MONEY DOOR GOLD SHELF

Gold (XAUUSD) Basics

Lots, points, margin and profit/loss maths, from zero

Free learning guide

Inside: what XAUUSD is, trading hours in IST, lot sizes, points, margin and leverage, worked profit/loss maths, costs and risk.

For complete beginners | Simple English

www.moneydoorfxacademy.com

Education only. Not investment advice. Practise on a demo account.

WELCOME

What is inside

Before you look at any chart pattern, you need to understand the 'machine' of gold trading: how big one lot is, how much each price move is worth, what margin means, and what a trade really costs. This guide explains each idea in simple steps, with worked maths you can check on a calculator.

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About the numbers. To keep the maths easy, every example uses a gold price of **$4,000.00**. That is a round example number, not a price prediction. The rules work the same at any price. Always check your own broker's contract details in MT5 (right-click the symbol, then Specification), and practise on a demo account first.

START HERE

What XAUUSD is

XAUUSD is the price of **one troy ounce of gold in US dollars**. 'XAU' is the international code for gold and 'USD' is the US dollar. If the screen shows XAUUSD 4,000.00, one troy ounce of gold costs 4,000 US dollars.

Word	Meaning
Troy ounce (oz)	The weight unit for gold. 1 troy ounce = 31.1034768 grams (about 31.1 g). It is heavier than a normal kitchen ounce (28.35 g).
Price per ounce	XAUUSD always quotes 1 ounce. The price per gram is the ounce price divided by 31.1035.
Two decimals	Gold usually shows two decimals, e.g. 4,000.25. The smallest step is $0.01.
Bid and Ask	Two prices at the same moment: Bid is where you can sell, Ask is where you can buy. Ask is a little higher.
Spot / CFD	On MT5 you trade on the price of gold. You do not receive physical gold, coins or bars.

Quick check: price per gram

At the example price of $4,000.00 an ounce, one gram is $4,000.00 / 31.1035 = **$128.60**. Indian jewellery shops quote gold per gram in rupees and add import duty, GST and making charges, so their price will not match XAUUSD exactly. XAUUSD is the global dollar price.

Why gold moves

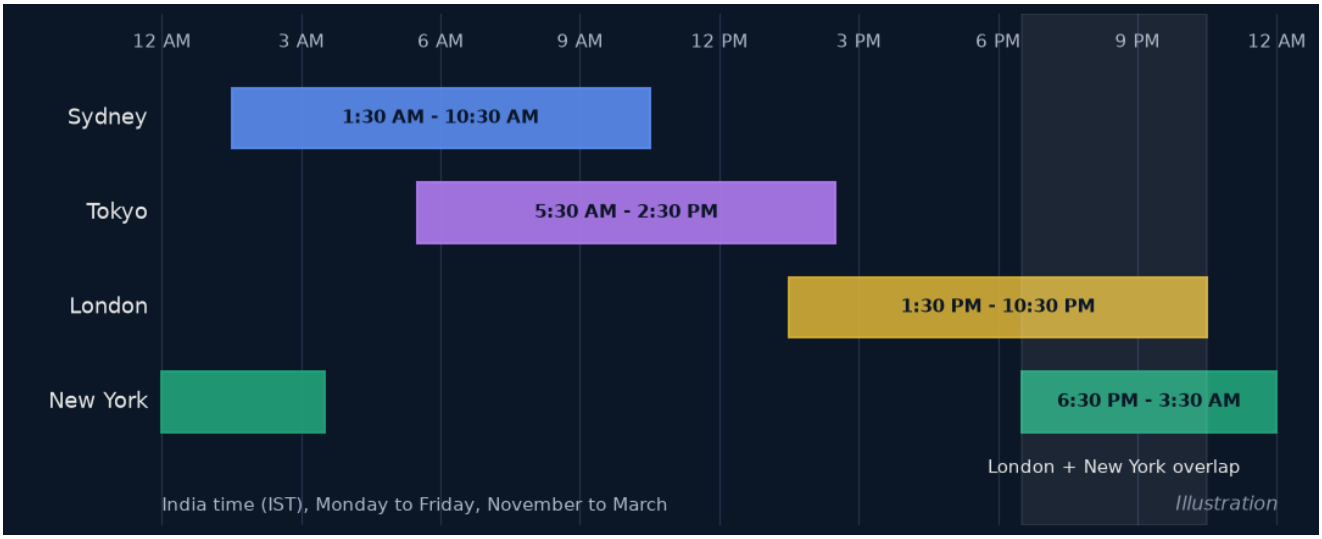
- **The US dollar.** Gold is priced in dollars, so changes in the dollar often show up in the gold price.
- **Interest rates and US news.** Reports such as inflation (CPI), jobs (NFP) and US Federal Reserve decisions can move gold quickly.
- **Fear and uncertainty.** In worrying times some people buy gold, and that demand can push the price.
- **Big buyers.** Central banks, jewellery demand (India and China are large) and investment funds.

