# Guidelines for Foreign Exchange Transaction

----Based on the FOREXMT4 Platform

April, 2013

**\*Preface\***

This paper is about the guidelines for foreign exchange trading transaction, based on the FOREXMT4 Platform. It contains the main points that need attention when you are doing the transaction, aiming at providing a learning framework for the beginners.

**April, 2013**

**School of Economy**

**Wuhan University of Technology**

# -CONTENTS-

*-This page is intentionally left blank.-*

# 1 Operating Interface



**Fig.1 The initial interface**
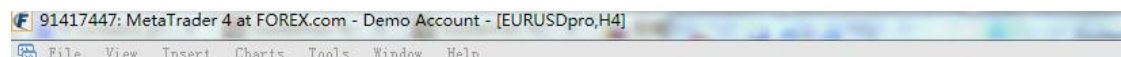
## 1.1 Main Menu



**Fig.2 the main menu**

The main menu contains the button "file", "view", "insert", "charts", "tools", "window", "help".

● File

**Fig. 3 File Menu**

Commands for working with charts, managing profiles, storing history data and charts are collected in this menu, as well as charts printing properties. The following commands are available in the menu:

  **New Chart** — open a new chart window for the symbol. At the command execution, the list of available symbols will appear. Having selected a symbol from the list, one can open a new chart. The same actions can be performed by the      button of the "Standard" toolbar.

  **Open Offline** — open a symbol chart offline. By this command, one will be able to select a necessary file with its history data being stored. At that, the new quotes for this symbol will not be shown in

the chart. Offline chart opening can be useful at testing expert advisors.

**Open Deleted** — restore a deleted chart. The deleted charts will be restored if the "Save deleted charts to reopen" is enabled in the terminal settings. All deleted charts templates are stored in the /DELETED directory. At this command execution, these templates are called, and the corresponding chart will be opened.

**Profiles** — open sub-menu for managing profiles. Profiles can be stored or deleted from this sub-menu, as well as previously stored ones can be downloaded.

This profile managing sub-menu can also be called by the button of the "Standard" toolbar.

More details can be found in the "Profiles and Templates" section.

**Close** — close the current chart.

**Save As** — save history data as a text file in "CSV", "PRN", or "HTM" format.

**Save As Picture...** — save the chart in "BMP" or "GIF" format. Once you have pressed it, the window containing the alternatives of a terminal area to be saved appears: "Active workspace", "Active chart (as is)", and "Active chart" showing the specific size.

The same actions can be performed by the chart context menu command of the same name.

**Open an Account** — open a new demo account. Such accounts can be opened without placing of any money onto the deposit and allow to test the own trading system well.

To open an account, one can also execute the context menu command of the same name of the "Navigator — Accounts" window or press the Insert button.

**Login** — authorize. At this command execution, the terminal tries to connect to the server using the account selected. After successful authorization, quotes and news will start to income, and one can start trading.

It is possible to authorize having executed the "Login" command of the context menu of the "Navigator — Accounts" window or double-click on the account name.

**Print Setup...** — general setup of printing parameters — printing device, page size and orientation, etc.

**Print Preview** — preview the chart before printing it. The settings of the selected printer are used at this. This command helps to preview before printing whether all desired data can be printed with the settings given.

The same actions can be performed having pressed the     button of the "Standard" toolbar or having executed the chart context menu command of the same name.

**Print...** — print a chart. If the "Color Print" option is enabled in the program settings, the chart can be printed in color, not as a black-and-white one.

The same actions can be performed by pressing of the      button of the "Standard" toolbar, accelerating buttons of Ctrl+P or by execution of the "Print" chart context menu command.

**Exit** — the terminal shutdown.

● View



**Fig 4 View Menu**

Commands managing signal windows, toolbars, and the program interface language, are grouped in this window. Some of these commands are duplicated in the "Standard" toolbar. The following commands are

available in the menu:

 **Languages** — call the sub-menu managing languages of the Client Terminal. Having selected a desired language, one can switch the terminal interface to this language. For the changes to take effect, the program must be restarted;

 **Toolbars** — call the sub-menu managing toolbars. Active toolbars are checked. Selection of a toolbar allows to enable or disable it.

