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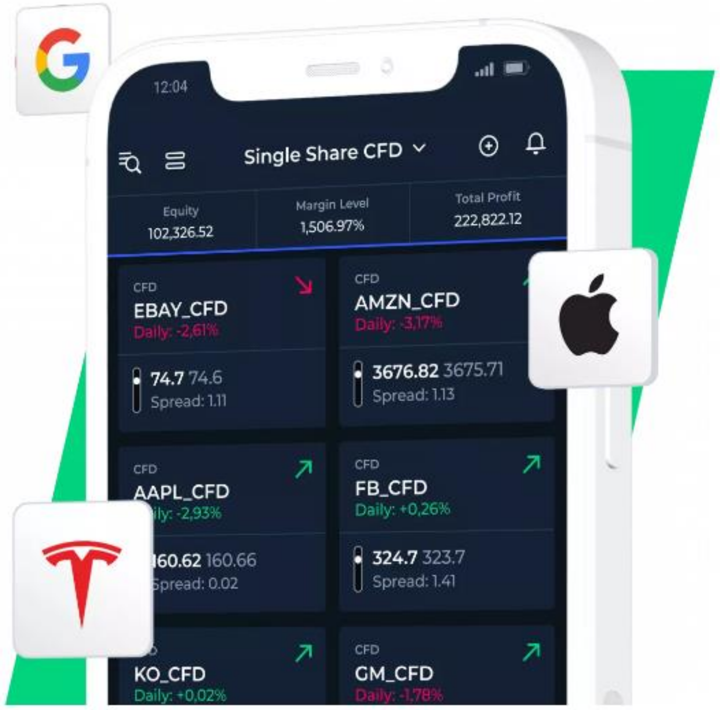
SMARTER TRADING

Brokerage account - OANDA

Basic information



Instruments available:

Over 4000 instruments to trade at your fingertips

70	1600+	18	40	2200+
Forex, Indices & Commodities CFDs	Shares CFDs	Cryptocurrencies CFDs	ETF CFDs	Shares

A total of more than **4,000 instruments** (around 1,700 CFDs and around 2,300 physical shares) - *as of November 2024*.
The current list of instruments is available at: https://www.oanda.com/eu-en/instruments-specification

Physical shares are offered in a separate account - TMS Stocks
More information available at: https://www.oanda.com/eu-en/oanda-account and https://www.oanda.com/eu-en/stocks

What is a CFD (Contract for Difference)?

A CFD (Contract for Difference) - is a financial instrument that allows you to speculate on the price movements of an asset without physically owning it.

Key features of CFDs:

1 Leverage
CFDs allow you to invest using leverage, which means that you can control a large position by paying a small proportion of its value as margin. Leverage increases potential profits, but also potential losses.

2. No physical ownership of the asset
When you invest in CFDs, you do not become an owner of the underlying asset, such as shares, commodities, indices or cryptocurrencies. You are merely speculating on the movement of their prices.

3. Profit on both upward and downward price movements
CFDs allow you to take positions:

1. Long (buy): profit if the price of the asset increases, loss if the price of the asset falls.
2. Short (sell): profit if the price of the asset falls. loss if the price of the asset increases.

4 Costs and fees

1. Spread: the difference between the buying and selling price.
2. Funding of overnight positions: if you hold a position for more than one day, you may incur funding charges (swap points) on some instruments.

More information on this can be found in the Table of Fees and Charges: https://www.oanda.com/eu-en/documents

How does leverage work?

Let us assume that an investor wants to make an investment in oil. The price of oil **(OILWTI)** is currently **$70 per barrel** and the investor wants to make a purchase of **100 barrels** (he is counting on a price increase). The leverage on oil is **1:10 i.e. a 10% margin is needed**.

