Margin Information

Savexa

Trade Tide Ltd (hereinafter referred to as the "**Company**"), is incorporated and registered in Comoros Union, with registration No. HT00324038. The Company's registered address is located at Bonovo Road, Fomboni, Island of Moheli, Comoros Union. The Company is authorized and regulated by the Mwali International Services Authority as an International Brokerage and Clearing House with license number BFX2024065.

Margin is the amount of equity required to initiate and sustain a position, and it is determined by the leverage used.

Formula:	**Margin = (Contract size*Lot Size*Open Price) / Leverage**

If you want to purchase one lot (fixed at 100,000) of EUR/USD and your trading account has a leverage ratio of 1:100, you can use leverage to pay 1/100 of the invested amount, which will be the margin utilized for this one position.

1 Lot EUR/USD = 100,000 EUR against USD
If the EUR/USD opening price is 1.12, Margin = (100,000*1*1.12)/100 = 1,120 USD

The free margin appears at the bottom of the platform and represents the difference between the trading account's equity and the open positions margin.

Formula:	**Free margin = Equity – Margin**

A percentage value based on the amount of usable margin and equity. If the margin level is less than 100% Trade Tide may freeze opening new orders. If the margin level is lower than the margin call level (at 100% of the margin level) the trader is advised to deposit more funds.

In the case that the margin level drops below the stop out level, Trade Tide may automatically close the most losing open positions and stop additional trading.

Formula:	**Margin Level = (Equity/Margin) * 100**

When the trader's equity as a percentage drops below the required margin, a margin call takes place.

It should be mentioned that Trade Tide is under no duty to offer any trader a margin call. However, it is recommended that traders keep their margin level above 100%.

The stop-out level is at 20%, while the margin call is at 100%. The system will begin automatically and without warning you to close your positions, prioritizing your losing positions, when the Stop Out level is reached.

Account Type	Margin Call Level	Stop Out Level
Basic	100%	**20%**
Gold	100%	**20%**
Platinum	100%	**20%**
VIP	**100%**	**20%**

Example 1

Client deposits 10,000 USD and sets the maximum leverage to 1:400.

Hence, the trader could open positions of up to (10,000 * 400) 4,000,000 USD which is equal to 40 Lots.

Then opens a BUY position of 20 LOT EUR/USD at 1.12.

Volume of the particular position will be (2,000,000 EUR * 1.12) = **2,240,000 USD**.

Margin will be (2,240,000/400) = **5,600 USD**.

Free Margin will be (10,000 – 5,600) = **4,400 USD**

Margin Level will be [(10,000/5,600)*100] = **178.57 %**

Profit-making Scenario:

If the EUR/USD rate rises to 1.135, the trader will make a gain of [(2,000,000 EUR * 1.135) - 2,240,000 USD] =30,000 USD.

Free Margin will rise to (40,000 – 5,600) =34,400 assuming the position was not closed yet.

Margin level will rise to [(40,000/5,600) *100] =714.28%

Loss Making Scenario:

If the EUR/USD rate falls to 1.11625, the trader will make a loss of [2,240,000 USD – (2,000,000 EUR * 1.11625)] =- 7,500 USD.

Free Margin will fall to (2,500 – 5,600) = -3100 assuming the position was not closed yet.

Margin level will fall to [(2500/5,600) *100] = 44.64%

Since the margin level is below 100%, traders could not open new positions

If the EUR/USD continues to fall and reach 1.1155, the trader will have a loss of [2,240,000 USD – (2,000,000 EUR * 1.115)] = - 9,500 USD.

Margin Level will fall to [500/5,600 * 100] = 8.92%.

Since the Margin Level is now below the stop-out level of 20% the trade will automatically be closed by the system.

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Example 2

A client deposits 10,000 USD and sets the maximum leverage to 1:100. The trader may open positions of up to (10,000 * 100) 1,000,000 USD which is equal to 10 Lots.

Based on the above formula, margin is calculated in Quote CCY for Forex Pairs. Assume stop out is at **20%.**

The client opens a BUY position of 5 LOT EUR/USD at 1.12.

The **volume** of the particular position will be (500,000 EUR * 1.12) = **560,000 USD**.

The **margin** will be (560,000/100) = **5,600 USD**.

Free Margin will be (10,000 – 5,600) = **4,400 USD**

Margin Level will be [(10,000/5600) *100] = **178.57%**

Profit-making Scenario:

If the EUR/USD rate rises to 1.135, the trader will make a gain of [(500,000 EUR * 1.135) - 560,000 USD] = 7,500 USD.

Free Margin will rise to (17,500 – 5,600) = 11,900 assuming the position was not closed yet.

Margin level will rise to [(17,500/5600)*100] = 312.5%

Loss Making Scenario:

If the EUR/USD rate falls to 1.105, the trader will make a loss of [560,000 USD – (500,000 EUR * 1.105)] = -7,500 USD.

Free Margin will fall to (2,500 – 5,600) = -3100 assuming the position has not been closed yet.

Margin level will fall to [(2500/5600)*100] = 44.6%

Since the margin level is below 100%, traders could not open new positions.

If the EUR/USD continues to fall and reaches 1.101, the trader will make a loss of [560,000 USD – (500,000 EUR * 1.101)] = - 9500 USD.

Margin Level will fall to [500/5600 * 100] = 8.9%.

Since the Margin Level is now below the stop-out level of 20%, trade will automatically be closed by the system.

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