The "Customize..." command allows to assign any buttons for any toolbars. At that, a new window containing the list of toolbar elements available. The "Insert" and "Remove" buttons allow to add or remove an element from the toolbar. The "Up" and "Down" buttons are intended for defining the location of a button in the toolbar. To reset the toolbar to appear as initially, one has to press the "Reset" button.

 **Status Bar** — enable/disable status bar located in the lower part of the terminal window. This data bar contains (from left to right): menu managing profiles, time and prices of the bar selected, and indicator of server connection and amounts of incoming/outgoing traffic. Having pressed on the current profile name, one can open the menu managing profiles. One can store or remove profiles in this menu, as well as download those previously stored.

The sub-menu for managing profiles can also be called by the "File — Profiles" menu command.

**Charts Bar** — enable/disable the chart window names (tabs) bar located in the lower part of the workspace. Using this bar, one can switch among open charts fast.

**Market Watch** — open/close the "Market Watch" signal window where the current quotes are published.

The same action can be performed by accelerating buttons of Ctrl+M or by pressing the    button of the "Standard" toolbar.

**Data Window** — open/close the "Data Window". Prices of the bar selected and information about indicators imposed are published in this window.

The same action can be performed with accelerating buttons of Ctrl+D or by the    button of the "Standard" toolbar.

**Navigator** — open/close the "Navigator" window. Lists of open accounts, technical indicators, experts, custom indicators and scripts are located in the form of tree in this window.

The same action can be performed with accelerating buttons of Ctrl+N or by the    button of the "Standard" toolbar.

**Terminal** — open/close the "Terminal" window. One can manage orders and signals in this window, look through the account history, news, emails, journal of events and that of expert advisors.

The same action can be performed with accelerating buttons of Ctrl+T or by the    button of the "Standard" toolbar.

**Strategy Tester** — open/close the "Tester" window. This window is intended for testing and optimization of expert advisors.

The same action can be performed with acceleration keys of Ctrl+R or the button of the "Standard" toolbar.

**Full Screen** — enable/disable the full screen mode. As soon as this option is enabled, toolbars and status bar will be disabled and all signal windows will be closed. The client terminal heading, main menu, workspace (charts) and the charts windows tabs remain in the screen. The repeated execution of the command returns the terminal to the initial appearance.

The same action can be performed with F11 button or by the button of the "Standard" toolbar.

- Insert

**Fig 5 Insert Menu**

Objects to be imposed on the chart are collected in the "Insert" menu. Among them are line studies and technical indicators, as well as geometrical figures, arrows, and texts. In the "Indicators" sub-menu, all built-in technical indicators are grouped. Having selected a name in the list, one can impose the indicator into the active chart. Line studies are grouped in the corresponding sub-menu: "Lines" — various lines, "Channels" — a set of channels, "Gann" — Gann's tools, "Fibonacci" — tools based on Fibonacci numbers. Besides, "Andrews' Pitchfork" and "Cycle Lines" that do not belong to any group are placed at the end of the list. More details on working with line studies can be found in the corresponding section.

Besides, the following can be imposed into the chart from this menu:

 **Shapes** — geometrical figures (rectangle, triangle, ellipse) that allow to

select various areas in the chart;

**Arrows** — symbols (arrows, check signs, stop signs, price signs) that allow to select the most important points in the chart;

**Text** — texts intended for adding of comments to the chart. They are anchored to the chart and move together with the chart when it is scrolled;

**Text Label** — texts intended for adding of comments and anchored to the window coordinates, not to the chart. At the chart scrolling, the text label will not move.

● Charts



**Fig 6 Charts Menu**

Commands managing the chart and technical indicators imposed in it are collected in the "Charts" menu. The following commands are available in this menu:

**Indicators List** — call window managing indicators imposed in the active chart. The full list of indicators imposed (including Custom Indicators) is given in the window appeared. Having selected an indicator, one can change its settings or remove it from the chart.

