

## FREE SIGNALS USERS GUIDE

This manual is written to guide you on how to use InstaForex Nigeria free forex trading signal.

### **About the free Signal.**

The free signals are provided as is by Insta Forex Nig ( [www.InstaFxNg.com](http://www.InstaFxNg.com) ) and though we have taken utmost care and used the best available tools to generate these signals, the signals can be about 85% accurate.

Please note that you are encouraged to use the signals on your demo trading account before using them on your live account.

The Signals are posted on our facebook page <http://www.facebook.com/InstaForexNigeria> every trading by 9:00 am.

The best way to use and profit from the free signals is by using pending order system. But we realized that many new traders don't understand how use set pending order. Please if you are one of those who don't know how to use pending order, kindly follow the instruction as below.

### **What are pending orders?**

Pending orders are useful for traders for automating the trading process and remaining in the forex market, and at the same time not in front of their terminals. Basically, there are 4 types of pending orders and there are 2 derived types which are quite well-known.

#### **Buy Limit:**

The first type is 'Buy Limit' that is used for buying a currency pair (opening a long position) at a level, which is lower than the current price. For instance, EUR/USD is presently trading at 1.3978, and you predict that it may become as low as 1.3900 before it rises. If you would like to have a buy order which is automatically triggered at 1.3900, you should place a Buy Limit pending order.

#### **Sell Limit:**

The second type is 'Sell Limit' that is used for selling a currency pair (opening a short position) at a level, which is higher than the current price. For instance, GBP/USD is presently trading at 1.6050, and you predict that if the currency pair becomes 1.6100, it certainly will fall afterwards. If you expect your broker to open a short position at 1.6100, then you ought to place a Sell Limit pending order.

### Buy Stop:

The third type is 'Buy Stop' that is used for buying a currency pair (opening a long position) at a level, which is higher than the current price. For instance, EUR/USD is presently trading at 1.3590, and you predict that if the pair of currency rises to 1.3630, it will cause an upward trend. If you would like to open a long position at 1.3630 automatically, then you had better place a Buy Stop pending order.

### Sell Stop:

The fourth type is 'Sell Stop' that is used for selling a currency pair (opening a short position) at a level, which is lower than the current price. For instance, EUR/JPY is presently trading at 105.28, and you are sure that if the currency pair goes down to 100.40, then it will cause a movement of strong bearish in which it will break the major level. If you would like to open a short position automatically at 100.40, then you are suggested to place a Sell Stop pending order.

Having discussed the four types of pending order, now let us have a look at the two derived types. The first derived type is called 'stop-loss' that is used for preventing an excess loss of a position. Whenever the price comes to a designated level, it is triggered automatically. You can only set it to the level of lower than the open price for the long positions, and to the level of higher than the open price for the short positions. It is basically a combination of pending orders of Buy Stop and Sell Stop. Nearly all [forex brokers](#) have trading platforms which offer an opportunity of setting stop-loss as a position's simple parameter.

The second derived type is called take-profit which is used for closing a position at a pleasant amount of profit. It is triggered automatically, like stop-loss, at a certain level. You can only set it to the level of higher than the open price for the long positions and to the level of lower than the open price for the short positions. It is a pending orders' combination of Buy Limit and Sell Limit.

### Using the Trailing Stop

The trailing stop is a useful tool for forex traders as it helps reduce losses and potentially increase profits by avoiding missing further profit potential when exiting at a preset takeprofit limit.

The trailing stop in Meta Trader is triggered as soon as your position moves into profit by the amount of the pips determined by your trailing stop value in which case the stop-loss will move (up or down depending whether it is a Buy position or Sell position) by the same amount of pips determined as trailing stop plus the spread between the bid and the ask price. After that, if the favorable move continues, the stop-loss will follow pip by pip the market price.

There are three important things to remember when using a trailing stop in forex trading with Meta Trader platform:

- It is triggered only if your position moves into profit by at least the amount of pips you determined as your trailing stop

- Once it is triggered, it moves the stop-loss value, which trails the market price by the same amount of pips as defined originally, as long as the profit increases. So in a buy position, once the trailing stop is triggered, the stop loss value will always go up as the market price moves up and in a sell position the stop loss value will go down as long the market price goes down.
- If the exchange rate moves against your position, after the trailing stop function has been triggered, the stop-loss will not change and if the exchange rate continues to move against it until the stop-loss is reached the trade will close at the latest stop-loss.

In order to explain how the trailing stop works let's assume that we have a Buy position of EUR/USD at 1.5000 and that we determine a stop-loss value at 30 pips from the entry price. Thus, we use a stop-value of:

Stop-loss value = Entry Value – 30 pips = 1.4970

If this was a Sell position then the stop-loss would be:

Stop-loss value = Entry Value + 30 pips = 1.5030

To explain how a trailing stop works assume that we place a trailing stop of 20 pips. This can be done easily in Meta Trader by right-clicking on the order for which you want to place a trailing stop and selecting the Trailing Stop submenu. Once you do that you will be able to either choose a preset amount of pips or enter a custom number by clicking on the "custom" option at the bottom of the submenu.

Let's see how a 20-pip trailing stop will work with a Buy entry at 1.5000 and a stop loss at 1.4970 (-30 pips). Let's assume also a spread between the bid and the ask of 3 pips, which means at the entry price the profit is -3. With these assumptions, the trailing stop will be triggered at the following price:

Once your position moves to the new stop-loss it guarantees that if the trade eventually closes against you your loss will be only 10 pips and not 30 as was implied by the original stop loss.

If the price moves further to 1.5040, then the stop loss value will move up as well to 1.5010 (1.5040 - 0.0030) but if the price drops to 1.5010 instead of rising to 1.5040 the stop loss will not change and will remain at 1.4993.

### **Time to Use the Signals**

The signals are posted to use for the whole day trading, but you can stop using the signals after the following:

1. If you noticed that the signal(s) has triggered, even if you did not entered on the first triggering.
2. If the signal has triggered on your favour and you made your profit, stop using the signals for the day.

3. If you have any placed pending orders which did not triggered before 4:00 pm, please delete them by 4:00 pm for the day. Wait for tomorrow for other fresh signals.

**I hope that the above guide will help you in using our daily signal..**

### **Terms of Use**

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