

London Investment Markets – Education Hub



London Investment Markets

LIM is the exclusive, institutional-grade trading platform providing a definitive edge for CFD traders in Forex, Crypto, Equities, Indices, and Commodities.



London Investment Markets – News & Markets

LIM keeps you informed with the latest financial news, market analysis, and economic events that move global markets.

Explained: Margins

Margin trading is often called a "double-edged sword" because it allows you to control large amounts of currency with a small deposit. For a beginner, it is the key to entering the market, but without a plan, it is also the fastest way to lose your capital.

Here is a step-by-step guide to using margin safely as you start your trading journey.

The Mechanics: Margin vs. Leverage

Think of **Margin** as the "security deposit" you give your broker to open a trade. **Leverage** is the "multiplier" that deposit gives you.

- **Example:** If your broker offers **100:1 leverage**, you only need **\$1,000 (Margin)** to control **\$100,000 (Position Size)**.
- **The Math:**

$$\text{Margin Required} = \frac{\text{Trade Size}}{\text{Leverage Ratio}}$$

Know Your Vital Signs (The Dashboard)

When you open your trading platform, keep your eyes on these three numbers:

- **Used Margin:** The total money currently "locked up" to keep your active trades open.
- **Free Margin:** The "breathing room" in your account. This is the money available to open *new* trades or to absorb losses from current ones.
- **Margin Level (%):** This is the ultimate health indicator. It is calculated as

$$\left(\frac{\text{Equity}}{\text{Used Margin}} \right) \times 100.$$

- **Above 100%:** You are healthy.
- **Approaching 100%:** You are in the "Danger Zone."
- **Below 50%:** You will likely hit a **Margin Call** or **Stop Out** (where the broker automatically closes your losing trades).

The Beginner's Safety Protocol

Step 1: Start with a Demo Account

In 2026, most brokers offer unlimited demo environments. Spend at least two weeks trading with "paper money" to see how quickly margin evaporates during volatile news events.

Step 2: The "1% Rule"

Never risk more than **1% to 2%** of your total account equity on a single trade. If you have \$5,000, your maximum loss on any one trade should be \$50. Use your lot size to adjust for this, not your margin.

Step 3: Always Use a "Hard" Stop Loss

Since you are trading with borrowed money, a sudden market move against you can wipe out your account in seconds. A **Stop Loss** is a pre-programmed command that exits the trade automatically at a price you choose, protecting your remaining margin.

Step 4: Avoid "Over-Leveraging"

Just because your broker offers **500:1 leverage** doesn't mean you should use it. High leverage reduces your margin requirement, but it makes your **Margin Level** extremely sensitive. Most professionals recommend starting with **10:1** or **30:1**.

Margin Trading Cheat Sheet

Term	Meaning for You	Action
Margin Call	A warning that your funds are too low.	Close some trades or deposit more cash.
Stop Out	The broker "pulls the plug" on your trades.	Avoid at all costs. It liquidates your positions.
Equity	Your balance + your current floating profit/loss.	Your real-time account value.

***Past performance does not reflect future results. The above is for marketing and general informational purposes only and are only projections and should not be taken as investment research, investment advice or a personal recommendation.**



Why Choose LIM

Institutional-Grade Trading

Access the same trading tools and conditions previously available only to large financial institutions.



Regulation

London Investment markets Limited is registered in the Marshall islands, Registered Number: 134064. Senior management is comprised of UK qualified Head of Compliance as well as English qualified lawyers who manage the firm to the highest standards of regulatory compliance.



Client Money Protection

Client money is segregated into a dedicated client money account.



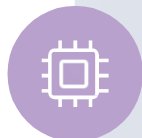
Corporate Governance

The firm is managed by a UK qualified Head of Compliance as well as English qualified lawyers. All procedures at LIM are drafted by market leading professionals.



Liquidity from Large Financial Institutions

Sophisticated technology allows us to provide wholesale interbank prices, historically available only to large financial institutions and corporations.



No Dealing Desk execution

All trades are executed by systems without human interventions.



Secure

Your data is protected by enterprise-grade encryption.