The same action can be performed by the chart context menu command of the same name or by accelerating keys of Ctrl+I;

**Objects** — call sub-menu managing imposed objects. The following commands are available in the sub-menu:

**Objects List** — call window managing the imposed objects. Objects include line studies, signs, shapes, and texts. The selected object can be modified (the "Edit" button) or deleted by pressing of the button of the same name in this window. Besides, the "Show" command moves the active chart to the imposed object location;

**Delete Last** — delete the last imposed object from the chart.

The same action can be performed by pressing the Backspace button;

**Delete All Selected** — delete all selected objects from the chart window.

The same action can be performed by pressing the Delete button;

**Delete All Arrows** — delete all objects from the chart window;

**Unselect All** — unselect all the objects imposed in the chart;

**Undo Delete** — return the deleted object back into the chart.

The same action can be performed by accelerating keys of Ctrl+Z;

**Bar Chart** — display the chart as a sequence of bars.

Execution of this command is the same as pressing of the      button of the "Charts" toolbar or accelerating keys of Alt+1;

**Candlesticks** — display the chart as a sequence of "candlesticks".

Execution of this command is the same as pressing of the      button of the "Charts" toolbar or accelerating keys of Alt+2;

**Line Chart** — display the chart as a broken line connecting close prices of bars.

Execution of this command is the same as pressing of the      button of the "Charts" toolbar or accelerating keys of Alt+3;

**Foreground Chart** — put the chart as a "foreground". If this function is enabled, all analytical objects (technical indicators and graphical objects) will be placed "behind the chart", not over it;

**Periodicity** — choose the chart timeframe. After this command has been executed, a sub-menu will appear where the active chart timeframe can be selected.

The chart timeframe can also be changed with help of the "Periodicity" toolbar;

**Template** — call the template managing sub-menu. From this sub-menu, one can impose any template into the active chart. Moreover, a new template can be stored based on the active chart, or an existing one can be deleted. More details about working with templates can be found in the "Profiles and Templates" section.

The sub-menu managing templates can also be called by pressing of the

button of the "Charts" toolbaror by the chart context menu command

of the same name;

**Refresh** — refresh history data. At that, all missing data within the

existing history will be downloaded. The same action can be performed

by the chart context menu command of the same name.

**Grid** — show/hide grid in the chart window.

The same actions can be performed by the chart context menu command

of the same name and by pressing of the accelerating keys of Ctrl+G;

**Volumes** — show/hide volumes in the chart.

The same actions can be performed by the chart context menu command

of the same name or by pressing of accelerating keys of Ctrl+L;

**Auto Scroll** — enable/disable automatic shifting of the chart to the left

after a new bar has started to form. If this option is enabled, the last bar

will always be shown in the chart.

Execution of this command is the same as pressing of the     button of the

"Charts" toolbar;

**Chart Shift** — shift the chart from the left window border to the shift

label of the chart. The shift label of the chart (a grey triangle in the upper

part of the window) can be moved with the mouse horizontally within 10

to 50% of the window size.

Execution of this command is the same as pressing of the     button of the

"Charts" toolbar;

**Zoom In** — zoom in the chart.

The same action can be performed by pressing of the "+" key or the

button of the "Charts" toolbar, as well as by moving the cursor to the right,

the left mouse button being pressed on the horizontal scale;

**Zoom Out** — zoom out the chart.

The same action can be performed by pressing of the "-" key or the

button of the "Charts" toolbar, as well as by moving the cursor to the left,

the left mouse button being pressed on the horizontal scale;

**Step by Step** — shift the chart by one bar to the left.

The same action can be performed by pressing of F12;

**Properties...** — setting up the chart parameters. At this command

execution, the chart setup window will appear.

The same actions can be performed by the chart context menu command

of the same name or by pressing of F8.

