Glossary

Open Position: It is the condition in which the investor proceeds to make a profit. Buy price: The purchase price offered by the price provider of the investor, who wants to make the purchase.

Spread: In the Forex market, where there is no commission cost, there is a difference between the buy and sell prices of the products to be invested. This is called Spread.

Arbitrage: A method of making profit by buying a product traded on a cheap-priced exchange market and selling it on a higher-priced exchange market.

Supply: The meaning of the word 'offering' in the literature of supply finance is the offering goods and services for sale within the framework of predetermined rules.

Bear Market: General level of prices is on a descending trend that means that sales are strong.

Base currency: The first currency in a currency pair is called base currency. For example: USD is the base currency in USD/TRY pair.

Basis risk: It is the change in the price differences between spot price and future price of a product.

Bull Market: It is the opposite of the bear market. The general level of prices is in an ascending trend.

Broker: Commission agent. Name given to persons or institutions that mediate trading.

Budget Deficit: The lack of revenues to cover expenses.

Minimum Capital: it is the minimum amount required to trade and determined by the relevant institution.

Buy Limit: It is a type of pre-entered order for automatic purchase in case the market price reaches a lower level than desired.

Buy Stop: It is sending a buy order at a price even higher than the price of the asset being traded at that moment. The aim is to automatically catch the sudden movements and the expectation that the rises will gain further momentum when they exceed the level determined by the investor.

Cable: A slang for GBP/USD.

Current account deficit: It is the case when the difference between a country's exports and imports is negative.

Carry Trade: It is borrowing from a country with low interest rates and investing that money in higher interest-yielding country.

Cross Rate: The ratio of two different currencies to each other is expressed in another currency.

Core Inflation: The inflation adjusted for seasonal and calendar effects.

Floating Exchange Rate: It is the change in the value of a country's currency based entirely on supply and demand.

Deflation: It is the condition in which the general level of prices falls continuously over a certain period of time.

Support Level: The previously tested level at which a price movement in decline stops or has difficulty in exceeding.

Day Trading: Closing opened transactions at the end of the same day. The trade is closed whether it makes profit or not.

Devaluation: The depreciation of a country's currency against other countries' currencies.

Doji: Dojis are candlesticks, where the opening and closing prices are the same or very close in the candlestick charts.

Currency Pair: It refers to currencies that are traded simultaneously.

Exotics: Currency pairs other than majors and minors. In these currencies with the least trading volume, investors generally prefer their own local currency.

Economic Indicator: Data indicating the economic status of a country.

Inflation: It is the condition in which the general level of prices increases continuously over a certain period of time.

Financial Instrument: It is the product that is subject to purchase and sale in financial markets.

Forex/FX Market: It is the financial market with the largest volume of transactions in the world. It is open 24/5.

Forwards: These are the contracts in which the delivery of a certain amount of financial product is carried out over a predetermined amount.

FOMC (the Federal Open Market Committee) The Open Market Committee of the Federal Reserve of the United States.

GAP (Price Gap): The apparent gap between the closing price and the new price.

Gross National Product (GNP): The monetary value of the total goods and services produced by the citizens of a country within a year.

Moving Average: It indicates the average price of an instrument traded over a given period of time.

Hedge: To minimize investment risks. Interbank Rates: The price that the larger banks apply for foreign exchange transactions among them.

IMF: International Monetary Fund The aim of the fund is to ensure economic cooperation between countries.

Good Till Cancelled: The order entered continues until the investor cancels the order.

Jobber: They are investors who want to make a profit by making small transactions within very short maturities.

Leverage: Using borrowed capital for larger trades in the Forex and derivatives market.

Quantitative Trading: Trading with analysis derived from mathematical modelling. Also known as technical analysis.

Take profit level: This is the order to close the opened transaction when it reaches a predetermined profit level.

Counter Currency: It is the second currency in the currency pair. For example, TRY in USD/TRY is the counter currency.

Key Points: Important levels in the trend. Support and resistance levels determined in a trend are key points of that product.

Short Position: It is the process of selling with the expectation that there will be a decrease in the price of the product.

Killer: It is the case that the stop-loss order entered in order to prevent possible major losses is executed with sudden price movements.

Commission: The cost of the transaction acquired by the brokers. There is usually no commission in the Forex markets.

Convertibility: It is the case that a currency can be easily converted into another country's currency or gold.

