



UPGRADE YOUR TRADE

**CURRENCY PAIRS AND
HOW TO TRADE**

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WHAT IS TRADED AND HOW ?

The long story short is money. You are purchasing foreign currency in the hopes that that country's economy strengthens in relation to the currency you used to buy it. You are effectively purchasing stock or shares in world economies.

THE MAJOR CURRENCIES

Depending on who you speak to, there are 5 or 8 major currencies. On the below table we show the 8 major currencies, with the first 5 being the big five.

| SYMBOL | COUNTRY | CURRENCY | NICKNAME |
|--------|-------------------|----------|----------|
| USD | United States | Dollar | Buck |
| EUR | Euro Zone Members | Euro | Fibre |
| JPY | Japan | Yen | Yen |
| GBP | Great Britain | Pound | Cable |
| CHF | Switzerland | Franc | Swissy |
| CAD | Canada | Dollar | Loonie |
| AUD | Australia | Dollar | Aussie |
| NZD | New Zealand | Dollar | Kiwi |

The symbol of each currency always has three letters, and generally the first two letters show which country and the last letter shows the name of the currency. So the USD is the United States Dollar. These currencies are called the majors because they are the most traded currencies.

HOW IS IT TRADED?

In Forex, a single trade is the simultaneous purchase of one currency and the selling of another. Brokers and dealers handle all the technical things related to it so you don't need to worry about that. Because you're buying AND selling currencies in one trade you are trading pairs.

If you knew that the USD was going to get a lot stronger than the JPY, you would trade the pair USD/JPY and you would **buy**. This means you are purchasing Dollars and selling Yen. If you thought the Yen would strengthen against the dollar, you would trade the same currency pair but enter a **sell**.

THESE ARE THE MAJOR CURRENCY PAIRS THAT GET TRADED

The Major currency pairs all contain the USD on one side. The majors are the most liquid and widely traded pairs.

| PAIR | COUNTRIES | LINGO |
|---------|-------------------------------|--------------------------|
| EUR/USD | Euro Zone / United States | Euro Dollar |
| USD/JPY | United States / Japan | Dollar Yen |
| GBP/USD | Great Britain / United States | Pound Dollar / The Cable |
| USD/CHF | United States / Switzerland | Dollar Swissy |
| USD/CAD | United States / Canada | Dollar Loonie |
| AUD/USD | Australia / United States | Aussie Dollar |
| NZD/USD | New Zealand / United States | Kiwi Dollar |

The Minor currency pairs consist of any currency from the 8 majors except for the USD. You also get exotic pairs, which consist of currencies from the emerging markets against the USD.

There are few Forex brokers who offer these pairs, and even if they do then the spreads are quite high making them more difficult to trade. We'll explain more on spreads later in the document if you're not sure what that is.

Here are the exotic pairs.

| PAIR | COUNTRIES | LINGO |
|---------|------------------------------|--------------|
| USD/HKD | United States / Hong Kong | |
| USD/SGD | United States / Singapore | |
| USD/ZAR | United States / South Africa | Dollar Rand |
| USD/THB | United States / Thailand | Dollar Baht |
| USD/MXN | United States / Mexico | Dollar Peso |
| USD/DKK | United States / Denmark | Dollar Krone |
| USD/SEK | United States / Sweden | |
| USD/NOK | United States / Norway | |



Welcome to the Vault Markets Hub, our team is made up of experienced and passionate International traders from within the Forex industry. Strategically combining their expertise to focus on developing and empowering African Forex markets to compete at a Global scale. We've got over 40 years of combined experience in our Vault, that we are sharing with our valued Brokers and clients, to support their success and the prosperity of Africa as a whole.

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