GENERAL RISK DISCLOSURE

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RISK WARNING: You be aware that trading in Margin FX and CFD products involves a number of risks. It is important that you carefully consider whether trading these products is appropriate for you in light of your investment objectives, financial situation and needs.

CLIENT DECLARATIONS: By entering into an agreement with AGM Group Ltd. and every time you decides to place an order, you acknowledges and accepts that you runs a great risk of incurring losses and damages as a result. Trading in margin forex and CFDs is highly speculative and is suitable only for those clients who:

a) Declare that they understand and are willing to assume the economic, legal and other risks involved.
b) Declare that they are financially able to assume the loss of their total investment, understand and are knowledgeable about forex and CFD trading and the underlying assets.

IMPORTANT: PLEASE REFER TO THE TERMS AND CONDITIONS OF THE CUSTOMER AGREEMENT, SECTION 5 FOR RISK DISCLAIMERS AND LIMITATIONS ON LIABILITY.

The brief statement include the significant risks that may affecting your investments with AGM Group Ltd. However, it does not disclose all of the risks and other significant aspect of trading in financial markets. In lights of the risks, you should undertake such transactions only if you fully understand the nature of the product into which you are trade and the extent of your exposure to risk.

Derivatives Risks Generally

Derivative markets can be highly volatile. Accordingly, the risk of loss in trading in derivatives contracts can be substantial. You should carefully consider whether our products are appropriate for you in light of your personal and financial circumstances. In deciding whether or not you will become involved in trading derivatives, you should be aware of the following matters:

a) You could sustain a total loss of the amount that you deposit with AGM Group Ltd. to establish or maintain a contract.
b) If the derivatives market moves against your position, you will be required to immediately deposit additional funds as additional margin in order to maintain your position i.e. to "top up" your account. Those additional funds may be substantial. If you fail to provide those additional funds, AGM may close your positions. You will also be liable for any shortfall resulting from that closure.

c) Under certain market conditions, it could become difficult or impossible for you to manage the risk of open positions by entering into opposite positions in another contract or close existing positions.
d) Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying foreign currency market.
e) The Margin FX products offered by AGM involve risk. However, the placing of contingent orders such as a stop loss order will potentially limit your loss. A stop-loss order shall be executed at the next available market price and is not guaranteed at the exact level requested by a client. Accordingly, stop-loss orders may not limit your losses to the exact amounts specified.
f) A “spread” position (i.e. the holding of a bought contract for one specified date and a sold contract for another specified date) is not necessarily less risky than a simple “long” (i.e. bought) or “short” (i.e. sold) position. Furthermore a “spread” may be larger at the time you close out the position than it was at the time you opened it.
g) A high degree of leverage is obtainable in trading Margin FX & CFD products because of the small margin requirements which can work against you as well as for you. The use of leverage can lead to large losses as well as large gains. The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favour, but that could also mean considerable losses if the fluctuations are to your detriment.
h) As a result of high volatility, low liquidity or gapping in the underlying market, clients may receive requotes, slippage or hanging orders. Hanging orders are often already executed, but sit in the terminal window until they can be confirmed.
i) Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX & CFDs.
j) There are no cooling-off arrangements for Margin FX & CFDs. This means that when AGM arranges for the execution of a Margin FX contract or CFD, you do not have the right to return the product, nor request a refund of the money paid to acquire the product.

Market Volatility

Foreign exchange currency markets are subject to many influences which may result in rapid currency fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequence market volatility.

Given the potential levels of volatility in the foreign exchange markets, it is therefore recommended that you closely monitor your positions with AGM at all times. Foreign Exchange currency markets are highly volatile and are very difficult to predict. Due to such volatility, in addition to the spread that AGM adds to all calculations and quotes, no such Margin product offered by AGM, or any other financial services provider, may be considered as a safe trade.

System Risk

Operational risks in relation to the AGM Trading Platforms are inherent in every FX Contract or CFD. For example, disruptions in AGM's operational processes such as communications, computers, computer networks, software or external events may lead to delays in the execution and settlement of a transaction.

Clients receiving a disruption to the Trading Platforms must contact a customer representative in order to open\close positions. In the event a disruption occurs on the AGM side, you may be unable to trade in a FX or CFD product offered by AGM and you may suffer a financial loss or opportunity loss as a result.

AGM does not accept or bear any liability whatsoever in relation to the operation of the AGM Trading Platforms.

