

Margin Trading is the implementation of trading operations with the loan, providing by broker. The process of trade is carried out in the absence of real money supply at a trader. This makes possible to carry out the transactions as a sale and purchase the financial instrument, regardless of the availability of currency for transactions at the trader. Trader can take the required amount he needs from the bank. A trader takes advantage of leverage. This greatly increases the amount by which it can make trades. Margin trading is arbitrage in currencies to lock in profits from exchange rate differences on various financial instruments.

To be able to take advantage of margin trading, a trader needs to deposit some funds to his trading account. This is a certain guarantee for its broker from potential losses. Margin size is the amount that client can not fully lose when trading in financial markets. An advantage of margin trading is the availability of opportunities to use leverage.

The level of margin varies constantly during the trading operations carried out by a trader during his work. The level of margin can not fall below the minimum. Otherwise it will not be able to trade because of the equivalence of the fact of his bankruptcy. In the margin trading trader carries out trading operations, which consist of two phases. These are opening and closing trading positions. The position is closed when the transaction is opened the opposite direction, otherwise the broker will consider the current position open.