● Tools

**Fig 7 Tools Menu**

Housekeeping instructions and terminal settings are collected in the "Tools" menu. In this menu, one can:

 §**New Order** — call the window managing orders. One can place market or pending orders from this window. More details about working with orders can be found in the corresponding section.

The "Order" window can also be called by context menu commands of the "Market Watch" and "Terminal — Trading" windows, by mouse double-click on the symbol in the "Market Watch" window, by F9 button or by pressing of the       button of the "Standard" toolbar;

 §**History Center** — call the window managing history data. Quotes used for building of charts can be edited in History Center.

This window can also be called by pressing of F2 button;

 §**Global Variables** — call the window containing the list of the terminal

global variables. Global are variables common for all expert advisors, custom indicators, and scripts. More details about global variables can be found in the corresponding section.

The Global Variables window can also be called by F3 button;

§**MetaQuotes Language Editor** — open MetaEditor of expert advisors. Using the MetaEditor, one can create and edit experts, custom indicators, and scripts. More details on working with MetaEditor are given in the section of the same name.

The MetaEditor can also be called by F4 button;

§Options — call the client terminal setting window. One can set up parameters for connection, trades, charts, experts, and others, in this window. More details can be found in the "Client Terminal Settings" section.

The Options window can also be called by accelerating keys of Ctrl+O.

## 1.2 Toolbars
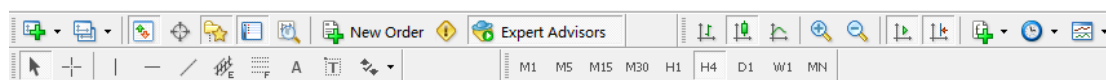


**Fig. 8 Toolbars**

 — create a new symbol chart window. The command opens the list of financial instruments (symbols). One can open a new chart having selected a necessary name in this list.

The same actions are performed after the "File — New Chart" and

"Window — New Window" menu commands have been executed ,
as well as the context menu commands of the "Market Watch —
Chart Window" window;

— menu used to manage profiles. One can activate a profile
having selected it in this menu. A profile can be deleted in this menu,
and a new profile can be stored based on the current chart windows
configuration. More details can be found in the "Profiles and
Templates" section.

To work with profiles, one can also execute the "File — Profiles"
menu command;

— open/close the "Market Watch" window. The current quotes
for all available symbols are published in this window. This window
allows to open symbol charts and place orders. More details about
working with this window are given in the "Market Watch" section.
The "View — Market Watch" menu command and accelerating keys
of Ctrl+M allow to open or close this window, as well;

— open/close data window named "Market Watch".
Information about prices and indicators imposed is published in this
window. More details about working with this window can be found
in the "Data Window" section.

The "View — Data Window" menu command and accelerating keys
of Ctrl+D allow to open or close this window, as well;

— open/close the "Navigator" window. All open accounts, available experts, technical indicators, and scripts are placed in this window. More details about working with this window can be found in the "Navigator" section.

The "View — Navigator" menu command and accelerating keys of Ctrl+N allow to open or close this window, as well;

· — open/close the "Terminal" window. This window allows to place trading orders, view the account history, get news, and many other things. More details about working with this window can be found in the "Terminal" section.

The "View — Terminal" menu command and accelerating keys of Ctrl+T allow to open or close this window, as well;

— open/close the "Tester" window. This window is intended for testing and optimization of expert advisors. More details about working with this window can be found in the "Strategy Testing" section.

The "View — Strategy Tester" menu command and accelerating keys of Ctrl+R allow to open or close this window, as well;

— place a new order. The command opens the window that allows to place a market or a pending order. More details can be found in the "Trading" section.

This window can also be opened by the "Tools — New Order" menu

command, the "Market Watch — New Order" window or "Terminal — Trading — New Order" window context menu commands, as well as by pressing of F9;

— launch MetaEditor. This editing program allows to create and edit expert advisors, custom indicators, scripts, and MQL 4 libraries. More details about working with this editing program can be found in the "MetaEditor" section and in its own help files.

