

Forex and Crypto: Two Markets, One Mindset

BEFORE YOU BEGIN

This lesson closes the Forex Foundations series. It assumes everything the previous five covered: what forex is, how to read a quote and a chart, how a position works, and who the participants are.

This is a comparison, not a crypto course. It will not cover exchanges, wallets, blockchains, or the more advanced instruments crypto traders use. A glossary and a knowledge check with a full answer key are at the back.

WHAT YOU'LL LEARN

- Which of your skills transfer to crypto without any translation
- The three structural differences between the two markets
- Why forex charts have weekend gaps and crypto charts do not
- Why crypto is quoted differently, and which pairs to start with
- Why crypto moves so much further in a day, and what causes it
- How to switch between the two markets without misreading either

1. Same Shape, Different Rhythm

Put a EUR/USD chart and a Bitcoin chart side by side and something odd happens. You cannot easily tell them apart.

Same axes. Price running up the side, time running across the bottom. Same green and red candles with bodies and wicks. Same timeframe buttons. Cover the label at the top of each and a beginner would have no reliable way to say which is which.

That similarity is not a coincidence, and it is not superficial. Both are markets where something is priced against something else and the price changes as people's opinions change. The tools for reading that are the same tools.

But underneath the identical surface, the two markets are built differently. Knowing exactly where they diverge is what lets you move between them without getting caught out.

2. What Is the Same

Start with what transfers, because it is more than most people expect.

Chart reading transfers completely. Everything from Lesson 3 works without modification. The axes mean the same thing. Timeframes are still a zoom control. A candle still carries four prices, the body still marks the open and the close, the wicks still mark the high and the low, and green still means the price finished above where it started.

Pair structure transfers. Crypto is quoted in pairs for the same reason currencies are: a thing only has a price when measured against another thing. BTC/USD is read exactly like EUR/USD. Base first, quote second, and the number is the cost of one unit of the base.

The trade transfers. You go long if you expect the price to rise and short if you expect it to fall. Buy and sell open the same positions. Profit and loss is still the distance between where you entered and where you exited, and nothing is settled until the position is closed.

Crypto is a different room, but it's in the same hotel. It looks and feels familiar; this one just happens to have a view of the pool.

3. Difference One: When the Market Is Open

Forex runs twenty-four hours a day, five days a week. It opens Sunday evening as Asia begins its week and closes Friday afternoon when New York finishes. Between those two points it never stops, but on the weekend it genuinely closes. No trading, no price updates, nothing.

Crypto never closes. Twenty-four hours a day, seven days a week, every day of the year. There is no weekend, no public holiday, and no closing bell. At three in the morning on a Sunday, the market is open.

Two practical consequences follow, and they matter more than they might sound.

The first is scheduling. If your weekdays are full, crypto is available when you are and forex is not. Saturday is simply not a forex trading day.

The second is news. Events do not respect market hours. When something significant happens on a Sunday afternoon, a crypto chart reacts to it immediately, in real time. A forex chart cannot react, because nothing is trading. It absorbs the news all at once when the market reopens.

WORTH KNOWING

That last point produces something you will see on forex charts and should recognize: the weekend gap.

Because the market closes Friday and reopens Sunday evening, the reopening price is often not the closing price. News accumulated over the weekend gets priced in the instant trading resumes, and the chart shows a visible jump with no candles in between. Crypto charts, trading continuously, rarely produce gaps of this kind.

4. Difference Two: How Pairs Are Quoted

In forex, both halves of every pair are national currencies. EUR/USD, GBP/JPY, USD/CAD. Each side is issued by a government and managed by a central bank. Real currencies on both sides, every time.

Crypto is less uniform. The base is a cryptocurrency, but the quote can be one of three things.

Quote Type	Example	What It Means
A national currency	BTC/USD	Bitcoin priced in U.S. dollars. Reads exactly like a forex pair.
A stablecoin	BTC/USDT	Bitcoin priced in a digital token designed to hold a value of one dollar.
Another cryptocurrency	ETH/BTC	Ethereum priced in units of Bitcoin rather than in any national currency.

