Risk Disclaimer

JM Financial LLC gives access to numerous assets which include complex, marginally traded securities. Derivative products trading brings with it great risks, something that investors will easily be turned off by.
Before trading complex derivative products like CFDs and currencies, it would be wise to ponder on if you really understand how these functions are set up for trade moving forward.
Looking for financial counsel is also wise before you commence in trading these assets. You are obligated to guarantee that these instruments are up to par with risks held to a minimum. It could not be stressed any further that traders purchase only the assets that are well within his or her resources.

1- Leverage Trading

Simply, Margin Forex Contracts and CFDs fall under the category of leveraged products. What this tells us is that a depositor is required of initial "margin" before the placing of positions. The margin stands for a tiny deposit of the actual value of the asset. The minimum margin requirement to open a position is actually reliant on the value of the underlying asset.
Leverage allows a trader to obtain a higher exposure to the financial markets while only placing a comparatively small amount of their capital. This successfully increases the scope for profits but also maximizes losses. While leverage can work in favor of the trader, it can also work against him. Limited market movements could result in an increase in the value of an asset. A considerable risk of losing money more quickly is possible if these small movements suddenly go against the trader. Therefore, it is advisable to use risk mitigation tools such as automatic stop losses to positions in order to reduce possible losses. CFDs are complex assets and any trader is at high risk of losing money rapidly due to leverage. It is in your best interest to know that you fully understand how CFDs work and that you can afford the risk of possibly losing your money.

2- Electronic Communication

We offer you the opportunity to trade and communicate with us via electronic means, for example by our trading platform and email. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. In the event you choose to deal with us via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/ or may not reach the intended destination.

3- Cryptocurrency CFDs

Cryptocurrency CFDs trading involves substantial risks, aside from the fact that trading CFDs carry with them potential risks. Cryptocurrencies decentralized digital currencies, what this clearly suggests is that it is not in any way sanctioned by either a central bank or a national government. Cryptocurrencies' varying price movements are always at the whim of increasing volatility, and, thrown into the fold of leverage entail the considerable threat of loss to the trader's capital. Prudent is the investor who would know the actual values of the crypto CFDs and the risks that come in trading with them prior to actually putting them up for trade.

4- Foreign Exchange

Trading forex contracts exposes the investor to a high level of risk, which may not be suitable for all. The 'gearing' or 'leverage' that can often be obtained in forex trading indicates that a relatively small market movement can result in a greater shift in the value of your investment. Before beginning to trade in the currency markets, the trader must cautiously consider whether they have substantial experience and risk appetite. It is also important to note that the trader could suffer losses from some or all of their initial investment, so it is only wise to not invest more than they can afford to lose.

5- Futures

Futures Trading involves an obligation to acquire or deliver the underlying asset of the contract at an agreed future date or, in certain cases, to settle trades in cash. They hold a significant amount of risk. 'Leverage' or the 'gearing' that plays an essential role in futures trading entails that a small deposit may result in large losses, as much as profits. This also implies that small market movements can result in a substantially larger shift in the value of your traded asset, and this can work against the trader's favour.

6- Past and Future Performance

The historical price movement of any asset does not guarantee a similar outcome of future movements. Investment value of any asset can rise and fall, and the trader could end up with less money than they began with. Moreover, any prediction from analytical estimates of any financial market circumstance should not be used as an accurate indicator of future price movement.

7- Options

There are numerous options with regard to unique features that are subject to a number of options:

- Buy options entails fewer risks. Once the price of the asset moves in an unfavorable direction, you can always opt for the option lapse. The maximum loss is also confined to the premium, alongside commissions and other pertinent fees.
- In Put Option, the risks are considerably high as unlike in Buy Options. The trader is held in charge for margins so as to preserve their position, while losses may and will be confirmed with consideration to the received premiums. By writing options, you acknowledge a lawful responsibility to either purchase or sell the asset at the event that the option is used against your favor. This does not take into account how costly or not the asset is from the exercise value.
- If the trader does not own the underlying asset, or the "uncovered call options", the risk may be limitless. Only professional traders should consider writing uncovered options, and must be done only after ensuring full details of the applicable conditions and possible risk exposure.