Remember: nobody knows the next price for sure. This guide teaches how trading works, not where gold will go.

CLOCK

When gold trades: hours and sessions in IST

Gold on MT5 trades almost 24 hours a day from Monday to Friday. It closes at the weekend and has a short daily break. The day is often split into four 'sessions', named after the big money centres. Each one is roughly that city's office day, so the hours below are a common convention, not an official timetable.



Session	Winter in IST (Nov to Mar)	Summer in IST (Apr to Oct)	What is it like for gold?
Sydney	1:30 AM - 10:30 AM	2:30 AM - 11:30 AM	Quiet. Week opens here on Monday morning.
Tokyo	5:30 AM - 2:30 PM	5:30 AM - 2:30 PM	Usually calmer. Asia buyers active.
London	1:30 PM - 10:30 PM	12:30 PM - 9:30 PM	Activity rises. Big gold trading centre.
New York	6:30 PM - 3:30 AM	5:30 PM - 2:30 AM	Busiest with London. US news comes out here.

The broker clock. Valetax and Moneta MT5 charts use server time GMT+2 in winter and GMT+3 in US summer. So the broker's new day (and the daily candle) starts at about **3:30 AM IST in winter** and **2:30 AM IST in summer**. Gold then has a short break of about an hour, and the week ends late on Friday night, which is early Saturday morning in India. Exact times differ by broker: check Specification in MT5.

US news times in India: many US reports come out at 8:30 AM New York time, which is **7:00 PM IST** in winter and **6:00 PM IST** in summer. US interest-rate decisions come at 2:00 PM New York time: **12:30 AM IST** (winter) or **11:30 PM IST** (summer). Gold can jump at these moments.

SIZE

Lot sizes: how much gold is one lot?

In MT5 you choose the size of a trade in **lots** (MT5 calls it 'Volume'). On a **standard account**, **1.00 lot of XAUUSD = 100 troy ounces** of gold at most brokers. The smallest size is usually **0.01 lot = 1 ounce**.



Lot size	Ounces	Grams of gold	Value of a $1 price move
1.00	100 oz	3,110.35 g	$100.00
0.10	10 oz	311.03 g	$10.00
0.01	1 oz	31.10 g	$1.00

The one rule to remember

On a standard account, **profit or loss = price move in dollars x ounces**, and ounces = lots x 100. So **0.01 lot gains or loses $1 for every $1 that gold moves**, 0.10 lot $10, and 1.00 lot $100. Gold can move $10 to $50 or more in a single day, so even small lot sizes add up fast.

Check your own account. Some brokers and account types use a different contract size. For example, Valetax lists gold on its Standard account as XAUUSD.vx with contract size 100, and on its Cent account as XAUUSD.vxc with contract size 1. In MT5, right-click the gold symbol in Market Watch and open **Specification** to see 'Contract size'.

MEASURING MOVES

Points and pips on gold

Gold prices have two decimals. The smallest step, $0.01, is called **1 point**. A move from 4,000.00 to 4,001.00 is **100 points**, which is a $1.00 move.

