Your trading toolkit

Beginner foundations | Gold / XAUUSD | Workshop edition



NAME _____ **DATE / SESSION** _____

INSIDE YOUR FOLDER

02-03 **Trading terminology**
The language of charts and orders.

04-05 **Candlestick cheat sheets**
Anatomy, shapes and market context.

06-07 **Structure and risk**
Read a chart; size a practice position.

08-10 **Trading worksheets**
Checklist, personal plan and journal.

11-12 **Knowledge check**
Twelve questions to test the basics.

13-14 **Notes and sources**
Your next steps and further reading.

Practice first. This pack provides general education, not personal investment advice. Trading can lose money; leveraged products can produce rapid losses. Examples are hypothetical, not trade signals. All worked dollar amounts are USD.

Trading terminology

Foundation words to recognise before reading a chart.

BULLISH

Expecting or describing an upward price move.

BEARISH

Expecting or describing a downward price move.

LONG / BUY

A position that benefits from a price rise, before costs.

SHORT / SELL

A position that benefits from a price fall, before costs.

TREND

The prevailing direction: up, down or sideways.

TIMEFRAME

The period represented by each candle, such as 15 minutes.

SUPPORT

An area where buying may slow or stop a decline.

RESISTANCE

An area where selling may slow or stop a rise.

BREAKOUT

Price moving beyond an identified level or range.

RETEST

Price returning to a level after breaking through it.

VOLATILITY

How widely and quickly price moves over a period.

LIQUIDITY

Ease of trading without substantially moving the price.

REMEMBER

Levels can fail. A bullish view is a possibility, not a promise.

Orders, costs and position size

Know what the order does and what the position can cost.

BID / ASK

Bid: the quoted selling price. Ask: the quoted buying price.

SPREAD

The difference between the ask and bid; a trading cost.

MARKET ORDER

Seeks execution at the available price; price is not fixed.

LIMIT ORDER

Executes at the limit price or better; a fill is not assured.

STOP ORDER

Activates at a trigger price. A stop-market then seeks market execution.

STOP LOSS / TAKE PROFIT

Orders intended to exit at a loss threshold or a profit target.

SLIPPAGE

The difference between an expected price and the actual fill.

LOT / CONTRACT SIZE

A trade-size unit. Its asset quantity depends on the product.

LEVERAGE

Exposure larger than the funds committed; it magnifies gains and losses.

MARGIN

Funds required to open or maintain a leveraged position.

TICK / POINT / PIP

Price-movement units. Check the symbol definition and cash value.

R / REWARD-TO-RISK

1R is initial planned risk. A $50 target against $25 risk equals 2R.

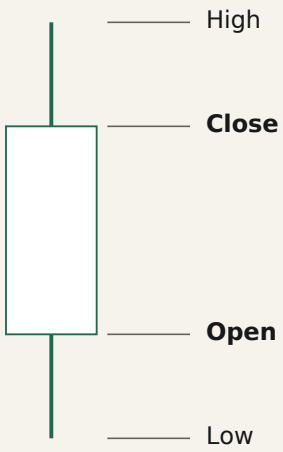
Execution check: Ordinary stops can fill beyond the trigger price. Stop-limit orders can remain unfilled. Broker order rules differ. Margin is not your maximum possible loss.

Candlestick cheat sheet

PART 1 / Each candle summarises one chosen time period.

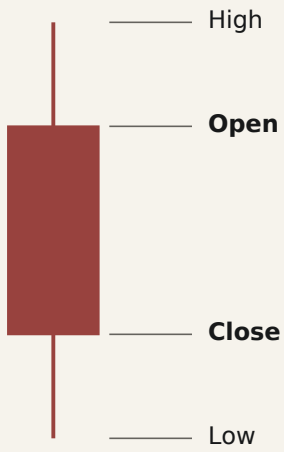
THE FOUR PRICES: OPEN, HIGH, LOW, CLOSE

BULLISH CANDLE



Close is above open.

BEARISH CANDLE



Close is below open.

Body: distance from open to close. **Wicks:** reach to the period high and low. Hollow bodies show up candles here; filled bodies show down candles, so these sheets also work in black and white.

DOJI



Open and close are nearly equal. Often read as indecision.

SPINNING TOP



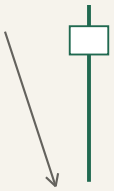
Small body with wicks on both sides. Direction remains uncertain.

Read a completed candle. Its shape can change while the period is still open. Chart colours vary by platform. Neither a candle colour nor a single shape predicts the next move.

Candlestick pattern guide

PART 2 / The preceding trend changes the meaning of a shape.

HAMMER



After a decline
Small body near top; long lower wick. Possible upward reversal.

SCHEMATIC / NOT A TRADE SIGNAL

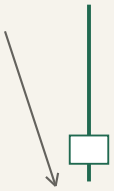
HANGING MAN



After a rise
Same outline as a hammer. Possible downward reversal.

