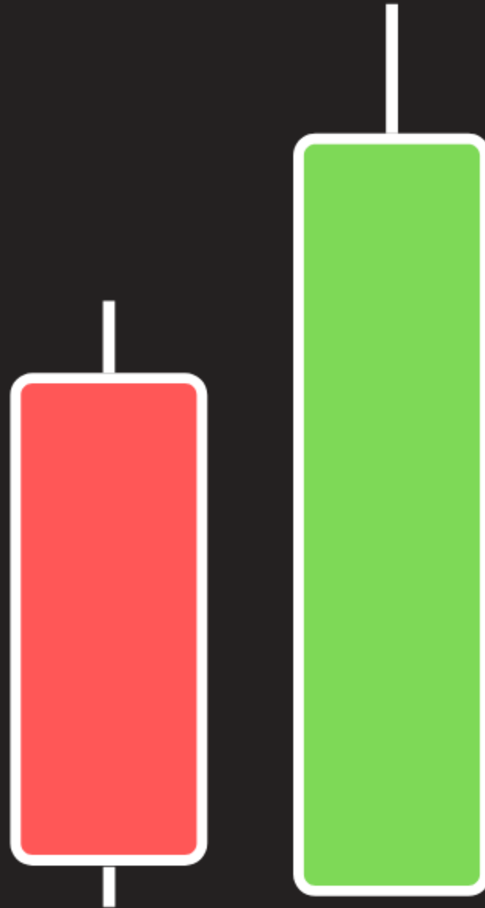
The engulfing pattern: If the bullish candlesticks outweigh the bearish candlestick, the price will continue to rise. If the bearish candlesticks outweigh the bulls, then you can count on the price continuing to fall.

## BEARISH ENGULFING CANDLE PATTERN



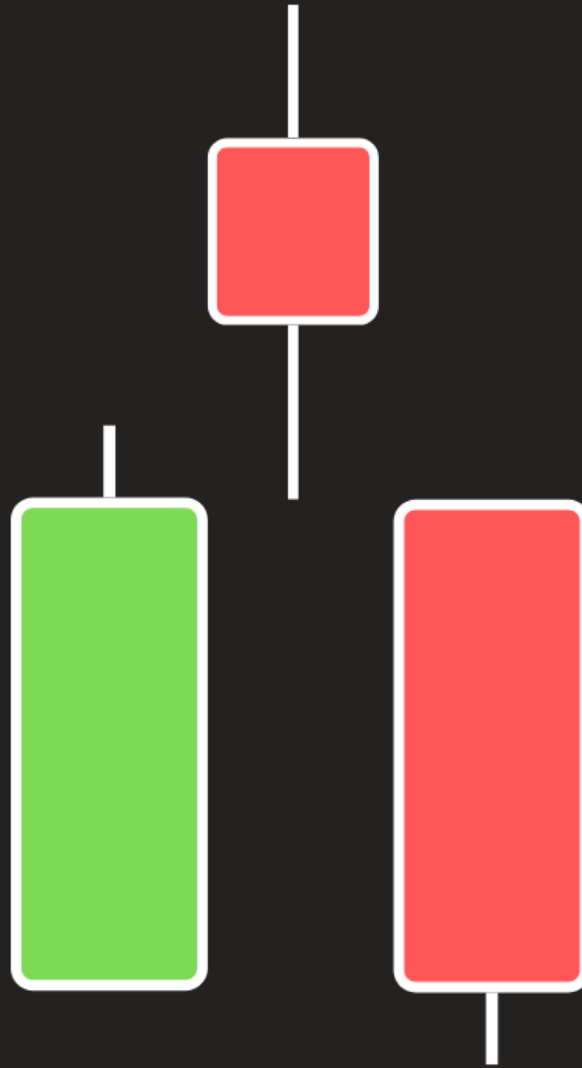
A BARISH ENGULFING CANDLE INDICATES THAT A FLOOD OF SELLERS CAME IN AND MOST OF THE TIME THIS LEADS TO A BEARISH ( SHORT ) TREND, WHICH IS A SIGN TO SELL.

PATHWAY \ #BEMORE \



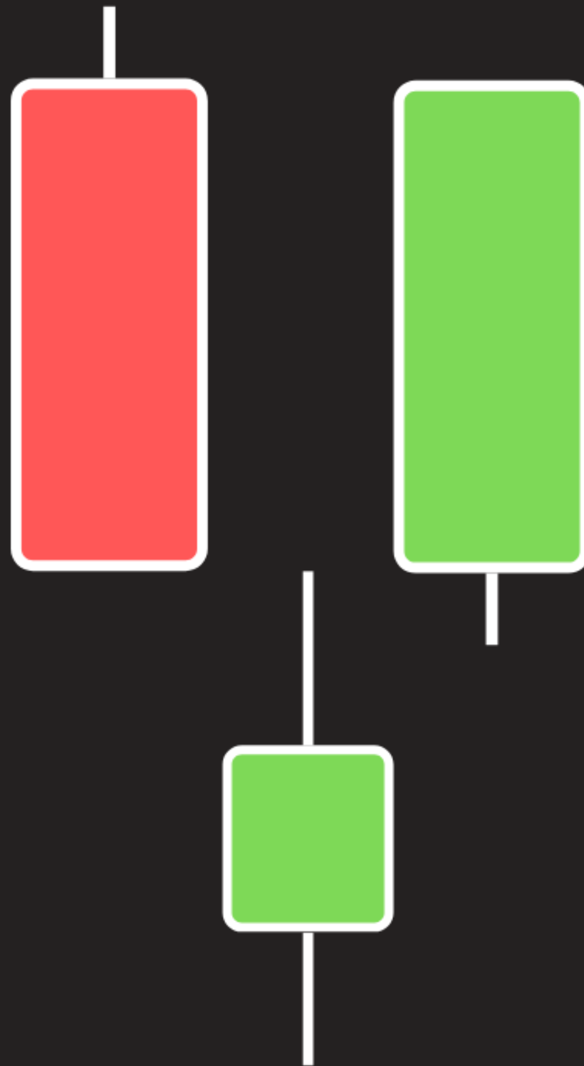
The morning and evening star: The evening star usually occurs at the peak of an uptrend, this candlestick pattern suggests future downtrend or a reversal pattern. The morning star usually occurs at the trough of a downtrend. This candlestick pattern indicates future uptrend or a reversal pattern.

