DYNAMIC LEVERAGE

What is Dynamic Leverage?

Dynamic leverage is a risk management mechanism to protect your trading account. It automatically adjusts leverage as your position size increases or decreases. This way, your trading strategy remains responsive to market fluctuations.

How Dynamic Leverage Works

When your position is smaller compared to your account size, leverage may increase, allowing you to use your available margin effectively. In contrast, for larger positions that pose higher risks, leverage decreases, reducing your overall exposure.

Why Dynamic Leverage is Important

Dynamic leverage helps maintain a healthy risk profile as it prevents significant losses due to excessively large positions. It promotes responsible trading, ensures that your account remains protected during increased market volatility or large position size changes.

Margin requirements

Effective risk management relies on understanding margin requirements. These requirements ensure you maintain a specific amount of funds in your account, known as **necessary margin** or **good faith deposit**.

Calculate and understand your required margin before trading to manage risk better. This proactive approach helps avoid unexpected margin calls that could lead to the forced closure of your positions because you don't have enough funds in your account.

The margin requirements on demo accounts match those of live trading accounts. This allows you to practice and refine your trading strategies in a risk-free environment.

Dynamic Leverage for Selected Forex Pairs*, XAUUSD, XAUEUR, and Cryptocurrencies

Dynamic Leverage is available for selected Forex pairs, XAUUSD, XAUEUR, and Cryptocurrencies BTCUSD and ETHUSD.

Selected Forex Pairs, XAUUSD and XAUEUR: Dynamic leverage can reach up to 1:1000. This means you can control a larger position with less capital. It adjusts based on the size of your position, helping you manage risk better.

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Cryptocurrencies (BTCUSD, ETHUSD): Depending on the instrument, dynamic leverage is available up to 1:200. It offers significant market exposure while controlling risks amid crypto volatility. Check the table below for more information.

Ratio Calculation

The tables below demonstrate how dynamic leverage adapts to different lot size ranges for selected Forex pairs, XAUUSD, XAUEUR, and Cryptocurrencies BTCUSD, ETHUSD, along with corresponding margin requirements and maximum leverage levels. These ratios help you make informed decisions about your position sizes and effectively manage your risk exposure.

Selected Forex Pairs* & XAUUSD, XAUEUR			
Lot Size Selected Forex Pairs	**Lot Size XAUUSD & XAUEUR**	**Margin Requirement**	**Maximum Leverage**
0 – 2	0 – 1	0.1%	1000
2.01 – 200	1.01 – 100	0.2%	500
200.01 – 400	100.1 – 200	1.0%	100
400.01+	200.01+	3.3%	30

Cryptocurrencies (BTCUSD, ETHUSD)			
Lot Size BTCUSD	**Lot Size ETHUSD**	**Margin Requirement**	**Maximum Leverage**
0 – 4	0 – 70	0.5%	200
4.01 – 190	70.01 – 3500	1.0%	100
190.01 – 285	3500.01 – 5000	2.0%	50
285.01+	5000.01+	20.0%	5

Note: Depending on market conditions, ratios may be adjusted.

Margin Requirements Calculation for Selected Forex Pairs with Dynamic Leverage Change

Let's assume you open **Position #1:**

Buy **1 lot EURUSD** at **1.1122** (USD Denominated Account)
- The notional value of **1 lot** is 100,000 units/lot * 1.1122 = **$111,220 USD**.
- Since the lot size of 1 falls within the 0 – 2 range, **leverage** of **1:1000** is offered.
- The **required margin** is $111,220 USD/1000*1 lot = **$111.22 USD**.

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Then, you open **Position #2:**

Buy **20 lots GBPUSD** at **1.2822**

- The notional value of 1 lot is 100,000 units/lot * 1.2822 = **$128,220 USD**.
- The combined lot size is **1 lot** from **Position #1** and **20 lots** from **Position #2**, for a total of **21**.
- For the **first 2 lots** (1 lot from Position #1 and 1 lot from Position #2), leverage is **1:1000**, as it falls within the 0 – 2 range.
- For the remaining **19 lots** from Position #2, leverage is **1:500** since they fall within the 2.01 – 200 range.
- The **required margin** is ($111,220 USD/1000*1 lot) + ($128,220 USD/1000*1 lot) + ($128,220/500*19 lots) = **$5,111.8 USD**.

Selected Forex Pairs include:

AUDCAD, AUDCHF, AUDJPY, AUDNZD, AUDUSD
CADCHF, CADJPY, CHFJPY
EURAUD, EURCAD, EURCHF, EURGBP, EURJPY, EURNZD, EURSGD, EURUSD
GBPAUD, GBPCAD, GBPCHF, GBPJPY, GBPNZD, GBPUSD
NZDCAD, NZDCHF, NZDJPY, NZDSGD, NZDUSD
USDCAD, USDCHF, USDJPY, USDSGD