

Reading the market: charts, tools and instruments

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2.1 Charts and timeframes

The same USD/INR market shows a different picture on every timeframe you open. A move that looks like a trend on a five-minute chart can be a single quiet bar on a daily chart, and the money it represents changes with the timeframe you choose. This lesson shows how one price move reads on three timeframes, and why the timeframe decides what the rest of your plan has to be.

Price at the start of the move	83.2500
Price at the end of the move	83.2600
Size of the move	0.0100
Size of the move in pips	100 pips

2.2 Candles: what one candle tells you

A single candle on a chart is just four numbers for one slice of time: the open, the high, the low and the close. Everything you see in its shape comes from those four figures, and nothing else. On USD/INR, where one pip on one standard lot is ₹10, those four numbers decide what a move was worth in rupees.

Open	83.2500
High	83.2600
Low	83.2360
Close	83.2450

2.3 Trend, support and resistance

This lesson shows how to read levels on a chart where price has turned before, and how those levels can help you decide where to place a stop. Using USD/INR around 83.2500, you will see how a stop placed just beyond a level can be sized in rupees, so you know the cost before you enter.

Support level	83.2500
Entry after third touch	83.2600
Stop placed below support	83.2300
Pip value per standard lot	₹10

2.4 Indicators: MA, RSI, MACD, Bollinger

This lesson shows you what a moving average, RSI, MACD and Bollinger Bands actually calculate, so you can tell what each one can and cannot react to. On USD/INR near 83.2500, one pip on one standard lot is ₹10, so a 20 pip move is ₹200 — the same price move that one indicator flags as a breakout may be invisible to another.

Price move	20 pips
Value of that move	₹200
Moving average	turns up
RSI	rises to 58

2.5 Fibonacci levels

A reader recently watched USD/INR climb from 83.0000 to 83.2500, then pull back to 83.1550 before rising again. They had drawn Fibonacci levels on the chart and noticed the pullback stopped almost exactly at the 50 percent line. This lesson explains what that line actually is: a fixed fraction of a past move, and a place where many charts show the same level. You will learn to place three common levels, work out what a pip is worth on USD/INR in rupees, and see why the tool describes past price, not future price.

Move size	250 pips
38.2 percent level	83.1545
50 percent level	83.1250
61.8 percent level	83.0955

2.6 Price action: trading without indicators

This lesson shows how a chart can be read from its own structure — the highs, the lows, the ranges and the breaks — without adding a single calculated line. On USD/INR, one pip on one standard lot is ₹10, so a move of 20 pips on 0.10 lots is $20 \times 0.10 \times ₹10 = ₹20$. By the end you will be able to describe where price is, and why that place matters, using only what the chart already shows.

Range low	83.2200
Range high	83.2800
Range height	600 pips
Break level	83.2800

2.7 Smart money: order blocks, FVG, liquidity

This lesson gives you the vocabulary of smart money: order blocks, fair value gaps and liquidity. These are not signals. They are names for places where large orders are assumed to sit, and the assumption is what you need to understand.

Demand block	83.2000 to 83.2100
Liquidity line	83.3000
Sweep and return	price touches 83.3000, then falls back to 83.2200
Distance traded	20 pips

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

This lesson explains how gold, quoted as XAU/USD, differs from a currency pair such as USD/INR. The contract size is larger, the pip is not the fourth decimal place, and the daily range is often wider. Each of those three things changes the money at risk on a single trade, so the arithmetic you learned for currencies does not carry over unchanged.

Gold contract size	100 ounces
Gold price used	USD 2,300.00 per ounce
One lot of gold, notional	USD 230,000
Lot size traded	0.10

2.9 Crypto CFDs: bitcoin without a wallet

A reader once asked why a bitcoin trade placed on a Saturday evening showed a loss on Monday morning even though the price had barely moved. The answer was not the coin. It was the cost of holding the position over the weekend. This lesson shows what a crypto CFD actually is, how margin, spread and funding charges work, and why the weekend can quietly change the number on the screen. All money figures are in rupees, and the arithmetic uses a USD/INR rate of around 83.2500 so the sums can be checked.

Position size	0.01 lots
Notional value at entry	₹41,625
Margin required at 20 per cent	₹8,325
Spread cost on entry	₹83.25

2.10 Index and share CFDs

An index CFD tracks a basket of companies, so its price moves with the whole group rather than one firm. A share CFD tracks a single company, so one set of results can move it sharply while the wider market barely shifts.

Index CFD position	1 contract
Index price move	20 points
Value per point	₹75
Gross result	₹1,500

2.11 Scalping: why costs decide the outcome

A reader who trades for a few pips per position is not mainly trading the market. The reader is mainly trading the cost of each round trip. This lesson shows the arithmetic of 20 trades a day at 3 pips each, against a spread of 1.2 pips, on USD/INR at around 83.2500, so the outcome can be read in rupees before any technique is discussed.

Gross movement per trade	3 pips
Spread per trade	1.2 pips
Net movement per trade	1.8 pips
Value of one pip on one standard lot	₹10

2.12 Day trading

Day trading means opening and closing a position inside one session, so the trade does not carry over to the next day and no swap is charged. On USD/INR, one pip on one standard lot is ₹10, so a 20 pip move against a 0.10 lot position is a ₹20 loss, and the same move in your favour is a ₹20 gain. The decisions are made while the market is moving, which is the part that costs people money.

Instrument and price	USD/INR at 83.2500
Position size	0.10 standard lots
Pip value on this size	₹1 per pip
Entry	buy at 83.2500

2.13 Swing and position trading

A swing trade holds a position for days or weeks, and a position trade holds it for longer still. That changes the cost. Instead of paying the spread once, a multi-day trade also pays or receives a swap each night the position stays open. On USD/INR, one pip on one standard lot is ₹10, so a few pips of swap can quietly take a slice of the profit you were counting on.

Entry price	83.2500
Exit price	83.2540
Price move	0.0040
Pips gained	40 pips

2.14 Sessions, news and the calendar

A reader once watched USD/INR sit almost still for three hours in the afternoon, then move 40 pips in twenty minutes after a scheduled release. The lesson here is about timing: which hours a pair actually moves in, and which calendar events can widen the spread enough to matter to a stop.

Instrument	USD/INR
Reference price	83.2500
One pip, one standard lot	₹10
Stop distance	20 pips

2.15 A plan, a journal and a backtest

A plan is one page that says what you will do before the market opens. A journal is one line for every trade you actually took. A backtest is the same rule run over old prices, so you can see what it would have done before any money moved.

Rule tested	Enter at 83.2500, stop 20 pips away, target 30 pips away
Trades in the test	50
Wins	21
Losses	29

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