



FLUX MARKETS

95 Cromwell Road, Second Floor, London, SW7 4DL, United Kingdom

<https://markets.flux.live>

Leverage and Margin Overview

What is leverage?

Leverage allows you to increase market exposure without providing the full capital upfront. It's expressed as a ratio and is available for both spread betting and CFD accounts. While leverage can amplify returns, it also heightens the risk of greater losses compared to non-leveraged trading. For example:

- Buying 10 oil contracts at \$100 each:
 - Without leverage: You need \$1,000.
 - With 10:1 leverage: You only need \$100.

What is margin?

Margin is the amount required to open a leveraged trade, calculated as a percentage of the trade's value. Margin requirements fluctuate based on market conditions, account type, and position size. Leverage and margin are inversely related: as leverage increases, margin requirements decrease. For example, at 10:1 leverage, the margin required is 10% of the total trade value.

What is a margin call?

A margin call occurs when your account equity (deposits plus or minus any profits or losses) falls below the required margin. This status can be monitored through the MetaTrader 5 portal. In such cases, your positions may be automatically closed to meet margin requirements. To prevent this, you can either add funds or close positions. For support, please contact our client management team at 0203 097 5000 or trading@flux.live.

Position Closure

- **Standard accounts:** Positions are automatically closed if equity falls below 50% of the margin requirement.
- **Professional accounts:** Positions may be closed under several conditions, such as equity dropping below 50%, during volatile periods, or before the weekend.

Margin requirements can change, and professional clients must ensure sufficient funds to meet the margin of open positions.

Notification Process

We aim to notify you before closing positions:

- A notification email will be sent when your margin requirement drops below 100%*
- A second notification email will follow when your margin requirement drops below 75%.
- Automatic position closure will begin once the margin drops below 50%.

Further Information

For further information, please refer to our website, specifically the page on "Margin, Margin Calls & Leverage." For specific information on a product by product basis, please refer to the relevant "Contract Explainer" page on our website.



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***NB:** Repeated notifications won't be sent if equity falls below 100% multiple times during the same margin call. Due to market fluctuations, we may not always notify you before positions are closed, especially during rapid declines in equity.

CFDs and spread bets are complex instruments and come with a high risk of losing money rapidly due to leverage. The vast majority of retail client accounts lose money when trading in CFDs and spread bets. You should consider whether you understand how CFDs and spread bets work and whether you can afford to take the high risk of losing your money.