A stablecoin is a digital token built to track the value of a national currency, almost always the dollar. Because one unit is intended to be worth one dollar, a chart of BTC/USDT looks nearly identical to a chart of BTC/USD.

The third type is the one that catches beginners out. In ETH/BTC there is no dollar anywhere. You are pricing one cryptocurrency in units of another, so the number can move because Ethereum changed, because Bitcoin changed, or because both did in different directions. Reading it correctly takes practice.

While you are learning, stay with pairs quoted in dollars or dollar stablecoins. BTC/USD and ETH/USD are the most heavily traded, the easiest to interpret, and the most directly comparable to the forex pairs you already know.

5. Difference Three: How Far Prices Move

This is the difference you will feel most, and the one most likely to cause a real mistake.

Major forex pairs move in small increments. On a typical day EUR/USD travels roughly a hundred pips, which is about one percent of its value. A notably active day might reach a hundred and fifty. Two hundred pip days happen, but they are events rather than routine.

Crypto operates on a different scale entirely. Bitcoin moving two to four percent in a day is unremarkable. Ten percent happens during busy periods. Smaller cryptocurrencies can move twenty or thirty percent in a single day, in either direction.

	Major Forex Pair	Bitcoin
Typical day	About 1 percent	2 to 4 percent
Active day	1.5 percent or so	10 percent or more
Measured in	Pips	Percentages

Notice the last row. Crypto traders talk in percentages rather than pips, and there is a practical reason. Currency pairs sit in narrow, stable ranges where a fixed decimal position is a sensible unit of measure. Crypto prices span enormous ranges, so a percentage is the only measure that stays meaningful.

Here is the trap. Charts rescale automatically to fit whatever is on screen, so a quiet crypto day and a dramatic forex day can produce charts that look identical. The shape tells you nothing about the size of the move. Only the numbers on the price axis do.

6. Why the Moves Are Bigger

It is worth understanding where that difference in scale comes from, because the answer connects back to everything else in this series.

Think about the pyramid. At the top sat central banks, setting interest rates and shaping the conditions everything else responded to. Below them, banks carrying enormous daily flow. Below them, corporations converting money because their operations required it, whatever the price happened to be.

Crypto has no equivalent top layer. No institution sets an interest rate for Bitcoin. No government stands behind it, and no central bank is responsible for its stability or has any mandate to intervene when it moves violently.

It also lacks most of the commercial layer. A large share of forex volume comes from businesses that must convert money to operate, and that steady, price-indifferent flow helps stabilize the market. Comparatively little crypto trading happens because someone needs to pay a supplier.

And the market is far smaller. Total crypto trading is a fraction of the roughly nine and a half trillion dollars that moves through currencies daily, so a given amount of buying or selling pushes the price considerably further.

Less stabilizing commercial activity, no institution charged with steadying it, and a smaller pool for the same pressure to move. Larger swings are the natural result of the structure rather than a flaw in it.

7. Adjust Your Eyes to the Market

All of which produces one practical instruction.

A two percent move on EUR/USD is a significant event that gets written about. A two percent move on Bitcoin is an ordinary afternoon. The same number means completely different things depending on which chart you are looking at.

So before you interpret anything, know which market you are in. Check what the price axis actually spans rather than trusting the shape of the picture. A crypto chart can look calm while moving fast, and a forex chart can look frantic while barely moving at all.

Same skill. Different calibration.

This is not a new thing to learn. It is the same chart reading you already have, with the scale reset for the room you are standing in.

8. Two Markets, One Mindset

Here is the frame worth carrying out of this lesson.

Forex and crypto are genuinely two markets. Different hours, different quoting conventions, different rhythms of movement, different structures underneath. Those differences are real and pretending otherwise would cost you.

But the way you look at them does not change. You read charts the same way, identify candles the same way, choose a direction the same way, and connect headlines to price movement the same way.

Neither market is better than the other, and neither is a lesser version of the other. They are different rooms, and you now hold a key that opens both.