Quotation: Market price.

Knocking: It is the case when price movements reach support or resistance twice.

Correlation: It is the relationship between two or more variables (provided one is dependent).

Exchange rate risk: Unexpected changes in exchange rates.

Liquidity: It specifies the rate at which the product subject to purchase and sale is converted to cash.

Buy Limit: An order sent to make an automatic purchase at a level below the market price.

Sell Limit: An order to be sold automatically at a level above the market price.

Lot: It refers to the contract size of the product subject to purchase and sale.

Macroeconomics: A sub-branch of economics. Data such as consumption, production, savings, investment, income (national income) and employment are included in this category.

Margin: Collateral

Margin Call: A margin completion call. Market Makers: They are brokerage firms that try to maintain order in the market by giving constant buying and selling prices.

Microeconomics: It is a sub-branch of economics that studies the economy at the level of consumers, firms and industries.

Mini Lot: It is about 10% of the lot amount of the product. If 1 lot is 100.000, 100.0 mini lot, which represents 0.1 lot, is 10.000.

OHLC (Open-High-Low-Close): It specifies the opening, high, low, closing price levels.

Ounce: It is a unit of measure that specifies the weight of precious metals such as gold, silver, etc.

Balance of payments: It is a table showing the transaction of goods, services and income of a country with the rest of the world and the rights and obligations it has.

Money Market: It is the market including financial products maturity of which is less than 1 year.

Monetary Policy: It is the policy implemented by the Central Bank.

Currency pair: The value of one currency versus another currency.

Pip (Price interest point): The smallest unit in a price of the investment product.

Pivot Point: The average of the price in a given period.

Market Price: The price that is the subject of the current transaction, which is the result of the supply vs. demand.

Recession: Economic problem caused by the tendency of growth figures to turn negative for at least 2 consecutive periods.

Revaluation: The appreciation of a country's currency against other countries' currencies.

Reserve Currency: The currencies and gold held by countries.

Sale Price: The price offered by the investor's price provider who wants to make the sale.

Sell Signal: The finding that the product will lose value as a result of the analysis done by investors with the help of various mathematical ratios and indicators before trading.

Scalping: Making a profit by opening and closing short-term positions.

Sell Limit: An automatic sell order given when the market price reaches the desired high level.

Sell Stop: It is sending a sell order at a price even lower than the price of the asset being traded at that moment. The aim is to automatically catch the sudden movements and the expectation that the decline will gain further momentum when they break the level determined by the investor.

Capital Market: It is the market including financial products maturity of which is less than 1 year.

Short: Sell positions.

Slippage: Sudden movements, jumps in the price of the product subject to trade.

Speculation: The person taking the risk. An effort to make more profit at this rate by taking on higher risk than the market average.

Spike: Sudden price changes.
Spot Price: It is the currently traded (live) price.

Spot Market: Spot market is the market where the purchase or sale of a product is carried out at most two business days after the price determined at the date of the transaction.

Spread: The difference between the current buy and sell prices of the relevant financial product.

Standard Deviation: Volatility around the average of the relevant data.

Stop Loss: The order to close the opened transaction when it reaches a certain loss.

Stop Out: Level at which all active positions of the trader are closed automatically because of a decline in margin levels.

Maintenance Margin: Minimum level of margin required to maintain the opened transaction.

Swap: The difference between the interest rate of the currency pair that is subject to trade. Overnight cost, calculated as per night, has a positive or negative impact on accounts after 00:00.

Swing Trade: A method of trading and making profits from predetermined support or resistance points.

Take Profit: The order to close the opened transaction when it reaches a predetermined profit level.

Trailing Stop: It is used to increase the predetermined stop loss order as the price of a product increases.

Base Rate: The first currency in the currency pair. For example, the base rate of USD/TRY is USD.

Trade Balance: The difference in value between imports and exports of goods and services of a country in a given period.

Tick Chart: It is commonly used in volatile market movements. It is useful to see new price changes.

Trader: The person who trades, investor.

Trend: General picture of a certain product.

Consumer Price Index (CPI): The index that measures the changes in consumer prices.

Derivatives: Products, value of which depends on another financial product or commodity.

Derivative Markets: Markets where derivative instruments are traded.

Mismatch: Difference between prices and indicators used during Technical Analysis.

Long Position: Buy position.

Producer Price Index (PPI): The index that measures the changes in producer prices.