Price moves from 4,000.00 to...	Move in dollars	Move in points
4,000.01	$0.01	1 point
4,000.10	$0.10	10 points
4,001.00	$1.00	100 points
4,010.00	$10.00	1,000 points

What about 'pips'?

This word causes a lot of confusion on gold. Some traders and websites call $0.01 a pip, some call $0.10 a pip, and some call $1.00 a pip. All of them are talking about the same price; only the label changes. To avoid mistakes, **always think in dollars of price movement** (for example 'a $5 stop') or in MT5 points. In MT5, the 'points' figure always means $0.01 steps on gold.

Value of one point (standard account)

Lot size	1 point ($0.01)	100 points ($1)	500 points ($5)	1,000 points ($10)
0.01	$0.01	$1.00	$5.00	$10.00
0.10	$0.10	$10.00	$50.00	$100.00
1.00	$1.00	$100.00	$500.00	$1,000.00

Try it: a stop-loss 300 points away on 0.05 lot. Dollars: 300 points = $3.00. Ounces: 0.05 x 100 = 5 oz. Possible loss: $3.00 x 5 = **$15.00** (plus costs).

SIZE, IN MONEY

Notional value: the full size of a trade

Notional value is the full market value of the gold your trade controls: **price x ounces**. It tells you how big your position really is, even if the money held from your account (margin) is much smaller.

Lot (standard)	Ounces	Calculation	Notional value
1.00	100	$4,000.00 x 100	$400,000.00
0.10	10	$4,000.00 x 10	$40,000.00
0.01	1	$4,000.00 x 1	$4,000.00

Why it matters

Imagine an account with $1,000. One trade of 0.10 lot controls gold worth **$40,000**, which is 40 times the account. A $10 move against it is a $100 loss, which is 10% of the account. The size of a position should always be judged by its notional value and its possible loss, never by the small margin it uses.

Converting to rupees

Your MT5 account shows US dollars (or US cents). To understand a number in rupees, multiply by the current USD/INR rate. For example, if USD/INR were 88, then $10 = 10 x 88 = Rs 880. Check today's rate before converting; it changes daily.

Thinking in grams: 0.01 lot is 1 ounce, which is about 31.1 grams of gold. Holding 0.10 lot is like having the price risk of about 311 grams, and 1.00 lot about 3.1 kilograms, without holding any physical gold.

Common beginner mistakes

- Looking only at the margin ('it only used $40') and forgetting the position is worth $4,000 or more.
- Opening several small trades at once. Three trades of 0.01 lot add up to 0.03 lot of risk.
- Copying a lot size from a video or a friend without checking it against your own balance and stop-loss.

BORROWED SIZE

Margin and leverage

Margin is the part of your balance that the broker holds aside while a trade is open. **Leverage** lets a small margin control a much bigger notional value. With leverage 1:100, $1 of margin controls $100 of gold.

Margin = Notional value / Leverage (for example $4,000 / 100 = $40)

Leverage	Margin % of notional	0.01 lot (notional $4,000)	0.10 lot ($40,000)	1.00 lot ($400,000)
1:100	1%	$40.00	$400.00	$4,000.00
1:500	0.2%	$8.00	$80.00	$800.00
1:1000	0.1%	$4.00	$40.00	$400.00

Big warning: leverage changes the margin, **not** the profit or loss. 0.10 lot moves $10 for every $1 move whether your leverage is 1:100 or 1:1000. High leverage only makes it easier to open a position that is too big.

Words you will see in MT5

Term	Meaning
Equity	Balance plus or minus the profit/loss of open trades, right now.
Free margin	Equity minus margin in use. Money still available for new trades or to absorb losses.
Margin level	Equity / Margin x 100%. Example: equity $1,000 and margin $40 gives 2,500%.
Margin call	A warning level. If the margin level falls to it, the broker warns you that losses are eating your margin.
Stop out	A lower level where the broker starts closing your trades automatically, biggest loss first.