Which is the real point of these six lessons. You did not only learn about currencies. You learned a way of reading markets, and that turns out to be the more valuable thing, because it keeps working when the instrument at the top of the chart changes.

Three Things to Remember

LOCK THESE IN

- 1. The mechanics are identical.** Charts, candles, pairs, long and short. Everything from the previous five lessons transfers to crypto with no translation.
- 2. Three structural differences.** Hours, since forex closes on weekends and crypto never does. Quoting, since crypto may be priced in dollars, a stablecoin, or another cryptocurrency. Magnitude, since crypto moves in percentages where forex moves in pips.
- 3. Two markets, one mindset.** The reading skill transfers intact. Only the calibration changes, so check the numbers on the price axis rather than trusting the shape.

Try This

Ten minutes with two charts. This is the comparison the whole lesson is built on.

DO THIS

Step 1. Open Currency News Source and pull up EUR/USD, then Bitcoin, both set to the same timeframe. The daily chart works well.

Step 2. Look at the two charts without reading the numbers. Note how similar the shapes are. Record which one you would have guessed was more volatile from appearance alone.

Step 3. Now read the price axis on each. Work out roughly what percentage the whole visible screen covers on each chart. The gap between the two is usually startling.

Step 4. Find last weekend on the forex chart. Look for the pause where Friday's close sits beside Sunday's open, and check whether the price jumped across the gap.

Step 5. Look at the same weekend on the Bitcoin chart. The candles run straight through it without interruption.

Step three is the one that matters. Once you have seen two charts with the same shape and wildly different scales, you will never again read the picture without reading the axis.

Words From This Lesson

Term	What It Means
Cryptocurrency	A digital asset that is traded on its own markets and is not issued or backed by any government.
Stablecoin	A digital token designed to hold a steady value against a national currency, almost always one U.S. dollar. USDT and USDC are the common examples.
24/5	Forex market hours. Open continuously from Sunday evening to Friday afternoon, closed on weekends.
24/7	Crypto market hours. Open continuously, with no weekends, holidays, or closing bell.
Weekend gap	A visible jump on a forex chart between Friday's close and Sunday's open, caused by news arriving while the market was shut.
Volatility	How far and how fast a price tends to move. Crypto is more volatile than major currency pairs by a wide margin.
Percentage move	How far a price traveled expressed as a share of its value. The standard measure in crypto, where pips are impractical.

Test Your Knowledge

Eight questions. Answer them all before checking the key on the following pages. If a question gives you trouble, the answer key tells you exactly which section to revisit.

1. Which of these must be relearned before you can read a crypto chart?

- A. Candle anatomy
- B. Timeframes
- C. Nothing, since chart reading transfers directly
- D. The meaning of the price axis

2. When is the forex market closed?

- A. Overnight, every night
- B. On weekends
- C. Only on national holidays
- D. It is never closed

3. What causes a weekend gap on a forex chart?

- A. A technical error in the charting software
- B. News arriving while the market is closed, priced in the moment it reopens
- C. Brokers adjusting their prices on Monday morning
- D. Traders closing all positions before Friday

4. In the pair ETH/BTC, what is Ethereum being priced in?

- A. U.S. dollars
- B. A stablecoin
- C. Units of Bitcoin
- D. Euros

5. What is a stablecoin?

- A. A cryptocurrency whose price never changes at all
- B. A digital token designed to hold a value equal to a national currency, usually one dollar
- C. A government-issued digital currency
- D. A cryptocurrency backed by gold reserves

6. Bitcoin moves three percent in a day. How should that be read?

- A. An extraordinary event, since three percent is enormous in any market
- B. A fairly ordinary day for Bitcoin
- C. A sign that the market is broken

D. Roughly equivalent to a three percent day on EUR/USD

7. Which of these does crypto lack that forex has?

- A. Charts and candles
- B. The ability to go short
- C. A central bank layer setting policy for it
- D. Pairs quoted against the dollar

8. Two charts, one forex and one crypto, look almost identical in shape. What follows?

- A. The two markets moved by a similar amount
- B. The shape tells you nothing about size, so you must read the price axis
- C. The crypto chart must be on a shorter timeframe
- D. One of the charts is displaying incorrectly

Answer Key

Each answer explains why the correct choice is correct, why the others are not, and where to reread if you want the fuller picture.