This action can also be performed by the "Tools — MetaQuotes Language Editor" menu command or by pressing of F4;

— enable experts. If this option is disabled, no expert attached to the charts will be executed. Detailed description of working with experts can be found in the "Auto Trading" section.

The "Enable Experts" option in the terminal settings performs the same action;

— call the window of terminal settings. All basic settings of the terminal are made in this window. More details can be found in the section of the same name.

The window of terminal settings can also be opened by the "Tools — Options" menu command or by pressing accelerating keys of Ctrl+O;

— enable/disable the full-screen mode. When this option is enabled, toolbars and status bar are hidden, and all service windows

are closed. The client terminal name, main menu, workspace (charts), and chart windows tabs remain in the screen. The repeated execution of this command will result in return to the initial status.

The same actions can be performed by pressing F11 or by the "View — Full Screen" menu command;

 — print the chart. If the "Color Printing" option is enabled in the program settings, the chart can be printed out in color, not as a black-and-white one.

The same action can be performed by the "File — Print..." menu command or by the chart context menu command of the same name;

 — chart preview before it is printed out. The settings of the selected printer will be used at that. Thus, one can check before printing whether all desired data come onto the paper.

The same action can be performed by the "File — Print Preview" menu command or by the chart context menu command of the same name;

 — call the help files. After this button has been pressed, one should click on the desired interface element to call the corresponding help section.

Commands for managing charts and technical indicators imposed in the charts are grouped in this toolbar. They include:

— display the chart as a sequence of bars (transform into the bar chart).

The same action can be performed by the "Charts — Bar Chart" menu command or by pressing accelerating keys of Alt+1;

— display the chart as a sequence of candlesticks (transform into the candlestick chart).

The same action can be performed by the "Charts — Candlesticks" menu command or by pressing accelerating keys of Alt+2;

— display the chart as a broken line (transform into the line chart).

The same action can be performed by the "Charts — Line Chart" menu command or by pressing accelerating keys of Alt+3;

— zoom in the chart.

The same action can be performed by the "Charts — Zoom In" menu command, the corresponding chart context menu command, or by pressing the "+" key;

— zoom out the chart.

The same action can be performed by the "Charts — Zoom Out" menu command, the corresponding chart context menu command, or by pressing the "-" key;;

— automatic scrolling of the chart to the latest bars. If this option is enabled, the latest bars will always be displayed in the

screen.

The same action can be performed by the "Charts — Auto Scroll" menu command;

 — shift the chart from the window right border to the shift label of the chart. The chart shift label (a grey triangle in the upper part of the window) can be moved horizontally with the mouse within 10 to 50% of the window size.

The same action can be performed by the "Charts — Chart Shift" menu command;

 — call the sub-menu to manage indicators. All built-in technical indicators are grouped in it. Having chosen a name in the list, one can impose the indicator into the active chart. More details can be found in the "Technical Indicators" section.

The same actions can be performed by the "Insert — Indicators" menu command;

 — sub-menu to manage the chart periods. When a period is selected in this sub-menu, the corresponding changes will appear in the active chart.

Switching among chart periods can be performed by the "Charts — Periodicity" menu command, the corresponding chart context menu command, or the corresponding buttons of the "Periodicity" toolbar;

 — call the sub-menu to manage templates. Any template can be imposed into the active chart from this sub-menu. Moreover, a new template can be stored based on the active chart or an existing template can be deleted. More details about working with templates can be found in the "Templates and Profiles" section.

The same actions can be performed by the "Charts — Template" menu command or the corresponding chart context menu command.

Line Studies and graphical objects (geometrical shapes, signs, and texts) to be imposed into the chart are collected in the "Line Studies" toolbar. Commands of this toolbar (excluding the "Crosshair" and "Cursor") are duplicated in the "Insert" menu. Working with line studies is described in details in the corresponding section. Other icons in this toolbar are intended for working with graphical objects and for changing the cursor operation mode:

 — draw an ellipse. This shape helps to select various areas in the chart. More details about working with objects can be found in the section of the same name.

