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Forex and CFD Risk Disclosure

Warning

Trading in foreign exchange (Forex) instruments and contracts for difference (CFDs) is highly speculative and involves significant risk, particularly due to the leverage involved. Statistics indicate that a majority of retail investors face losses when trading Forex and CFDs. Losses can be unlimited in nature, so caution is advised.

Intended Investor

Forex and CFD trading may not be suitable for everyone. These instruments are generally intended for investors who can absorb potential losses beyond their margin and who fully understand the risks and mechanics of leveraged trading.

Order Execution (No Best Execution)

The Company acts as your sole counterparty for all Forex and CFD transactions. It is important to note that the Company is not obligated to seek the best possible outcome when executing your orders. These transactions are not conducted through an exchange, multilateral trading facility, or similar organization. The Company operates in its own interest and is not responsible for protecting you from potential losses

Stop Loss Orders

Although the Company may offer stop loss orders, they may be executed at prices that differ significantly from your intended price. Additionally, open orders may not be canceled outside business hours or beyond the operating hours of the platforms.

Leverage

While leveraged trading in Forex and CFDs can lead to potential gains, it also carries the risk of significant losses. The leverage effect amplifies both profits and losses based on market fluctuations. Even a small adverse movement in the market can result in considerable losses, and in some cases, your losses could exceed your initial investment.

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For example, if you open a position in EUR/USD with a leverage of 10:1, requiring an initial margin of EUR 10,000, a 1% drop in the value of the EUR against the USD could result in a EUR 1,000 loss (10% of your invested amount). If market conditions change dramatically, you may lose all of your margin deposit and may be required to deposit additional funds to cover your losses.

Volatility of the Markets

Forex and CFD markets are characterized by extreme volatility. Price movements can be unpredictable, and there may be periods of low liquidity or complete illiquidity. Lower liquidity can lead to rapid price fluctuations, wider spreads, and higher rejection rates. Open positions may be automatically liquidated without prior notice due to rapid changes in prices.

Additionally, markets may experience significant price differences when they open after weekends or outside normal business hours. As orders cannot be executed during non-business hours, you may face considerable losses if markets open at prices significantly different from where they closed.

Illiquidity and Potential for Unlimited Losses with FX Options

FX options are generally suitable for investors with advanced knowledge and experience in derivative financial products. These options are not easily transferable or sold. If you attempt to exit an FX option position early, you may face significant losses.

Moreover, if you are selling an FX option (such as a Call), your potential losses are unlimited. You may experience losses or gains at any point before the option's maturity, and these risks should be carefully considered before trading in FX options