

PROFICIENT GLOBAL · FREE GUIDE

The Beginner's Guide to Trading the Financial Markets

Everything a new South African trader needs to understand the markets, manage risk, and start your journey from complete beginner to confident, disciplined trader.

Welcome

Thank you for downloading this guide. Whether you've never placed a trade or you've dabbled and want to do it properly, this guide gives you the honest foundations — no hype, no "get rich quick" promises.

At Proficient Global we believe everyone deserves access to quality financial education, regardless of background or starting point. Trading is a skill. Like any skill, it can be learned — with the right structure, mentorship and discipline. This guide is your first step.

Important: Trading forex and CFDs carries significant risk and is not suitable for everyone. You can lose more than your initial deposit. Nothing in this guide is financial advice — it is education. Always trade with money you can afford to lose.

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01 · How the Financial Markets Work

A market is simply a place where buyers and sellers meet to exchange an asset at an agreed price.

The financial markets are global networks where currencies, shares, commodities and other instruments are bought and sold. Prices move constantly because of supply and demand — when more people want to buy than sell, the price rises; when more want to sell, it falls.

The main players

- **Banks & institutions** — the largest participants, moving enormous volumes.
- **Companies** — converting currencies for international trade.
- **Funds** — pension funds, hedge funds and asset managers.
- **Retail traders** — individuals like you, trading through a broker.

What is a broker?

A broker gives you access to the markets through a trading platform (such as MetaTrader 5). You place orders through the broker, who connects you to the wider market. Choosing a regulated, reputable broker is one of the most important early decisions you'll make.

Key idea: You don't need to own a currency or a share to profit from its movement. Through CFDs (explained next), you can speculate on price going up *or* down.

02 • The Instruments You Can Trade

Forex (currencies)

The foreign exchange market is the largest in the world. Currencies are traded in pairs — for example EUR/USD or USD/ZAR. When you trade a pair, you are buying one currency while selling the other.

Indices

An index tracks a basket of shares — like the US30 (Dow Jones), NAS100 (Nasdaq) or the S&P500. Trading an index lets you take a view on a whole market rather than a single company.

Commodities

Gold (XAUUSD), oil and other raw materials. Gold is especially popular with traders as a "safe-haven" asset.

Cryptocurrencies

Bitcoin, Ethereum and other digital assets. Crypto trades 24/7 and is far more volatile than forex — higher potential reward, but higher risk.

At Proficient Global we teach all of these — starting with solid foundations before moving into specialist areas like day trading, crypto and prop-firm preparation.

03 · How Trades Actually Make (or Lose) Money

Going long and going short

Going long means you buy, expecting the price to rise. **Going short** means you sell, expecting the price to fall. The ability to profit in both directions is one of the biggest advantages of CFD trading.

Pips, lots and leverage

- **Pip** — the smallest standard price move in a currency pair. Your profit or loss is measured in pips.
- **Lot** — the size of your trade. Bigger lots mean each pip is worth more — in both directions.
- **Leverage** — lets you control a larger position with a smaller deposit. Leverage magnifies profits *and* losses. It is the single biggest reason new traders blow accounts.

Worked example: If you go long EUR/USD and it rises 30 pips, you profit. If it falls 30 pips and you have no stop-loss, you lose — and with high leverage, that loss can be large relative to your account. This is why risk management (Chapter 7) matters more than any strategy.

04 · Reading a Price Chart

A chart is the trader's most important tool. It tells the story of price over time.

Candlesticks

Each candle shows the open, high, low and close for a period of time. A green (bullish) candle closed higher than it opened; a red (bearish) candle closed lower. Patterns of candles hint at momentum and possible reversals.

Timeframes

You can view price on any timeframe — from one minute to one month. Day traders use lower timeframes; swing traders use higher ones. Professionals check multiple timeframes for context.

Support and resistance

Support is a price level where buyers tend to step in. **Resistance** is where sellers tend to step in. These levels are the backbone of technical analysis.

Practice tip: Open a free demo account and simply watch the charts for a week before risking any money. Learn to "read" price before you trade it.

