Risk Warning

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Risk Warning

The Contracts offered by BlackBull Markets are speculative products that can be highly leveraged and carry significantly greater risk than non-leveraged investments. You should carefully read this section and then consider whether trading in leveraged Contracts is right for you given your personal circumstances (financial, taxation, and otherwise) before you begin trading with us. We encourage you to seek independent financial, legal, and other professional advice to assist in qualifying your decision.

The risk inherent in trading speculative leveraged products is that adverse price direction to a position is amplified to the degree of leverage employed. It is possible to lose more than the equity in your Account as a result and you will be liable to pay these additional amounts. It is reasonably foreseeable that, following a trade, you may receive, in total, less than the amount deposited by you to BlackBull Markets in your Account. Trading can result in losses that are greater than your Account balance.

Under certain conditions, it could become difficult or impossible for you to liquidate a position (this can, for example, happen when there is a significant change in prices over a short period). The inability to liquidate a position in no way eliminates your liability to BlackBull Markets.

The risk of loss in trading in leveraged instruments such as the products offered by BlackBull Markets can be substantial. You should be cautious of the amount of leverage you apply and carefully consider whether trading leveraged instruments is appropriate for you.

Some of the significant risks involved in the Contracts include the following:

1. The high degree of leverage that is obtainable in these types of Contracts, because of small margin requirements, can work both for and against you. The use of leverage can lead to large losses as well as large gains. You may be required to pay further amounts to cover fees.

2. You may lose more than the amount deposited with BlackBull Markets.

Derivative market volatility

Currencies, futures, contracts for difference and derivatives are speculative and highly volatile. Prices can fluctuate rapidly and may reflect unforeseeable events or changes in conditions. These can be difficult, if not impossible, to predict.

Combined with high leverage utilisation, the volatility can create a situation where a relatively small adverse market movement may result in a loss.

Sometimes markets move so fast that 'gapping' occurs. This is where markets move so quickly that sudden drops or increases occur. If this occurs in the underlying market, it also affects the price and may mean you are unable to close out a position or open a new position for the price at which you have placed the order.

The placing of pending orders (such as a stop-loss order) may not always limit your losses to the amounts desired. Conditions may prevent execution of such orders.

Your order at all times relies on BlackBull Markets to execute at related prices in the market. If BlackBull Markets is unable to do this, your executed price may be more or less than reflected in the market at that given moment. Such "slippage" is a source of risk.

The spread between the bid and ask of a quote fluctuates with the liquidity and volatility of the market. If you open a position and then close it before the market has moved favourably, you may still incur a loss to the extent of the spread and any fees and commissions payable.

Factors in the underlying market

As the price of the Contract is based upon the movement of underlying assets, factors affecting the relevant currencies will also affect your position.

The value of a Contract will be affected by market risk. Markets are affected by a range of factors, including economic, taxation and regulatory conditions, market sentiment, political events, interest rate movements, currency movements, environmental and technology issues. Emerging and developing markets are considered higher risk, and can be significantly more volatile.

Further any profits generated or initial funds sent as an ECN broker to the liquidity provider may potentially be at risk to the extent of an insolvency event (where the liquidity provider becomes insolvent and liquidates resulting in a withdrawal unable to happen or delayed) occurs in respect of any such counterparty or counterparties before the remittance of such amounts back to BlackBull and subject to any statutory claw-back period or associated litigation and/or judgments. This is the same if withdrawals are delayed due to issues at our LP's.

Kind Regards,

The BlackBull Markets team.