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What is a Margin Call?

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□ What is a Margin Call?

A **Margin Call** occurs when your **account equity** falls below the required margin level needed to maintain open positions.

When this happens, you may be required to:

- Deposit additional funds, or
- Reduce or close open positions

If no action is taken, positions may be automatically closed to prevent further losses.

□ Why does a Margin Call happen?

A margin call is typically triggered when:

- The market moves against your open trades
 - Your **equity decreases** due to floating losses
 - Your **margin level** falls below the broker's required threshold
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□ Key Formula

$$\text{Margin Level} = (\text{Equity} \div \text{Used Margin}) \times 100\%$$

When the margin level drops to a certain percentage, a margin call may be triggered.

*If your **margin level falls below 20%**, your positions may begin to close automatically.*

□ *This content is provided for informational purposes only and does not constitute investment advice. Trading with leverage involves risk.*