# EVEING STAR PATTERN



THE EVEING STAR PATTERN IS A REVERSAL PATTERN WHEN USING TECHNICAL ANALYSIS, THE PATTERN USUALLY MEANS THE CURRNECY WILL BE REVERSING FROM A LONG TO A DOWN TREND.

PATHWAY \ #BEMORE \



The hammer and hanging man: The hammer can be found either at the peak of an uptrend, suggesting a reversal to the downside, or it can be located at the bottom of a downtrend, indicating a reversal to the upside. This pattern is sometimes referred to as the hanging man. The shooting star is found at the bottom of a downtrend suggesting a reversal pattern. The bearish spinning top can be located at the top of an uptrend indicating a reversal pattern.

There are a lot more chart patterns out there. These are just the basics. Keep the studying up, and you will soon be able to spot these patterns out quickly and apply them in your analysis.

## Unit 8
## Trading Hours

Unlike other trading platforms, the forex market operates 24 hours a day five days a week. It closes every weekend, allowing you to have time to study the market and catch up with economic events. The market opens at 10 pm on Sundays and closes on Fridays at 10 pm, giving the trader good flexibility allowing anyone to fit trading into his or her schedule. Below we listed the most active periods of momentum.

New York opens at 8:00 am to 5:00 pm EST (Eastern Daylight Time)
(85% of forex transactions)
Tokyo opens at 7:00 pm to 4:00 am EST (Eastern Daylight Time)
(15% of forex transactions)
London opens at 3:00 am to 12:00 noon EST (Eastern Daylight Time)
(30-35% of forex transactions)

The foreign exchange market is a perfect way to boost your income. There are specific times of the day where the market is more active. You can engage in the market with ease and on a schedule that fits your daily routine.

## Unit 9
## Long, Short, Flat

Long, short and flat are terms used to describe the trader's viewpoint on a currency pair. Going long in a trade means that you are anticipating the chart going up. If someone describes a chart as "long," they are saying it's in an uptrend. Going long means a "buy" position was executed. Short, on the other hand, is the exact opposite as long. Going short means you are going in a "sell" position. When a trader goes short, they are anticipating the chart going down. A flat is a little different. A flat (or sideways market) is a market in a consolidation period. This means that the market is in a struggle between the bulls and the bears. A consolidation period is a period of indecision in the market.

Here is a simple chart which illustrates a long market:

Here is a simple chart which illustrates a short market:

Here is a simple chart which illustrates a flat market:

Always keep your eyes open for more trading opportunities. There are a lot of them. Also, remember that you don't always need to be in a trade. Sometimes the smartest position is the one where you're not involved with any trade, just observing the market.

Unit 10
Leverage and Margin

Usually, if something costs $8,000 US dollars, you have to pay $8,000 US dollars to have it. In the forex market, you only have to deposit enough money to account for possible losses; this deposit is known as margin. A margin is a loan extended by the broker that allows you to leverage the funds and securities in your account to execute big trades. Though the loan is free, it has to be paid back with interest. This can have a varied effect on you based on your trading style. If your trading strategy is more of a "day or scalper trader," which involves buying and subsequently selling currencies within the same trading day, such that all positions will usually be closed before the market close of the trading day, this interest won't really affect you; however, if you are more of a "swing trader," which involves buying and subsequently selling currencies within the same week, you can expect to pay a range of 5-10% interest on the borrowed money or margin.

Then there's leverage. Margin is used to create leverage. Overall, leverage allows you to pay less than the full price for a trade allowing you to enter larger trades that wouldn't be possible with your account funds alone. Leverage is expressed as a ratio. For example a leverage of 1:10 means you only need one-tenth of the original price to enter in that position, let's say the original price is $1,000. Running with a leverage of 1:10, which is one-tenth of the original price that will allow you only to have $100 but trade as if you have $1,000.

Let's say you want to buy $8,000 of EUR/USD, you could just deposit $8,000 US dollars and change it to EUROS, but with margin trading, if you choose a leverage of 1:10 you only have to put up one-tenth of the total amount as margin. In this case, that would be $800. Choosing a leverage of 1:100 means you just put up $80. A leverage of 1:500 (the most available) means you only have to put up $16, potentially allowing you only to have $16 and trade as if you have $8,000.

Let's say you buy EUR/ USD with an original price of $10,000, and in this example, the currencies price is currently at 1.3500. Let's say it went to 1.3600 and let's say for every dollar you invested you make one cent. That's 10,000 cents or $100 that you made which is a 1% profit from the total $10,000. If you only put $20 down for 1:500 to begin with, you would have a 500% profit because of leverage and margin. This works both ways. In this example, let's say EUR/USD drops to 1.3480, your $20 margin would be used up and your position will automatically be closed. You will lose all your money that you put up as margin. With margin, you can only lose what you are comfortable losing, making your losses limited and your gains unlimited. To protect yourself from the possible substantial losses, you would need to put in a "stop-loss," which will be discussed in a future unit.