



Risk Disclosure

High Risk Investment

Forex and CFDs trading with leverage is associated with a high degree of risk. You should carefully assess your financial goals, experience and willingness to take risks before you decide to trade on the financial markets.. The content of the website should not be interpreted as personal advice. Trading Forex and CFDs is highly speculative and involves substantial risk of partial or total loss of initial investment. You should only trade with money you can afford to lose, without affecting your well-being.

Extent of the Risk Disclosure

Clients must refrain from engaging in Forex and CFDs trading until they fully comprehend the associated risks. Please take note that the Risk Disclosure document cannot encompass every possible risk and consideration related to Forex and CFD trading, nor can it address how these risks apply to individual client situations. Clients are responsible for making well-informed decisions and may wish to consult with independent professional advisors prior to beginning their trading activities.

This disclosure is provided for informational purposes and should not be treated as marketing material or any form of client solicitation.

The Risk Disclosure document should be read in conjunction with the Client Agreement that is available on the Headway website.

Risks associated with transactions Forex and CFDs

Leverage

Forex and CFDs trading with leverage enables clients to access the underlying asset while committing only a fraction of the total value as margin. Although leverage can be advantageous, it carries dual implications. Even minor market fluctuations can amplify both gains and losses significantly, potentially resulting in substantial losses when positions move unfavorably. Prior to engaging in leveraged trading instruments, clients shall ensure that they only invest funds that they can afford to lose.

Market Risks

Forex and CFDs are susceptible to various market events, including governmental policy implementations, agricultural and commercial regulations, trade programs, domestic and international socioeconomic and political developments, natural catastrophes, and similar occurrences that can significantly impact the price or accessibility of the underlying asset. Depending on the underlying asset, clients face various forms of market risk, including interest rate fluctuations, commodity volatility, equity risks, currency exchange variations, among others.

Consequently, traders should thoroughly evaluate their investment goals, level of knowledge and experience as well as risk appetite prior to entering the financial markets.

Volatility Risk

Volatility risks can significantly impact a trading position, as higher volatility may lead to larger price swings, increasing both the potential profits and losses.

Liquidity Risks

Liquidity risk refers to the possibility that certain underlying assets may not be readily tradable or lack immediate market liquidity during a specific time frame, which could result in losses that are difficult to prevent or mitigate. In such cases, the bid-ask spread may become wider, making transactions more expensive.

Technical and Internet Trading Risks

Technical risk is an essential aspect of online trading, encompassing potential challenges arising from hardware and software failures, connection issues, electricity network failures, hacker attacks, connection overload, system malfunctions, and other technical factors that may impact order execution and overall trading performance. Traders should use reliable technology and antivirus software, and maintain a stable internet connection. Additionally, traders should implement effective risk management trading strategies and stay informed about platform updates while having contingency plans for technical failures. Traders should refrain from sharing login credentials and should use strong and unique passwords.

Trading platform

Clients acknowledge that only the quotes received from our server are valid. If there is a problem in the connection between the client terminal and our server, the client can retrieve undelivered quote data from the client terminal's quote database.

Slippage

Slippage occurs when the requested price shifts, meaning an order is executed at a price different from what was initially requested. It represents the discrepancy between the anticipated trade price and the actual execution price. While slippage can happen at any moment, it is most common during periods of elevated market volatility. Slippage is neither inherently negative nor positive, as any variance between the intended and actual execution price constitutes slippage. The relationship between the final execution price and the intended price can be classified as positive slippage, zero slippage, or negative slippage. Consequently, a market order may be filled at a price that is either less favorable or more favorable than originally anticipated.

Margin

Clients must maintain margin requirements on their open positions at all times. It is the clients' responsibility to monitor their account balance and ensure that sufficient funds are in place to cover their trading strategy and minimum margin requirements. Failure to do so, may lead to the liquidation of positions held in the client's trading account. Clients should not rely on last-minute deposits.

Rights to Underlying Assets

Forex and CFDs trading does not provide any rights to the underlying instruments that are being traded.

Risks associated with the laws of individual governments

Clients assume responsibility for trading and non-trading operations performed within countries where they are restricted or prohibited by law.

Communication Channels

Instances of fraudulent impersonation involving the Company's officers and representatives may occur. Clients must refrain from disclosing any personal information, trading account details, to individuals claiming to represent the Company unless they have verified that such individuals are communicating through the Company's official contact channels and domains.

In case of any questions in regards to the content of this document and the features of Headway products, you may contact our Customer Support at care@hw.site