MARGIN & LEVERAGE RULES

Global Market Index LLC

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1. **SELECTION OF LEVERAGE FROM 1:1 UP TO 1:2000**. At GMI all clients have the flexibility to trade by using the same margin requirements and leverage from 1:1 to 1:2000.

2. **ABOUT MARGIN**. Margin is the amount of collateral to cover any credit risks arising during your trading operations. Margin is the percentage of position size, and the only real reason for having funds in your trading account is to ensure sufficient margin. On a 1% margin, for example, a position of $1,000,000 will require a deposit of $10,000. The margin in your trading account needs to be equal to or above 100% in order for you to be able to open new trades.

3. **ABOUT LEVERAGE**. Using leverage allows you to trade positions larger than the amount of money in your trading account. Leverage is expressed as a ratio, for instance, 1:100, 1:300, or 1:2000. Example: If you have $100 in your trading account and you trade ticket sizes of 50,000 EUR/USD, your leverage will equate 50:1. At GMI you are given a free short-term credit allowance whenever you trade on margin: this enables you to open a transaction with an amount that exceeds your account value. Without this, you are only able to trade based on the amounts you have in your trading account. GMI reserves the right to apply changes to and amend the leverage ratio (i.e. decrease the leverage ratio), on its sole discretion and without any notice on a case-by-case basis, and/or on all or any accounts of the client as deemed necessary by GMI.

4. **GMI LEVERAGE**. Depending on the account type you open at GMI, you can choose the leverage on a scale from 1:1 to 1:2000. Margin requirements do not change during the week, nor do they widen overnight or at weekends. Leverage may be reduced for new positions opened 5 minutes before and 1 minute after important news events. Leverage for these positions will then be adjusted to account leverage after the time period is over. Floating positions will not be disturbed. Moreover, at GMI you have the option to change by either increasing or decreasing your chosen leverage by requesting with our customer support officers by calling 1800 282260.

GMI Standard Account Leverage

Equity		Leverage	News (New positions)
From	Till		

$25	$10 000	1:2000	1:500
$10 001	$30 000	1:1000	1:500
$30 001	$50 000	1:500	1:500
$50 001	$75 000	1:400	1:400
$75 001	$100 000	1:300	1:300
$100 001	$200 000	1:200	1:200
$200 001	N/A	1:100	1:100

GMI Standard (Bonus) Account Leverage

Equity		Leverage	News (New positions)
From	Till		
$25	$1000	1:2000	1:500
$1001	$5000	1:1000	1:500
$5001	$20 000	1:500	1:500
$20 001	$40 000	1:400	1:400
$40 001	$70 000	1:300	1:300
$70 001	$100 000	1:200	1:200
$100 001	N/A	1:100	1:100

GMI Cent Account Leverage

Equity		Leverage	News (New positions)
From	Till		
$15	$1000	1:1000	1:500
$1001	$2000	1:500	1:500
$2001	N/A	1:100	1:100

GMI ECN Account Leverage

Equity		Leverage	News (New positions)
From	Till		
$100	$20000	1:500	1:500
$20 001	$40 000	1:400	1:400
$40 001	$70 000	1:300	1:300
$70 001	$100 000	1:200	1:200
$100 001	N/A	1:100	1:100

5. **LEVERAGE RISK**. On the one hand, by using leverage, even from a relatively small initial investment you can make considerable profit. On the other hand, your losses can also become drastic if you fail to apply proper risk management.

GMI provides a leverage range that helps you choose your preferred risk level. We do not recommend trading close to a leverage of 1:2000 due to the high risk it involves.

6. **MARGIN MONITORING**. With GMI you can control your real-time risk exposure easily by monitoring your used and free margin.
   Together, used and free margin comprise your equity. Used margin often refers to the minimum amount of money you need to deposit to hold the trade. Free margin is the amount of money you have left in your trading account, and it fluctuates according to your account equity. With free margin, you can open additional positions with it, or absorb any losses.

7. **MARGIN CALL**. GMI strictly follows a margin call policy to guarantee that your maximum possible risk does not exceed your account equity. Clients are still fully responsible for monitoring their trading account activity. As soon as your account equity drops below 60% of the margin needed to maintain your open positions, we will attempt to notify you with a margin call warning you that you do not have sufficient equity to support your open positions.

8. **STOP-OUT LEVEL**. The stop-out level refers to the equity level at which your open positions are automatically closed. Our stop-out position is at 30%.

   Maintaining the account balance and avoiding stop-out is the responsibility of clients only.