

# Daily Maximum Loss

## explanation and calculation

Daily Drawdown is initially calculated by 5% of your **initial balance** or **scaled balance** (balance after withdrawal) of your account.

It is then calculated of the **starting equity** or the **balance** of each new day (depending on which is higher) during market rollover (00:00 UTC+3).

Example scenario: If your starting equity at the start of the new day (00:00 UTC+3) is \$103,000, but your balance is \$100,000, your daily stop-out level is \$98.000 within the same day until the equity resets with your new registered balance at market rollover again.

To better understand your limits, always follow your account loss analysis, which is located in the top right corner of your dashboard.

For example here, the starting equity of the account was 105 048,41 US\$, so the Loss level was 100 048.41 US\$.

**Loss level represents the amount that you can not exceed.**

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**Bear in mind that we don't recommend trading one hour before and after the market rollover, because of bad market conditions caused by low liquidity and high volatility.**

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