The "Insert — Shapes — Ellipse" menu command allows to draw this figure, as well;

◤ — draw a triangle. This shape helps to select various areas in the chart. More details about working with objects can be found in the section of the same name.

The "Insert — Shapes — Triangle" menu command allows to draw this figure, as well;

▣ — draw a rectangle. This shape helps to select various areas in the chart. More details about working with objects can be found in the section of the same name.

The "Insert — Shapes — Rectangle" menu command allows to draw this figure, as well;

▣ — add a text label. After this button has been pressed, one should select a point in the chart where the label should be placed. Unlike the text (described below), the text label is attached not to the chart, but to the chart window. When the chart is scrolled, the text label does not move.

The "Insert — Text Label" menu command will also add comment into the chart;

A — add a comment into the chart. It will be anchored directly to the chart. When the chart is scrolled, the text will move together with it.

The "Insert — Text" menu command will also add comment into the chart;

— menu to manage graphical symbols. One can add graphical signs into the chart or delete all the imposed signs from it using this menu.

These objects can also be imposed into the chart by the "Insert — Arrows" menu command;

— a crosshair. Cursor in this mode allows to highlight coordinates of the selected point in the chart or indicator window. This mode can only work within the active chart window. If, being in the "Crosshair" mode, one keeps the left mouse button pressed and moves the cursor, a line connecting these two points will be drawn. The distance between the points and the current price value will be highlighted to the right of the second point of the line. This will look as [amount of bars between two points] / [amount of points between two points] / [the current price value in the second point]. This tool is named electronic ruler.

Cursor can also be switched to the crosshair mode by pressing accelerating keys of Ctrl+F or the third mouse button;

— a standard cursor (selection mode). The cursor in this mode allows to select various objects in the chart.

# 1.3 Market Watch



**Fig10. Market Watch**

After choosing one symbol, we can double click on it to get the Real-time figure.



**Fig11 real-time figure**

# 1.4 Terminal Window



**Fig12 terminal window**

All your transaction information will appear in this terminal window.

# 1.5 Charts Window

# 1.5.1 Setting the properties of charts



**Fig13 properties of charts**

We can set the charts' properties through "Charts----properties".

## 1.5.2 Add or remove technical indicators

There are two methods to insert technical index in the chart. One is through the "insert---technical index", the other one is choosing directly from the toolbar.

# 2 How to Do the Transaction

## 2.1 Setting a new order

There are 3 ways to set a new order.