SCHEMATIC / NOT A TRADE SIGNAL

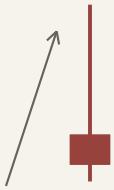
INVERTED HAMMER



After a decline
Small body near bottom; long upper wick. Possible upward reversal.

SCHEMATIC / NOT A TRADE SIGNAL

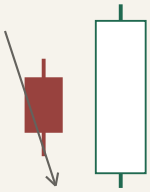
SHOOTING STAR



After a rise
Same outline as an inverted hammer. Possible downward reversal.

SCHEMATIC / NOT A TRADE SIGNAL

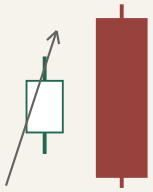
BULLISH ENGULFING



After a decline
An up body covers the prior down body. Possible upward reversal.

SCHEMATIC / NOT A TRADE SIGNAL

BEARISH ENGULFING



After a rise
A down body covers the prior up body. Possible downward reversal.

SCHEMATIC / NOT A TRADE SIGNAL

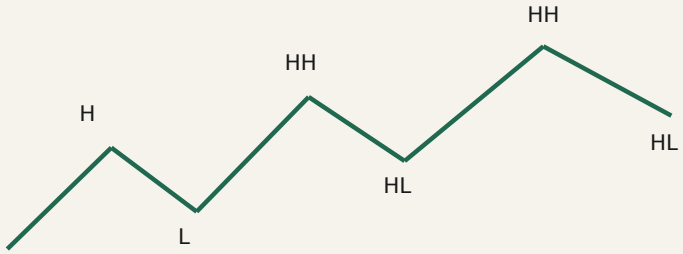
Long wicks are commonly at least twice the body. The four single-candle shapes may have either body colour. Engulfing compares **bodies**, not wicks. Use context and confirmation; patterns can fail.

Market structure and levels

Identify the setting before focusing on a candle.

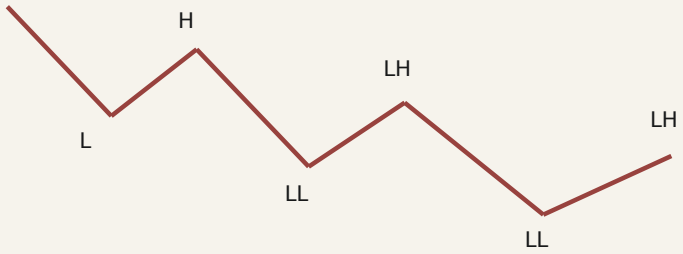
UPTREND

Higher highs (HH) and higher lows (HL).



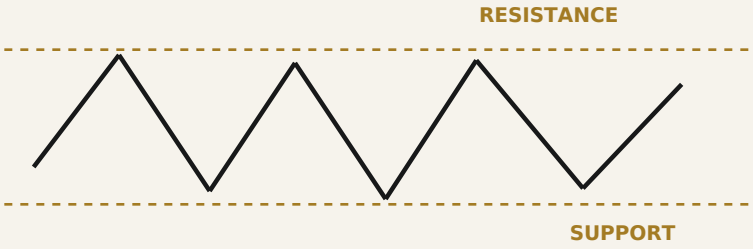
DOWNTREND

Lower highs (LH) and lower lows (LL).



RANGE

Price moves between support and resistance.



Treat support and resistance as areas. A breakout can fail; a retest may never occur. A broken level may change roles. Trends also differ across timeframes.

MY HIGHER-TIMEFRAME DIRECTION

MY CHART TIMEFRAME

SUPPORT AREA

RESISTANCE AREA

Gold and risk sizing

XAUUSD practice worksheet / Hypothetical USD account and prices.

XAUUSD generally quotes gold in US dollars per troy ounce. A gold CFD is a derivative, not ownership of physical gold. Contract sizes, tick values and minimum trade sizes vary by product and broker.

START WITH A CASH RISK BUDGET

Risk budget = account equity x chosen risk %

Practice example: $2,000 x 0.5% = $10

WORKED EXAMPLE: ASSUMED 100 TROY OUNCES PER LOT

Entry / stop	2,400 / 2,398 USD per ounce
Price distance	2 USD per ounce
Planned budget / cost allowance	$10 / $2
Budget for the price move	$8
Lots before step-size rounding	$8 / (2 x 100) = 0.04 lots

This is arithmetic practice, not a recommended risk level. The example assumes a 0.01-lot step and USD account. Round down to the permitted size; skip the trade if the minimum size exceeds the budget. Costs, slippage or gaps can exceed the allowance.

FILL IN YOUR PRACTICE SPECIFICATIONS

EQUITY / RISK % / CASH BUDGET

CONTRACT SIZE / MIN LOT / LOT STEP

ENTRY / STOP / PRICE DISTANCE

COSTS / FX CONVERSION / FINAL SIZE

Before you place a trade

A repeatable routine for demo practice or a planned trading session.

