

CG Invest Dynamic Leverage and Margin Policy

What is Dynamic Leverage?

Dynamic Leverage is a flexible risk management tool that adjusts the leverage offered to traders based on the size of the trades. It automatically adapts to the number of lots in the open positions on trading accounts, offering a balance between amplifying gains and managing risk.

Supercharge your trades: Leverage up to **1:1000**

High leverage magnifies your trading capacity, transforming modest investments into substantial market Opportunities:

Asset Class	Maximum Leverage
FX Majors	1:1000
FX Minors	1:400
Gold	1:500
Silver	1:500
US Indices	1:400
Non-US Indices	1:100
Crude Oil	1:400
Minor Indices	1:100
Platinum & Palladium	1:100
Shares	1:20

(Note: Equities (Shares) will be excluded from this leverage rule.)

How Does it Work?

Our Dynamic Leverage system calculates margin requirements based on the net lot volume per trading instrument. For clients with open positions across multiple assets, leverage is assessed separately for each asset. Additionally, partially hedged positions on specific assets will have leverage determined by the net number of lots, ensuring precise risk management tailored to your exposure.

The following formula is used to determine the required margin for a trade:

$$\text{Margin} = (\text{Number of Lots} \times \text{Contract Size} \times \text{Price}) / \text{Leverage}$$

Key Terms:

Number of Lots	Trade size (Position size)
Contract Size	The standard Number of Units per lot.
Net Volume	Net number of lots after hedging
Price	The entry price at which the position was opened
Asset	Tradable financial instrument (e.g., EURUSD, XAUUSD)

Dynamic Leverage Tiers:

Forex Majors		
Lots	Margin	Leverage
0-1	0.1%	1:1000
1-5	0.2%	1:500
5-50	0.25%	1:400
50-100	0.5%	1:200
100-200	1%	1:100
200-300	2%	1:50
300-500	5%	1:20
500+	10%	1:10

Forex Minors		
Lots	Margin	Leverage
0-5	0.25%	1:400
5-50	0.33%	1:300
50-100	0.50%	1:200
100-200	1%	1:100
200-300	2%	1:50
300-500	5%	1:20
500+	10%	1:10

Metals (Gold & Silver)		
Lots	Margin	Leverage
0-1	0.20%	1:500
1-5	0.25%	1:400
5-20	0.50%	1:200
20-50	1%	1:100
50-200	2%	1:50
200-400	5%	1:20
400+	10%	1:10

Metals (Platinum & Palladium)		
Lots	Margin	Leverage
0-1	1%	1:100
1-10	2%	1:50
10-20	4%	1:25
20+	10%	1:10

US Major Indices (US30, USTECH, S&P 500)		
Lots	Margin	Leverage
0-1	0.25%	1:400
1-20	0.40%	1:200
20-50	1%	1:100
50-100	1.33%	1:75
100+	2%	1:50

Other Indices (JPN225, GER40, UK100, FRA40, AUS200, SPA35, EU50, US2000)		
Lots	Margin	Leverage
0-5	1%	1:100
5-20	1.33%	1:75
20-50	2%	1:50
50+	4%	1:25

Energies (Brent & US Crude Oil)		
Lots	Margin	Leverage
0-2	0.25%	1:400
2-15	0.50%	1:200
15-30	1.00%	1:100
30-50	2.00%	1:50
50+	3.33%	1:30

Energies (Natural Gas)		
Lots	Margin	Leverage
0-10	4%	1:25
10-50	20%	1:5
50+	50%	1:2

Practical Examples:

Example 1

Assume leverage 1:1000, and you trade 1 Lot EUR/USD

Number of lots = 1

Leverage = 1:1000

Required Margin = 0.1%

Market price for EUR/USD = 1.1379

Formula:

Required Margin = (Number of Lots x Contract Size x Market Price) / Leverage.

$(1 \times 100,000 \times 1.1379) / 1000 = \text{USD } 113.79$

Example (2)

Assume a trading account with 30 lots of Gold at the price of 3500.00 (BUY or SELL)

Lots	Margin Requirements %	Margin Calculation	Required Margin (USD)
1	0.20%	1(Lot) x 100 oz x3500 (price) /500 (leverage)	700.00
4	0.25%	4(Lot) x 100 oz x3500 (price) /400 (leverage)	3500.00
15	0.50%	15(Lot) x 100 oz x3500 (price) /200 (leverage)	26,250.00
10	1%	10(Lot) x 100 oz x3500 (price) /100(leverage)	35,000.00

In this case, if an account has the net open position of 30 lots, the total used margin will be **\$65450**.

Equity Based Reductions:

At its discretion, and in addition to the abovementioned dynamic leverage rules, CG Invest may implement equity-based reductions **at any time the company deems a period to be high risk to its operations**, including but not limited to volatile markets, high margin requirement (HMR) periods, and low-liquidity periods. The following equity-based leverage tiers may apply:

1. **\$5 – \$35,000:** Regular dynamic leverage rules apply
2. **\$35,001 – \$70,000:** Maximum leverage 1:200
3. **\$70,001 and above:** Maximum leverage 1:100

Higher Margin Requirement Periods (HMR)

We implement risk management strategies to safeguard positions from potential high volatility during significant events and specific timeframes that influence overall market volatility.

During these periods, referred to as Higher Margin Requirements (HMR) periods, elevated margin amounts are required to initiate new orders.

HMR periods include the **15 minutes before** major news announcements until **10 minutes after**, as well as the **two hours before market closing** on Fridays and the **one hour following market reopen** on Mondays.

Additionally, the maximum leverage available for new orders placed during HMR periods is automatically limited to 1:200. All existing orders will be automatically adjusted to the leverage of 1:200. The client takes full responsibility in ensuring sufficient funds are available in their trading account to cover the required margin.

CG Invest also runs a **margin checker two hours before market closing** on Fridays and **one hour following market reopen** on Mondays. The margin checker works on accounts with equity greater than \$15,000. All hedged positions in such accounts will be charged a hedged margin of 1.5 (1.5 times the normal margin per lot) instead of 0.

Asset Class	Maximum Leverage
FX Majors	1:200
FX Minors	1:100
Gold	1:200
Silver	1:100
US Major Indices	1:100
Crude Oil	1:100
Non-US Indices	1:50
Platinum & Palladium	1:50
Natural Gas	1:5

Please be aware that closing an open hedged position during HMR periods may fail if there is inadequate free margin to meet the increased margin requirements, particularly concerning the latter half of a hedged order at the time of closure.

Key Characteristics:

1. Automated Risk Scaling:

Leverage decreases as position size increases, reducing exposure.

2. Net Exposure Calculation:

Net Lots (Longs vs. shorts) for hedged positions

3. Volatility Safeguard:

Automatically lowers leverage during high volatility to protect traders.

Benefits of Dynamic Leverage:**1. Balanced Risk Efficiency:**

Smaller traders amplify gains with higher leverage, while larger traders retain controlled risk.

2. Margin Efficiency:

Optimizes capital usage by aligning margin requirements with actual net exposure.

3. Disciplined Flexibility:

Allows strategic hedging without penalizing margin requirements for offsetting positions.

4. Volatility Protection:

Reduce liquidation risks during market turbulence by dynamically adjusting leverage.

CG Invest reserves the right to amend this policy at any time without prior notice.