05 · Technical Analysis Basics

Technical analysis is the study of price itself to anticipate where it may go next.

Trends

Markets move in trends (up, down) or ranges (sideways). "The trend is your friend" — trading with the prevailing trend is generally higher-probability than fighting it.

Indicators

- **Moving averages** — smooth out price to show the trend direction.
- **RSI** — measures momentum and overbought/oversold conditions.
- **MACD** — shows momentum shifts and divergence.

Indicators are tools for *confirmation*, not crutches. Too many indicators leads to "analysis paralysis." Master a few and use them with price action.

Our courses cover candlestick patterns, chart patterns, market structure, price action and the major indicators — step by step, with live examples.

06 • Fundamental Analysis Basics

If technical analysis is the "when", fundamental analysis is the "why".

Fundamentals are the economic forces that move markets — interest rates, inflation, employment data and central-bank decisions. High-impact news releases can move prices sharply in seconds.

What to watch

- **Interest rate decisions** — by central banks (e.g. the SARB, US Federal Reserve).
- **Inflation (CPI)** and **employment (NFP)** data.
- **The economic calendar** — schedules every major release so you're never caught off guard.

Beginner rule: Until you understand how news affects your instrument, avoid trading in the minutes around high-impact releases — volatility can blow through stop-losses.

07 • Risk Management — The Most Important Chapter

Read this twice. More traders fail from poor risk management than from poor strategy.

The 1% rule

Never risk more than 1–2% of your account on a single trade. If you have R10,000, that's R100–R200 of risk per trade. This keeps you in the game through inevitable losing streaks.

Always use a stop-loss

A stop-loss automatically closes a losing trade at a level you set in advance. It is non-negotiable. Trading without one is how accounts disappear overnight.

Risk-to-reward

Aim for trades where the potential reward is at least twice the risk (1:2). With a 1:2 ratio you can be wrong more often than right and still be profitable.

Capital preservation first. Your number-one job as a trader is not to make money — it's to *not lose* it recklessly. Protect your capital and the profits will follow.

o8 · Trading Psychology

The market is a mirror — it reflects your discipline, or your lack of it.

Fear and greed are the two emotions that destroy trading accounts. Fear makes you exit winners too early; greed makes you hold losers too long and over-leverage.

Habits of disciplined traders

- They follow a written plan instead of trading on impulse.
- They accept losses as a normal cost of doing business.
- They never "revenge trade" to win back a loss.
- They journal every trade and review it honestly.

Mindset shift: Think in probabilities, not certainties. No single trade matters — *your edge over hundreds of trades* is what counts.

09 · Building a Trading Plan

A trader without a plan is a gambler. Your plan turns random trading into a repeatable business.

Your plan should answer

1. **What** will you trade? (Which pairs/instruments and timeframes.)
2. **When** will you trade? (Which sessions, what setups.)
3. **How much** will you risk per trade and per day?
4. **Entry rules** — exactly what must line up before you enter.
5. **Exit rules** — your stop-loss and take-profit logic.
6. **Review** — how and when you'll journal and improve.

Write it down. A plan in your head is not a plan. Our students build a complete, personalised trading plan as part of the programme.

10 • Prop Firms & Funded Trading

You don't need a large account of your own to trade larger size.

Proprietary trading firms ("prop firms") let you trade *their* capital after you pass an evaluation that proves you can trade with discipline and within set risk rules. Pass it, and you trade a funded account and keep a share of the profits.

How evaluations work

- Hit a profit target within the rules (without breaching daily or maximum drawdown limits).
- Respect the risk parameters at all times — most failures are risk-rule breaches, not lack of profit.
- Once funded, stay consistent to scale your account over time.

Our **Prop Firm Challenge** course is purpose-built to help you pass evaluations with firms like FTMO, MyForexFunds and The5ers — the exact rules, risk parameters and mindset required.

11 • Your First 90 Days

A realistic roadmap from complete beginner to your first confident, live trades.