Question 1 **Correct answer: C**

Chart reading transfers intact. The axes, the timeframes, and the candles all mean exactly what they meant on a forex chart.

A, B, and D each name something that works identically in both markets, which is the whole point of this section. The only thing that changes is the scale you should expect on the price axis, and that is calibration rather than a new skill.

Review: Section 2, What Is the Same

Question 2 **Correct answer: B**

Forex runs continuously from Sunday evening to Friday afternoon and then closes for the weekend. That is what 24/5 means.

A confuses forex with markets that have a daily opening and closing bell, which forex does not have during the week. C is wrong because holidays reduce activity without producing the full weekend shutdown. D describes crypto, not forex.

Review: Section 3, When the Market Is Open

Question 3 **Correct answer: B**

Events do not pause when the market does. Everything that happened over the weekend gets priced in at once when trading resumes, so the reopening price can differ from Friday's close with no candles in between.

A mistakes a normal market feature for a bug. C is wrong because the jump reflects accumulated news rather than a broker decision. D describes something traders do, but position closing does not create the gap, since the gap comes from the market being shut when news arrives.

Review: Section 3, When the Market Is Open

Question 4 **Correct answer: C**

The quote currency is whatever comes second, and here it is Bitcoin. The price tells you how much Bitcoin one Ethereum costs, with no national currency involved.

A and D name national currencies that do not appear in this pair. B is wrong because no stablecoin is present either. This pair type is worth extra attention because the number can move for two separate reasons, since either side can change independently.

Review: Section 4, How Pairs Are Quoted

Question 5 **Correct answer: B**

A stablecoin is built to track a national currency, nearly always the dollar, which is why a chart quoted in one looks almost identical to the dollar-quoted version.

A overstates it, since the design goal is holding a value rather than a guarantee that nothing ever changes. C describes a central bank digital currency, which is a different thing entirely. D describes a commodity-backed arrangement, which is not what the common stablecoins are.

Review: *Section 4, How Pairs Are Quoted*

Question 6 Correct answer: B

Bitcoin routinely covers two to four percent in a day. Three percent sits squarely inside the normal range.

A applies forex intuitions to a market with a much wider normal range. C mistakes ordinary volatility for a malfunction. D is the central error this lesson exists to prevent, since three percent on EUR/USD would be a headline event while three percent on Bitcoin is a Tuesday.

Review: *Section 5, How Far Prices Move*

Question 7 Correct answer: C

No institution sets an interest rate for a cryptocurrency or holds responsibility for its stability. The top layer of the pyramid has no crypto equivalent.

A and B name things crypto plainly has, since crypto charts use candles and crypto positions can be short as easily as long. D is wrong because dollar-quoted pairs exist and are in fact the recommended starting point.

Review: *Section 6, Why the Moves Are Bigger*

Question 8 Correct answer: B

Charts rescale automatically to fit whatever is on screen, so similar shapes can represent wildly different sizes of move. The price axis is the only thing that tells you the true scale.

A draws exactly the conclusion the rescaling makes unreliable. C is wrong because the timeframe is shown on the chart and does not need to be inferred from the shape. D mistakes normal chart behavior for a display fault.

Review: *Section 7, Adjust Your Eyes to the Market*

This lesson is education, not financial advice. Nothing in it is a recommendation to buy or sell anything, and the examples use illustrative numbers, not live prices. Trading currencies and crypto carries a high risk of loss.

This educational material simplifies or generalizes some concepts for accessibility. For a more comprehensive understanding, join CNS Pro at currencynewssource.com.

Forex Foundations is part of The Currency Classroom, written by Kanin D. Alldredge, and published free on Currency News Source, operated by Aura Group.