

Reading the market: charts, tools and instruments

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2.1 Charts and timeframes

The same EUR/USD price can look calm on one chart and wild on another. That matters because your costs are charged per trade, not per view, so the timeframe you choose decides how often you pay. This lesson shows one price move on three timeframes and what each one costs in naira.

The move itself	60 pips
Cost of one pip on one standard lot	₦10,000
Five-minute chart	₦600,000
One-hour chart	₦600,000

2.2 Candles: what one candle tells you

This lesson shows what a single candle on a chart is made of, and why that matters to your money. A candle holds four prices for one slice of time: the open, the high, the low and the close. On EUR/USD, a move of one pip is worth 10 units of the quote currency on one standard lot, so the shape of a candle can be turned into naira once you know your lot size. Nothing here is a signal or a promise. It is just how the four numbers are drawn.

Open	1.0850
High	1.0872
Low	1.0841
Close	1.0864

2.3 Trend, support and resistance

This lesson shows how the places where price turned before become the places where orders sit next, and what that costs you in naira. On EUR/USD around 1.0850, one pip on one standard lot is 10 units of the quote currency, converted at the current rate, so every level you watch has a price attached to it.

Instrument and level	EUR/USD support near 1.0850
Fourth touch entry	1.0852
Stop distance	30 pips
Position size	0.10 lots

2.4 Indicators: MA, RSI, MACD, Bollinger

Indicators are arithmetic on past prices, drawn as a line. Four common ones are the moving average (MA), the relative strength index (RSI), the moving average convergence divergence (MACD) and Bollinger Bands. Each one costs you nothing extra to display, but each can only react to what its formula uses: closing prices, highs, lows or time. Before you add one to a chart, ask what it is actually measuring and what it must ignore.

Price move	20 pips
Moving average (20-period)	turns up slowly
RSI (14-period)	rises toward 70
MACD (12, 26, 9)	histogram grows

2.5 Fibonacci levels

This lesson shows how Fibonacci levels are drawn on a chart and what they actually mark. The tool divides one completed price move into fixed proportions, and the lines often sit where many other people have placed orders. We will price the exercise in naira so you can see what testing an idea costs before you risk anything.

Size of the completed move	100 pips
38.2 per cent line	1.0862
50 per cent line	1.0850
61.8 per cent line	1.0838

2.6 Price action: trading without indicators

This lesson shows how to read a chart from its own structure, using highs, lows, ranges and breaks, instead of waiting for a calculated line to tell you what to do. The cost angle matters here: every extra indicator, alert or paid signal is money leaving your account, while price structure costs nothing to read. By the end you will know how to mark a range on EUR/USD around 1.0850 and see a break for yourself.

Range high	1.0860
Range low	1.0840
Range height in pips	20 pips
Break level	1.0860

2.7 Smart money: order blocks, FVG, liquidity

This lesson covers three terms you will see on chart-based lessons: order block, fair value gap and liquidity. None of them is a signal, and none of them tells you what will happen next. What they do is give you a shared vocabulary for talking about where large orders are assumed to sit, and what that assumption costs you in pips, and therefore in naira, when you act on it.

Instrument and price area	EUR/USD around 1.0850
Position size	0.10 lots
Value of one pip on one standard lot	USD 10
Value of one pip on 0.10 lots	USD 1

2.8 Gold (XAU/USD): how it differs from currencies

Gold is quoted as XAU/USD, and its contract size is not the same as a currency pair. On EUR/USD one standard lot is 100,000 units, so one pip is 10 units of the quote currency. On gold, one standard lot is usually 100 troy ounces, so a one-cent move in the price is 1 unit of the quote currency per lot. That single difference changes what a stop costs you in naira.

Gold contract size	100 troy ounces per standard lot
Gold position size	0.10 lots
Gold price move used	0.01 (one cent)
Value of that move on 0.10 lots	0.10 units of the quote currency

2.9 Crypto CFDs: bitcoin without a wallet

This lesson shows what a crypto contract for difference costs in naira, using bitcoin as the example. You trade the price of bitcoin, not the coin itself, so there is no wallet and no transfer. The costs that matter are the spread, the funding charge for holding overnight, and the margin you must set aside. All figures are schematic and vary between brokers.

Contract size	0.01 lot
Bitcoin price	₦60,000,000 per BTC
Notional value	₦600,000
Margin at 20 percent	₦120,000

2.10 Index and share CFDs

An index CFD tracks a basket of companies, so its price moves with the whole group. A share CFD tracks one company, so its price moves with that company alone. Both cost you money in ways a currency pair does not, and this lesson shows those costs in naira before you open any chart.

US30 trading hours (Nigeria time)	about 2:30 pm to 9:00 pm
Local index trading hours	about 10:00 am to 2:30 pm
US30 tick size	1 index point
Cost of a 1-point move on 0.10 lots of US30	₦1,600

2.11 Scalping: why costs decide the outcome

This lesson shows what a scalping day costs in naira before any profit or loss is counted. At a few pips per trade, the spread and commission are most of the result. You will work out the arithmetic for twenty trades of three pips each against a spread of 1.2 pips.

Target per trade	3 pips
Spread per trade	1.2 pips
Net per trade before commission	1.8 pips
Net over 20 trades	36 pips

2.12 Day trading

Day trading means opening and closing a position inside one session, so the position is not held overnight and no swap is charged. The money question is what the day costs before you are right or wrong: the spread, the commission if your broker charges one, and the size of each pip in naira. This lesson works through one EUR/USD day trade from entry to close, with every figure in naira.

Instrument and price	EUR/USD at 1.0850
Position size	0.10 lots
Value of one pip	₦108.50
Entry	1.0850

2.13 Swing and position trading

Swing and position trading means holding a trade for days or weeks instead of hours. That changes what you pay. The spread is charged once when you open and once when you close, but a swap fee is charged for every night you keep the trade open. On EUR/USD at 1.0850, one pip on one standard lot is 10 units of the quote currency, which is about ₦16,500 at that rate. So a few pips of swap can quietly eat a large part of a small profit. This lesson shows how to work out that cost before you decide to hold.

Instrument and price	EUR/USD at 1.0850
Position size	1 standard lot
Value of one pip	10 units of the quote currency
Price move over four days	20 pips in your favour

2.14 Sessions, news and the calendar

This lesson shows which hours of the day EUR/USD actually moves, and which scheduled news releases can widen spreads enough to hit a stop. You will see the cost in naira, because a wider spread is money paid on every trade. For a reader in Nigeria, the two sessions that matter most are London and New York, and both fall inside your working day.

Standard lot size	100,000 units
One pip in quote currency	10 USD
Exchange rate used	₦1,550 per 1 USD
One pip in naira	₦15,500

2.15 A plan, a journal and a backtest

This lesson is about three written things: a plan, a journal and a backtest. They cost you nothing but time, and they are the cheapest part of trading. Before you risk one naira, you can write down what you will do, record what you did, and test the rule on old prices. The worked example uses 50 trades on EUR/USD to show what a journal can tell you.

Trades taken	50
Wins	20
Losses	30
Win rate	40 per cent

Trading forex and CFDs carries a high risk of losing money. Most retail accounts lose. Nothing here is a recommendation to trade or a forecast of any result. — LearnFX Editorial Desk