Days 1–30 — Learn

- Master your platform on a demo account.
- Study the foundations: charts, candles, support & resistance.
- Open a trading journal.

Days 31–60 — Practise

- Demo-trade a single, simple strategy with strict risk rules.
- Journal every trade and review weekly.
- Attend live sessions and ask questions.

Days 61–90 — Refine

- Track your statistics — win rate, average win vs loss.
- Only consider going live (small) once you're consistent on demo.
- Keep risk tiny while you transition to real money.

The honest truth: Most people who fail simply rush this. The traders who succeed treat the first 90 days as an apprenticeship, not a lottery ticket.

12 · Choosing a Broker

Your broker is your gateway to the market — choose carefully.

What to look for

- **Regulation** — a reputable, regulated broker protects your funds. Check their licensing.
- **Spreads & fees** — lower spreads mean lower trading costs over time.
- **Platform** — does it offer MetaTrader 5 or a platform you'll be trained on?
- **Deposits & withdrawals** — easy, transparent, SA-friendly funding methods.
- **Support** — responsive help when you need it.

Tip: Start with a free demo account on any broker you're considering. Test the platform and withdrawals (with a small amount) before committing serious capital.

13 · Order Types Explained

Knowing your order types keeps you in control of every trade.

- **Market order** — buy or sell immediately at the current price.
- **Limit order** — buy or sell only at a better, specified price.
- **Stop order** — triggers a trade once price reaches a level (used for breakouts).
- **Stop-loss** — closes a losing trade at your maximum acceptable loss.
- **Take-profit** — closes a winning trade at your target.
- **Trailing stop** — moves your stop in your favour as price runs, locking in profit.

Every trade you place should have a stop-loss and a take-profit decided *before* you enter. Decide your exit before your emotions get involved.

14 · Trading Sessions & Best Times

The market is open 24 hours, but not all hours are equal.

Forex runs through three major sessions. Times below are approximate South African time (SAST):

- **Asian session** (≈02:00–11:00) — quieter, tighter ranges.
- **London session** (≈09:00–18:00) — high volume and volatility.
- **New York session** (≈14:00–23:00) — the London/New York overlap (≈14:00–18:00) is often the most active window of the day.

Indices and commodities have their own active hours. Day traders focus their work in the most liquid windows rather than trading all day.

Tip: As a beginner, pick one session that fits your schedule and learn it deeply, rather than trying to trade around the clock.

15 • 10 Common Beginner Mistakes

1. Trading without a stop-loss.
2. Risking too much on one trade (over-leveraging).
3. Revenge trading after a loss.
4. Jumping between strategies instead of mastering one.
5. Trading high-impact news without understanding it.
6. No written trading plan.
7. Not keeping a trading journal.
8. Going live too soon, before being consistent on demo.
9. Chasing "signals" and tips instead of learning to trade.
10. Treating trading as gambling rather than a skill to be developed.

Every one of these is avoidable with structure, mentorship and discipline — which is exactly what a proper trading education gives you.

16 · Glossary of Terms

Ask	The price at which you can buy.
Bid	The price at which you can sell.
Spread	The difference between the bid and ask — effectively your cost to trade.
Pip	The smallest standard price movement in a currency pair.
Lot	The size of a trade position.
Leverage	Borrowed exposure that magnifies both gains and losses.
Margin	The deposit required to open a leveraged position.
Stop-loss	An order that closes a trade at a pre-set loss to protect capital.
Take-profit	An order that closes a trade at a pre-set profit.
Long / Short	Buying (expecting a rise) / selling (expecting a fall).
CFD	Contract for Difference — lets you speculate on price without owning the asset.
Drawdown	The drop from a peak in your account balance.
Volatility	How much and how fast a price moves.
Prop firm	A firm that funds traders who pass its evaluation.

Ready to take the next step?

This guide is just the beginning. Proficient Global's structured courses take you from these foundations all the way to funded, professional trading — with live mentorship every step of the way.

Enquire today: proficientglobal.co.za/courses · accounts@proficientglobal.co.za · WhatsApp 062 142 5519

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