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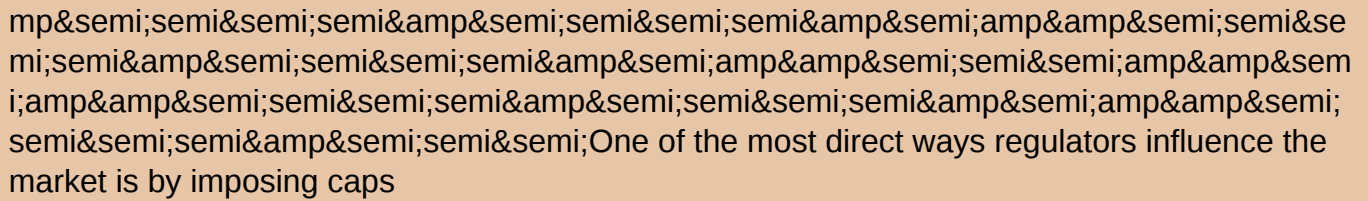
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[Short-Term Impact](#)



major regulatory body announces a significant reduction in available [leverage](#)

it can [trigger](#) a [short](#)-term period of high [class](#)

Volatility - A measure of how much and how quickly price moves over time; High volatility means large price swings; low volatility means stable prices; Volatility affects [position](#) sizing and risk; robots typically use volatility $\backslash$ Average True Range $\backslash$ to adjust [trade](#) size or widen stops; since more volatile markets require larger buffers; [class](#) [https://forexalgos.com/forex-robots-glossary/volatility/](#) [Read More](#) [https://forexalgos.com/forex-robots-glossary/volatility/](#)

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liquidating some of their open positions

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[Leverage](#) Limits - Regulatory caps on the maximum [leverage](#) that a retail client may use when trading forex; [Leverage](#) multiplies both profits and losses; so many regulators impose strict limits for protection; For example; ESMA limits [leverage](#) to strong data-start equals semi; 8709; data-end equals; 8717; quote semi; 30; colon; 1; lt semi; strong; gt semi; on major currency pairs; comma; ESMA limits [leverage](#) to strong data-start equals; 8743; quote semi; 8751; quote semi; gt semi; 20; colon; 1; lt semi; strong; gt semi; on non-major FX; comma; ESMA limits [leverage](#) to strong data-start equals; 8769; quote semi; 8777; quote semi; gt semi; 10; colon; 1; lt semi; strong; gt semi; on gold and indices; comma; and as low as; strong data-start equals; 8813; quote semi; 8820; quote semi; gt semi; 2; colon; 1; lt semi; strong; gt semi; on cryptocurrencies; period; These limits mean a retail trader cannot control more than 30 times their deposit on major FX; comma; reducing risk of catastrophic losses; period; Other regulators impose similar caps or even stricter ones; lpar; e; period; g; period; ASIC; retail [leverage](#) limits; rpar; period; lt semi; strong; gt semi; lt a; mp semi; p [class](#) [wp-content/uploads/2018/07/forex-algos-periodic-report-2018-2019.pdf](#)

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short-term speculation&;amp&;semi;amp&;amp&&s

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typically use volatility $\cdot$; Average True Range $\cdot$ to adjust [trade](#) size or widen stops; since more volatile markets require larger

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Read

More

Volatility

was the introduction of product intervention measures by the European Securities and Markets Authority

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mp; semi; semi&; semi; Negative [Balance](#) Protection - A safeguard that guarantees retail traders cannot lose more money than they have deposited&; a mp&; semi; amp&; amp&; semi; semi&; se mi; period&; amp&; semi; semi&; semi; In practice &; amp&; semi; amp&; amp&; semi&se mi; semi&; semi; lpar&; amp&; semi; semi&&semi ; semi; mandated by regulators like ESMA and NFA&; amp&; semi&s emi; amp&; amp&; semi; semi&; semi; rpar&&se mi; amp&; semi; semi&; semi; &; amp&; se mi; amp&; amp&; semi; semi&; semi; comma&a mp; amp&; semi; semi&; semi; if a client&; amp &; semi; amp&; amp&; semi; semi&; semi& semi; rsquo&; amp&; semi; amp&; amp&; semi&s emi; semi&; semi; semi&; amp&; semi; semi&&se mi; semi; s positions move against them&; amp&; semi; amp&a mp; amp&; semi; semi&; semi; comma&; amp& amp; semi; semi&; semi; the [broker](#) must close positions before the [account balance](#) goes negative&; amp&; semi; amp&; amp &; semi; semi&; semi; period&; amp&; semi ; semi&; semi; Thus the trader&; amp&; semi; amp&; amp&; semi; semi&; semi; rsquo&; amp&; semi; amp&; amp&; semi; semi&; se mi; semi&; amp&; semi; semi&; semi; s maximum loss is limited to

their [account equity](#)