(1) Insert----new order

(2) Choosing the new order directly from the tool bar

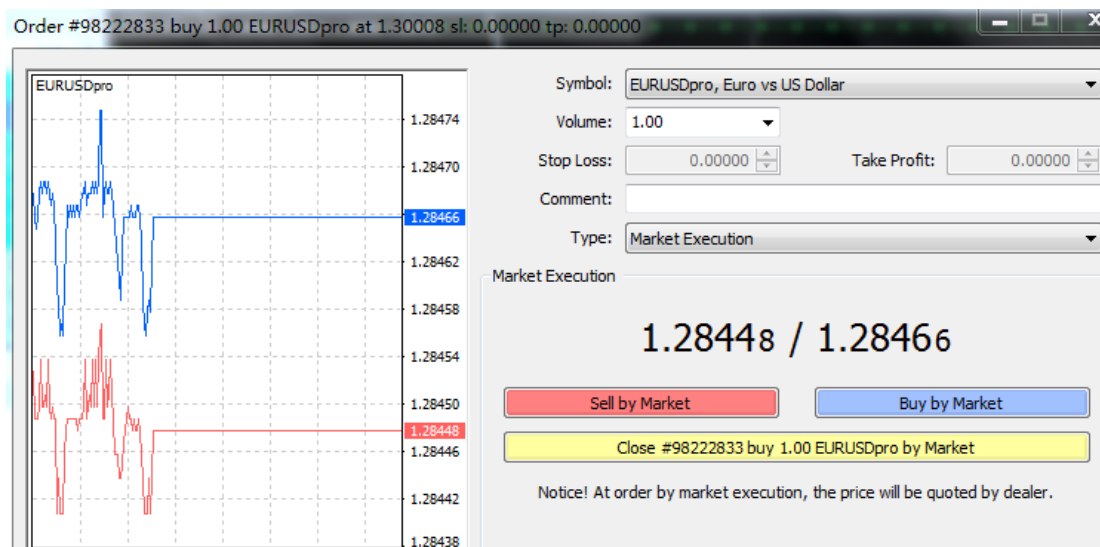(3) Double clicking the symbol from the Market Watch
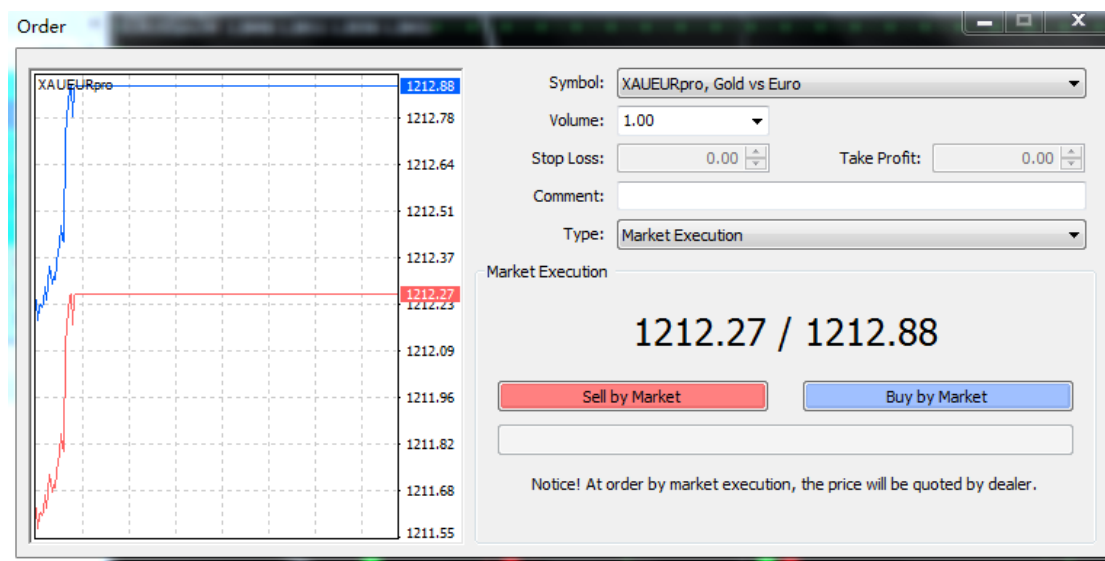


**Fig14. New Order**

Then you should choose the symbol , the volume, the type(market execution), then you can set a new order. And you can see the detail information about this order in the Terminal Window.
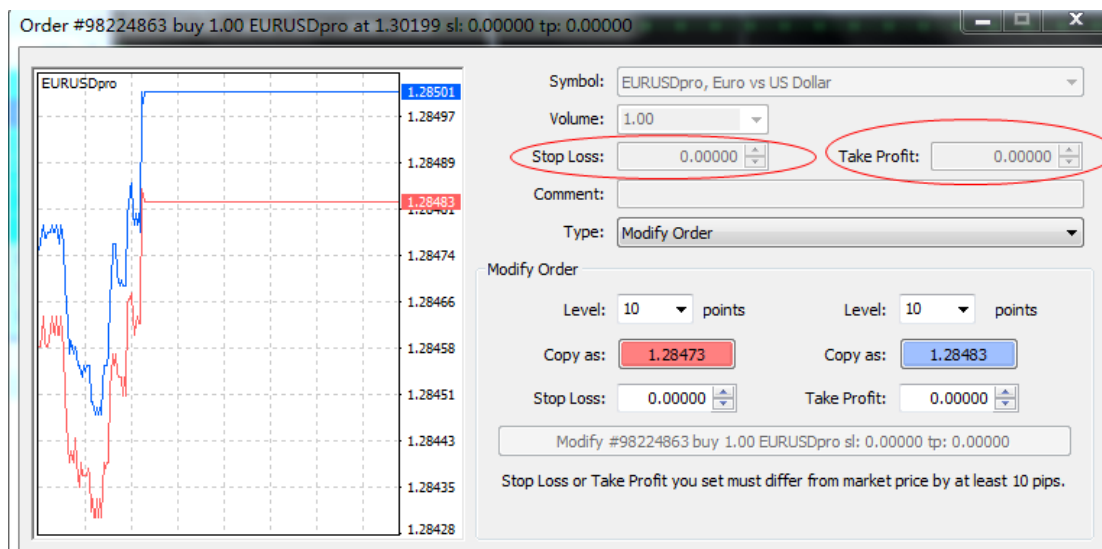
## 2.2 Close a Position



