

Basics: how a trade and an account work

LearnFX · India · 15

1.1 What happens when you press Buy

A trade looks like one action on screen, but it is four separate steps: the order leaves your platform, it gets filled at a price, it becomes an open position, and it ends when you close it. Each step is where a cost can attach, so knowing the steps tells you where your money goes. A single pip on one standard lot of USD/INR is ₹10, and that number follows the position from the moment it opens until the moment it closes.

Order placed	Buy 1 standard lot USD/INR
Fill price	83.2500
Open position	1 standard lot at 83.2500
Close price	83.2510

1.2 Pairs and quotes: what 1.0850 means

This lesson shows what the number in a currency quote actually means, and what one small move in that number is worth in rupees. Using USD/INR at about 83.2500 as the example, the reader learns that the last decimal place has a money value, and that the two prices shown side by side are not a mistake but the cost of entering and leaving a trade.

Instrument	USD/INR
Quote shown	83.2500
Last decimal place	0.0001
One standard lot	100,000 units

1.3 What a pip is worth in money

A pip is the smallest standard step in a price quote, and its cash value is not fixed. The same twenty-pip move can pay ₹20 on one trade and ₹200 on another, because the money value depends on the lot size and on the pair being traded. This lesson works out what one pip is worth in rupees, using USD/INR near 83.2500 as the example.

Standard lot (100,000 units)	₹10 per pip
Mini lot (10,000 units)	₹1 per pip
Micro lot (1,000 units)	₹0.10 per pip
Twenty pips on a standard lot	₹200

1.4 Lots: standard, mini and micro

A lot is simply the size of one trade. It decides how much of USD/INR moves when the price moves, so it decides how much money is at stake on every pip. On a standard lot of USD/INR, one pip is ₹10. On a mini lot it is ₹1, and on a micro lot it is ₹0.10. This lesson shows how those three sizes change the risk on a ₹500 account.

Standard lot	100,000 units
Mini lot	10,000 units
Micro lot	1,000 units
Deposit	₹500

1.5 The three costs: spread, commission, swap

A trader opens a USD/INR position and closes it minutes later. The price has barely moved, yet the account balance is lower. The difference is the cost of the trade, not the market. This lesson shows the three costs you pay: the spread, the commission, and the swap. On a standard lot of USD/INR, one pip is ₹10. The spread alone can be a few rupees per pip, so a small move in price can still leave you with less money than you started with. By the end, you will know how to add up these costs before you click buy or sell.

Spread on entry	₹12
Commission	₹7
Total cost to open and close	₹19

1.6 Overnight swap and swap-free accounts

A swap is the daily cost of holding a leveraged position overnight, and on one standard lot of USD/INR it can be a visible rupee amount. A swap-free account removes that charge, but it usually replaces it with a different fee, so the total cost still matters. This lesson shows how to compare the two using ₹ figures, not just the word free.

Position size	1 standard lot
Price used	83.2500
Value of one pip	₹10
Swap on a standard account	₹45

1.7 Leverage and margin: how much of the trade is yours

A trader once opened a USD/INR position with ₹10,000 and was surprised when the platform refused the order. The reason was margin: the deposit was not large enough for the position size. Leverage sets how large a position a deposit can hold. Margin is the part of the money locked against it while the trade stays open. This lesson shows how both numbers are calculated in rupees.

Trade size	1 standard lot USD/INR
Price used	83.2500
Notional value in rupees	₹8,32,500
Margin at 1:30 leverage	₹27,750

1.8 Order types: market, limit, stop

This lesson explains the three order types you will see on every trading screen, and why the same idea can cost you different amounts of money depending on how you place it. On USD/INR, one pip on one standard lot is ₹10, so a difference of 20 pips between two orders is ₹200 on a single lot. By the end you will know which order takes the price you can see, which one waits, and which one triggers only when the market moves to a worse level.

Current market price	83.2500
Market order fill	83.2500
Limit order price	83.2300
Stop order trigger	83.2700

1.9 Stop loss and take profit

A stop loss and a take profit are two instructions you attach to a position when you open it. One closes the trade if the market moves against you, at a loss you chose in advance. The other closes it if the market moves in your favour, at a profit you chose in advance. On USD/INR, one pip on one standard lot is ₹10, so the size of your position turns a pip distance into a rupee amount.

Position size	0.10 standard lot
Value of one pip	₹1
Stop loss distance	20 pips
Loss if the stop is hit	−₹20

1.10 MT4, MT5 and cTrader: which to pick

This lesson compares MetaTrader 4, MetaTrader 5 and cTrader. It shows how the same USD/INR trade is entered on each, and why the platform choice matters less than the account type behind it. You will see where a cost of ₹10 per pip on one standard lot appears on each screen.

Instrument	USD/INR
Volume field	1.00 lot
Entry price field	83.2500
Stop-loss field	83.2400

1.11 Trading from a phone

A phone screen shows about six inches of chart, and that single fact changes what a beginner can see before pressing buy or sell. This lesson works out which parts of a trading terminal survive on that screen and which do not, using USD/INR near 83.2500 and a pip value of ₹10 on one standard lot.

Visible chart window on the phone	about 40 candles
Visible chart window on the desktop	about 200 candles
Distance to the stop, in pips	20 pips
Position size	0.10 standard lots

1.12 Demo accounts: what they teach and where they lie

A demo account teaches the platform and the arithmetic honestly. On USD/INR around 83.2500, one pip on one standard lot is ₹10, so a 20-pip move is ₹200. What a demo cannot teach is how fills behave in a fast market, and how losing real money feels.

Instrument	USD/INR
Price at entry	83.2500
Lot size	1 standard lot
Pip size	0.0001

1.13 Account types: standard, raw spread, cent

This lesson shows how the same trade can cost different amounts depending on which account type you choose. Using USD/INR at around 83.2500, you will see how a standard account charges mainly through the spread, while a raw spread account charges a smaller spread plus a separate commission. By the end, you will be able to work out the total cost in rupees for one round trip on each account type.

Standard account spread	3 pips
Standard account cost per standard lot	₹30
Raw spread account spread	1 pip
Raw spread account spread cost per standard lot	₹10

1.14 Opening an account and passing verification

A reader in India opens a trading account with a regulated broker and is asked for identity, address and bank documents before any money moves. The account is verified, then funded, and only then can a position be opened. This lesson shows what a broker must ask for under SEBI rules, why it asks, and what makes an application sit in a queue for days.

Instrument	USD/INR
Reference price	83.2500
Pip value on one standard lot	₹10
Position size	0.10 lots

1.15 Deposits and withdrawals with local methods

This lesson shows how money moves between a bank account in India and a broker account, using UPI and bank transfer, and why a withdrawal normally follows the same path back as the deposit. You will see the timing, limits, fees and currency conversion that sit behind each leg, so you can plan a deposit or withdrawal without surprises.

Deposit amount	₹25,000
Method used	UPI
Time to reach the broker	usually minutes
Broker deposit fee	varies by broker

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