Margin call and stop-out levels differ by broker and account (for example, Valetax lists 60% and 30%). Leverage rules can also change near big news. A good habit: keep your margin level far above these levels by trading small.

DO THE MATHS

Profit and loss maths: worked examples

Formula (standard account): Profit/Loss = (Close price - Open price) x lots x 100 for a buy. For a sell it is (Open price - Close price) x lots x 100. These are example numbers for practice, not trade ideas.

Example	0.01 lot	0.10 lot	1.00 lot
A. Buy at 4,000.00, close at 4,010.00 (price +$10)	$10.00	$100.00	$1,000.00
B. Buy at 4,000.00, close at 3,995.00 (price -$5)	-$5.00	-$50.00	-$500.00
C. Sell at 4,000.00, close at 3,990.00 (price -$10)	$10.00	$100.00	$1,000.00

Step by step for example B at 0.10 lot: price change = 3,995.00 - 4,000.00 = -5.00. Ounces = 0.10 x 100 = 10. Result = -5.00 x 10 = **-$50.00**. The spread cost (next page) comes on top.



Same move, three lot sizes. The money result grows 10 times with each step up in size, for losses as much as for profits.

Same move, different story: a $10 move is a small $10 result on 0.01 lot, but $1,000 on 1.00 lot. On a $1,000 account, that 1.00 lot loss would wipe out the whole account. Size decides everything.

WHAT A TRADE COSTS

Costs: spread and swap

Spread

The **spread** is the gap between the Ask (buy) price and the Bid (sell) price. You pay it every time you open a trade, so a new trade starts slightly negative. The spread on gold can widen a lot around news and during quiet hours.



Spread example: 30 points ($0.30)	0.01 lot	0.10 lot	1.00 lot
Cost to open and close one trade	$0.30	$3.00	$30.00

Some accounts also charge a **commission** per lot. Check your account type.

Swap (overnight fee)

If a trade stays open past the broker's daily rollover (about 3:30 AM IST in winter), a **swap** may be added to or taken from it. On gold, holding a buy overnight usually costs money. Many brokers charge three days of swap on one night in the week (often Wednesday) to cover the weekend. Some account types show no swap at all. Look at 'Swap long' and 'Swap short' in the Specification window.

Cost habit: before every demo trade, note the spread at that moment. Your stop-loss and target should be large compared with the spread, otherwise costs eat most of the result.

ACCOUNT TYPES

Cent account vs standard account

A **cent account** shows your balance and results in **US cents (USC)** instead of dollars. 100 USC = $1. So a balance of 10,000 USC is really **$100**. Cent accounts let beginners use very small real sizes, which is why many brokers offer them for learning.

	Standard account	Cent account
Balance shown in	US dollars	US cents (100 USC = $1)
1.00 lot of gold	100 oz	1 oz (example: Valetax XAUUSD.vxc, contract size 1)
0.01 lot of gold	1 oz	0.01 oz
$1 price move on 0.01 lot	$1.00	1 USC = $0.01
$1 price move on 1.00 lot	$100.00	100 USC = $1.00
$10 move on 0.10 lot	$100.00	100 USC = $1.00

The cent trap

On a cent account the numbers look 100 times bigger than the real money. A 'loss of 2,500' is 2,500 cents, which is $25. Always divide by 100 to see real dollars, and size your trades from your **real** balance. Some brokers define cent lots differently, so check the contract size of your own symbol.

Best order for a beginner: learn on a **demo account** first. A demo can be standard or cent type; the maths on these pages works the same on both. Use the demo to practise lot sizing until it becomes automatic.

How to tell which type you are on

- The account type is shown in your broker's account area and in the demo details you receive.
- Cent gold symbols often have a short ending, for example XAUUSD.vxc on Valetax. Check Specification for 'Contract size'.
- Careful: on both types, 0.01 lot shows about 1.00 profit/loss for a $1 gold move. On a cent account that 1.00 means 1 US cent; on a standard account it means $1. The balance currency (USC or USD) is the real clue.