**Fig15. close a position**

From the terminal window, you can choose a order, then double clicking, you can get the window like the figure above. Through this window, you can close a positon.

## 2.3 Stop Loss and Take Profit



**Fig16. Stop Loss and Take Profit**

You can also set the "stop loss" and "take profit" when you open a position. And when the loss or the profit reaches the set value, the position will be closed automatically. However, the gap between the loss price and the profit price must be at least 10 base points.

## 2.4 Pending Order

If the current price is not your expected price, then you can set a pending order.
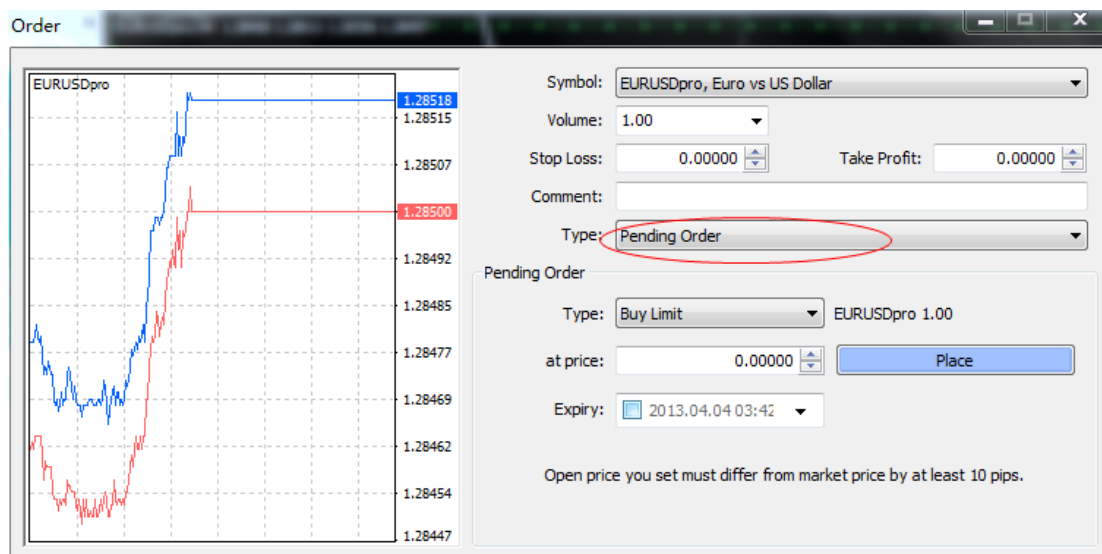
**Fig17. Pending Order**

There are 4 different type of pending order: buy limit, buy stop, sell limit and sell stop.



**Fig18. the rule of using the buy limit, buy stop, sell limit and sell stop**

- 32 -

## *Postscript*

As we all know, the foreign exchange trading transactions are complex. In order to make the profitable decisions, we must use both the fundamental analysis and technological analysis method. Meanwhile, you should also do some extensive reading to understand this area better.