$70 x 100 = **$7000 - nominal value of the position**
$7000 x 10% = **$700 - required margin required to open a position**

- If the price of a barrel of oil rises to $75 then the investor will gain $500 ($5 x 100)
- If the price of a barrel of oil falls to $65 then the investor will lose $500 ($5 x 100)

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Leverage:

The maximum available leverage for a retail client is 1:30. Depending on the instrument, this can vary. Below are examples:

- Major currency pairs such as EURUSD, GBPUSD etc. - 1:30
- Other currency pairs - 1:20 or less
- Main stock indices e.g. DE30, US500 etc. - 1:20
- Gold contract (GOLD) - 1:20
- Oil contract (OILWTI; OILBRENT) - 1:10
- Equity CFDs - max 1:5
- Cryptocurrency contracts - max 1:2

More information on the instruments can be found in the **CFDs Specification of Financial Instruments:** **https://www.oanda.com/eu-en/documents**

Stop Loss (SL) and Take Profit (TP) orders

Stop Loss and Take Profit orders are two key risk management tools that help traders automate the closing of positions in the market to minimise losses and hedge profits**.**

1. Stop loss order (SL)
This is a tool for limiting losses. It involves setting a price level at which a position will be automatically closed if the market moves in an unfavourable direction.

• **Goal:** Protection against excessive losses.
• **Example:** If you buy a stock at £100 and set a stop loss at £90, your position will be closed automatically when the price falls to £90, minimising your loss.

Pros:
•Protects capital in the event of sudden market movements.
•Automatic action, even when the investor does not follow the market in real time.

Disadvantages:
•Stop Losses may be implemented in the event of temporary market 'noise', even though the overall trend is favourable.

Stop Loss (SL) and Take Profit (TP) orders

Take profit order (TP)

This is a tool for realising a profit at a certain price level. Once this level is reached, the position will be automatically closed.

- **Purpose:** To safeguard the profit made.
- **Example:** If you buy a stock at £100 and set a take profit at £120, your position will be closed automatically when the price reaches £120, realising a profit.

Pros:

- It helps to avoid a situation where profits are lost due to a trend reversal.
- Automates the closing of positions, eliminating the need for manual monitoring.

Disadvantages:

- If the price exceeds the set TP level, further potential profits will not be realised.

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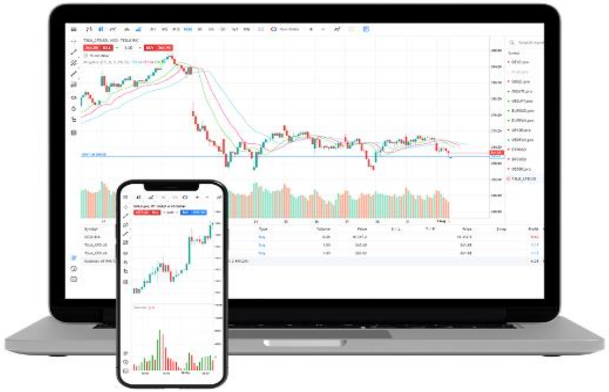
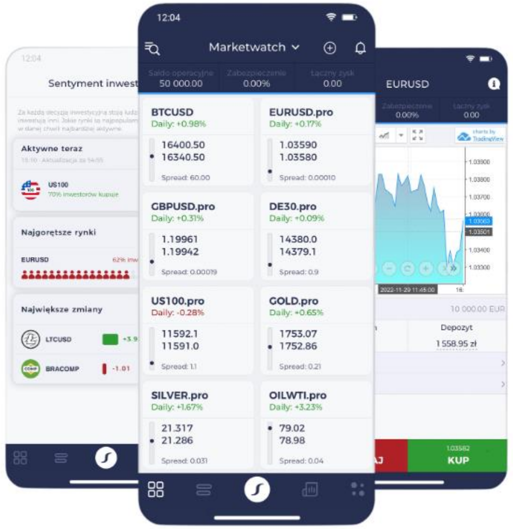
Which platforms can be traded on:

MT5:



https://www.oanda.com/eu-en/metatrader5

Mobile:



https://www.oanda.com/eu-en/mobile-app

Trading View:

https://www.oanda.com/eu-en/tradingview

For more information, please visit:

https://www.oanda.com/eu-en

For more on the risks involved in investing in the CFD-contracts market, please refer to the document 'Description of financial instruments and risks' on the website:

https://www.oanda.com/eu-en/documents

We remain available for questions:

Email: info.eu@oanda.com