PROTECT THE ACCOUNT

Risk per trade

Risk per trade is how much of your account you could lose if the stop-loss is hit. Many educators suggest keeping it small, often **1% of the balance**, so that a run of losing trades does not do serious damage.

Lot size = Money at risk / (Stop distance in $ x 100) on a standard account

1. **Money at risk:** balance $1,000 x 1% = **$10**.
2. **Stop distance:** you plan a stop-loss $5.00 away from the entry (500 points).
3. **Lot size:** $10 / ($5 x 100) = $10 / $500 = **0.02 lot**.
4. **Check:** 0.02 lot = 2 oz. A $5 move x 2 oz = $10. That matches the plan.

Quick table: lot size for 1% risk (standard account)

Balance (1% risk)	Stop $3 away	Stop $5 away	Stop $10 away
$500 ($5)	0.01 lot	0.01 lot	below 0.01
$1,000 ($10)	0.03 lot	0.02 lot	0.01 lot
$5,000 ($50)	0.16 lot	0.10 lot	0.05 lot

Lot sizes are rounded **down** to the nearest 0.01, so the real risk is never above plan. 'Below 0.01' means even the smallest lot risks more than 1%; use a cent-type account on demo or skip that setup.

- Always decide the stop-loss **before** the lot size, never the other way round.
- Keep total loss for one day small too: many educators suggest stopping after 2% to 3% of the balance.
- Our free guide **Risk Management & Lot Sizing** on the Gold Shelf goes deeper.

Why small risk matters: after 10 losing trades in a row, an account risking 1% each time still has **90.4%** of its balance left. Risking 5% each time leaves only **59.9%**, and 10% each time leaves **34.9%**.

KEEP IT NEXT TO YOUR SCREEN

Quick reference and sources

Idea	Standard account rule
1.00 lot	100 troy oz (3,110.35 g). 0.01 lot = 1 oz.
Points	1 point = $0.01. 100 points = $1.00 move.
Profit/loss	Price move in $ x lots x 100. 0.01 lot = $1 per $1 move.
Notional	Price x ounces. 0.01 lot at $4,000 = $4,000.
Margin	Notional / leverage. 0.01 lot at 1:100 = $40.
Leverage	Changes margin only, not profit/loss per $1 move.
Cent account	Shown in cents. 100 USC = $1. 1.00 cent lot = 1 oz.
Costs	Spread on every trade; swap if held past rollover; commission on some accounts.
Lot size for a risk	Money at risk / (stop in $ x 100), rounded down.
Broker day (IST)	Starts about 3:30 AM in winter, 2:30 AM in summer.

Sources (facts checked November 2026)

- *Troy ounce = 31.1034768 g: NIST Handbook 44, Appendix C, nist.gov; LBMA, The Troy Ounce, lbma.org.uk*
- *Gold contract sizes (Standard XAUUSD.vx = 100, Cent XAUUSD.vxc = 1), margin call/stop out 60%/30%: Valetax, valetax.com/trading-instruments/metals and valetax.com/account-types/cent*
- *Session hours (local office hours of Sydney, Tokyo, London, New York): babypips.com/learn/forex/forex-trading-sessions; converted to IST with time-zone rules*
- *Demo accounts and Specification window: MetaTrader 5 Help, metatrader5.com*

Broker conditions change. Treat the broker figures above as examples and always read the Specification of your own symbol.

Next steps

1. Watch the Gold Vault Level 1 lessons

Our Gold Vault video lessons walk you through lots, margin, risk and chart reading, step by step, with gold examples.

2. Test ideas in the Money Door AI Lab

Describe an idea in simple words and see how it would have behaved on past gold charts, with lot sizing built in. Learning tool only.

3. Practise the maths on a demo account

Open a free demo at www.moneydoorfxacademy.com/open-account/ and check every example in this guide on your own screen.

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This guide is for education only. It is not investment advice and is not a recommendation to buy or sell anything. Trading gold carries risk, and leverage can make losses large and fast. Learn and practise on a demo account. All charts and numbers are illustrations.

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