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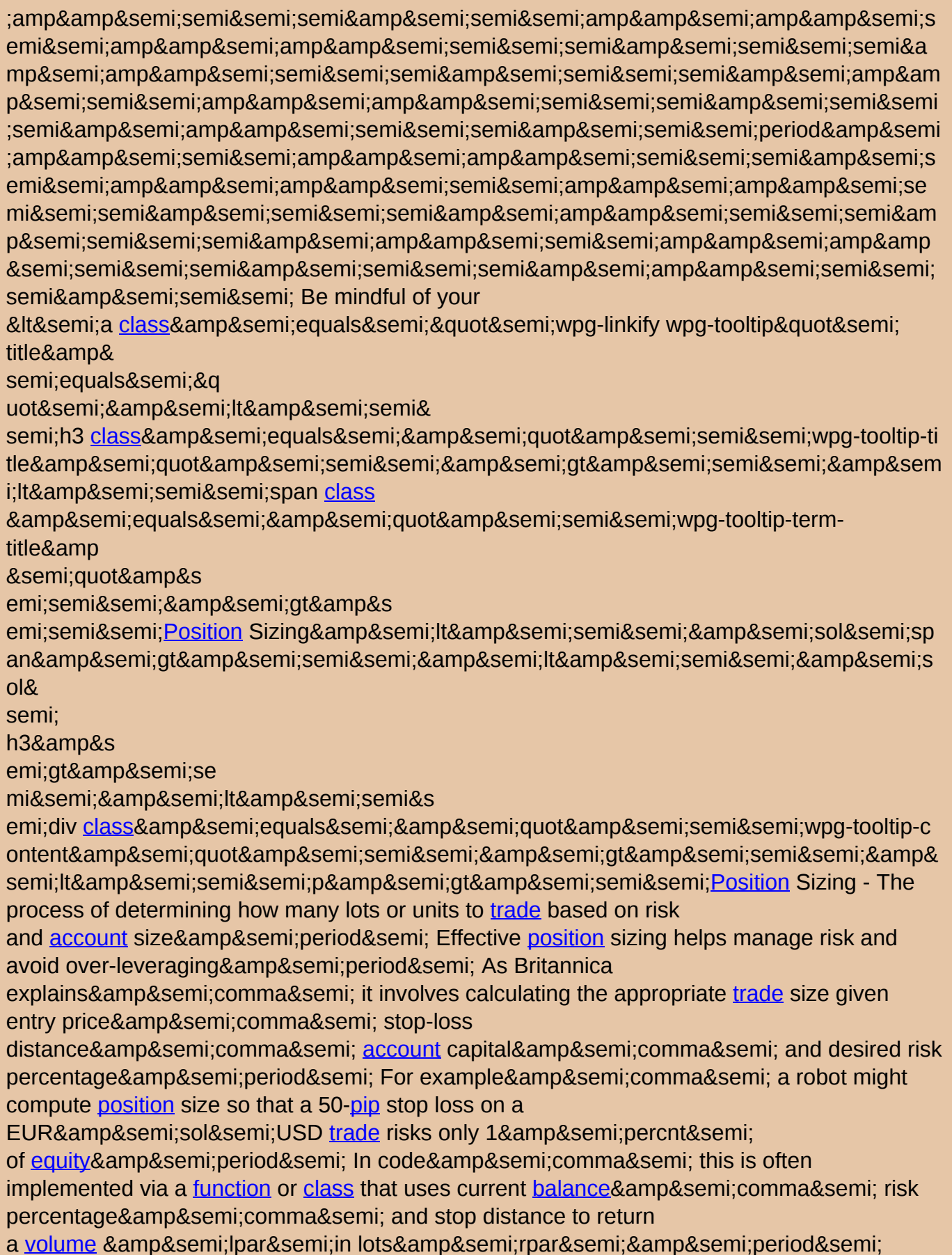
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Determine if your current trading strategy is viable under the new rules. High-frequency strategies that rely on very high [leverage](#) might need to be reconsidered or adjusted.

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Proper [position](#) sizing ensures that each [trade](#)'s potential loss fits the strategy's risk profile.

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[position](#) sizing and be prepared for potential increases in [class](#)

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[Volatility](#)

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[Volatility](#) - A measure of how much and how quickly price moves over time. High volatility means large price swings; low volatility means stable prices. Volatility affects [position](#) sizing and risk; robots typically use volatility (Average True Range) to adjust [trade](#) size or widen stops; since more volatile markets require larger buffers.

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Your Broker

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By understanding these dynamics, traders can better prepare for regulatory shifts and manage the associated risks.

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