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What is Leverage?

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Leverage allows traders to control a larger trading position with a smaller amount of capital.

It amplifies both potential profits and potential losses.

□ How does Leverage work?

Leverage is expressed as a ratio, such as **1:100**.

Example:

- With **1:100 leverage**
- You only need **\$1,000 margin**
- To control a **\$100,000 position**

This means your trading power is increased 100 times your deposited margin.

□ Why is Leverage important?

Leverage allows traders to:

- Open larger positions
- Use capital more efficiently

However, it also increases risk.

□ Important Risk Warning

While leverage can magnify profits, it can also magnify losses. Small market movements may significantly impact your account.

Always use leverage responsibly.

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