DATE / SESSION

TIMEZONE / CHART TIMEFRAME

CONTEXT	☐ I identified the trend, nearby levels and the setup I am practising.
NEWS	☐ I checked scheduled news and set my own no-trade window.
PRODUCT	☐ I checked the exact symbol, contract size, spread and trading hours.
ENTRY	☐ I can explain the entry trigger and selected the correct order type.
EXIT	☐ I wrote my invalidation level, stop and planned target before entry.
RISK	☐ I calculated position size, allowed for costs and checked available margin.
LIMITS	☐ The trade fits my total open-risk limit and daily loss limit.
MINDSET	☐ I am following my plan rather than chasing price or recovering a loss.
DECISION	☐ Proceed within my plan ☐ Wait / skip this trade

My trading plan

Write specific rules you can follow and review.

MARKET / EXACT SYMBOL

DEMO ACCOUNT / ACCOUNT CURRENCY

SESSION / TIMEZONE

CONTEXT AND ENTRY TIMEFRAMES

SETUP AND ENTRY TRIGGER

INVALIDATION / STOP / TARGET / EXIT RULES

RISK PER TRADE: % AND CASH

TOTAL OPEN-RISK LIMIT

DAILY LOSS LIMIT / MAX TRADES

PAUSE RULE AFTER A LOSS

NEWS, SPREAD OR OTHER NO-TRADE CONDITIONS

HOW I WILL REVIEW MY PROCESS

My process goal for this week: _____

Trade journal

One page per trade. Record the plan before entry and review after exit.

DATE / TIME / TIMEZONE

SYMBOL / TIMEFRAME

DIRECTION / DEMO OR LIVE

PLANNED / ACTUAL ENTRY

INITIAL STOP / TARGET

SIZE / RISK % / CASH RISK

ACTUAL EXIT

TOTAL COSTS / NET P&L

RESULT IN R

SETUP / WHY I TOOK THIS TRADE

SKETCH OR ATTACH YOUR CHART: MARK ENTRY, STOP AND TARGET

☐ I followed my written rules.

☐ I changed or broke a rule.

WHAT WORKED / WHAT I WILL CHANGE

Result in R: net profit or loss divided by the initial planned cash risk. Example: -$10 / $20 = -0.5R. A well-executed plan can still produce a losing trade.

Knowledge check

PART 1 / Circle one answer per question. One mark each; 12 marks total.

NAME _____ **DATE** _____

01 **XAUUSD commonly quotes gold in which unit?**

- ○ A. US dollars per troy ounce
- ○ B. Canadian dollars per gram
- ○ C. US dollars per barrel
- ○ D. Gold bars per contract

02 **A bullish candle closes...**

- ○ A. Below its open
- ○ B. Above its open
- ○ C. At its low every time
- ○ D. Above the next candle

03 **A doji has...**

- ○ A. No high or low
- ○ B. A guaranteed reversal
- ○ C. Nearly equal open and close
- ○ D. A very large body

04 **Support is an area where...**

- ○ A. Price must always rise
- ○ B. Selling must stop all rallies
- ○ C. The spread is always zero
- ○ D. Buying may slow a decline

05 **The bid-ask spread is...**

- ○ A. The gap between ask and bid
- ○ B. Your maximum loss
- ○ C. A candlestick body
- ○ D. Your account equity

06 **An ordinary stop-loss order...**

- ○ A. Guarantees the exact stop price
- ○ B. Can fill beyond its trigger
- ○ C. Makes losses impossible
- ○ D. Removes all trading costs

Continue on the next page.

Knowledge check

PART 2 / Use the worksheet concepts, then review with your instructor.

07 **What is 0.5% of a $2,000 practice account?**

- ○ A. $100
- ○ B. $20
- ○ C. $10
- ○ D. $1

08 **A $50 target against $25 planned risk offers...**

- ○ A. 0.5R
- ○ B. 1R
- ○ C. 5R
- ○ D. 2R

09 **Before calculating XAUUSD lot size, check...**

- ○ A. Contract size and tick value
- ○ B. Only the candle colour
- ○ C. Only yesterday's profit
- ○ D. A fixed universal pip value

10 **Leverage can...**

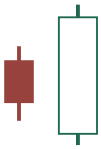
- ○ A. Eliminate downside
- ○ B. Magnify gains and losses
- ○ C. Guarantee a fill price
- ○ D. Replace a trading plan

11 **After a decline, this shape is commonly called...**



- ○ A. Shooting star
- ○ B. Hanging man
- ○ C. Hammer
- ○ D. Bearish engulfing

12 **After a decline, this two-candle pattern is...**



- ○ A. Bearish engulfing
- ○ B. A doji
- ○ C. A shooting star
- ○ D. Bullish engulfing

Score: _____ / 12 Topic I will review: _____

Notes and next steps

Use this page during training. Duplicate it whenever you need more space.

NOTES / QUESTIONS FOR MY INSTRUCTOR

THREE PRACTICE ACTIONS

01

02

03

Suggested practice: label 10 historical candles; complete one demo risk calculation; journal one planned demo trade and review how closely you followed your rules.

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