Execution Risk – Slippage

AGM aims to provide you with the best pricing available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to what is referred to as “slippage”. This most commonly occurs during fundamental news events or gapping in the markets. The volatility in the market may create conditions where orders are difficult to execute, since the price might be many pips away due to the extreme market movement or Gapping. Execution is subject to available liquidity at any and all price levels. Although you may be looking to execute at a certain price, the market may have moved significantly or liquidity exhausted, in which instance your order would be filled at the next best price or the fair market value.

Execution Risk – Delay in Execution

A delay in execution may occur for various reasons, such as technical issues with your internet connection to the AGM servers, which may result in hanging orders. The Trading Platforms on your computer may not be maintaining a constant connection with the AGM servers due to a lack of signal strength from a wireless or dialup connection. A disturbance in the connection path can sometimes interrupt the signal, and disable the Trading Platforms, causing delays in transmission of data between your Trading Platform and AGM’s servers.

Reset Orders

Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders and/or available liquidity and therefore may be reset. By the time orders are able to be executed, the Bid/Offer price at which AGM’s counterparty is willing to take a position may be several pips away. For Limit Entry or Limit Orders, the order would be rejected and reset until the order can be filled.

Hanging Orders

During periods of high volume, hanging orders may occur. This is a condition where an order sits in the "orders" window after it has been executed. Generally, the order has been executed, but it is simply taking a few moments for it to be confirmed. During periods of heavy trading volume, it is possible that a queue of orders will form. That increase in incoming orders may sometimes create conditions where there is a delay in confirming certain orders.

Rejected Orders

Extreme Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders. By the time orders are able to be executed, the bid/ask price at which a counterparty is willing to take a position may be several pips away.

In cases where the liquidity pool is not large enough to fill a Market or Pending order, the order will be rejected until the order can be filled.

Stop orders and limit orders are not guaranteed

The placing of a stop order can potentially limit your loss, however, we do not guarantee that a stop order will do so. Similarly, a limit order can maximise your profit but there is also no guarantee of this. This is because, for example, foreign exchange markets can be volatile and unforeseeable events can occur which mean that it is possible that stop orders and limit orders may not be accepted, or may be accepted at a price different to that specified by you. You should anticipate being stopped out at or limited at a price worse than the price you set. You may suffer losses as a result.

Offquotes

Offquotes may occur at times of extreme volatility and fast price movement. Offquotes occur because the price the trader wants to execute a trade has moved and the system cannot execute at that level. To avoid extreme cases of slippage an offquote may appear. This protects the trader from excessive slippage.

Grayed Out Pricing

AGM does not intentionally "gray out" prices; however, this is a condition that occurs when liquidity decreases, and liquidity providers that provide pricing to AGM are not actively making a market for particular currency pairs. At times, a severe increase in the difference of the spread may occur due to a loss of connectivity with a liquidity provider or due to an announcement that has a dramatic effect on the market that dries out liquidity. Such graying out of prices or increased spreads may result in margin calls on a trader's account.

Widened Spreads

The goal of AGM is to provide traders with tight, competitive spreads; however, there may be instances when spreads widen beyond the typical spread. During news events spreads may widen substantially in order to compensate for the tremendous amount of volatility in the market. The widened spreads may only last a few seconds or as long as a few minutes. AGM strongly encourages traders to use caution when trading around news events and economic announcements and always be aware of their account equity, usable margin and market exposure. Widened spreads can adversely affect all positions in an account.

Gapping

Sunday's opening prices might or might not be the same as Friday's closing prices. At times, the prices on the Sunday open are near where the prices were on the Friday close. At other times, there might be a significant difference between Friday's close and Sunday's open. The market may gap if there is a significant news announcement or an economic event changing how the market views the value of a currency. Traders holding positions or orders over the weekend should be fully comfortable with the potential of the market to gap. In the case of Pending orders, the limit or stop orders will be executed at the next available price after the gap.

Weekend Risk (Price Gap)

Traders who fear that the markets may be extremely volatile over the weekend, that gapping may occur, or that the potential for weekend risk is not appropriate for their trading style, may simply close out orders and positions ahead of the weekend.

Liquidity

Please be aware that during the first few hours after the open, the market tends to be thinner than usual until the Tokyo and London market sessions begin. These thinner markets may result in wider spreads, as there are fewer buyers and sellers. This is largely due to the fact that for the first few hours after the open, it is still the weekend in most of the world.

Hedging

The ability to hedge allows you to hold both buy and sell positions in the same product simultaneously. You have the ability to enter the market without choosing a particular direction. While the ability to hedge is an appealing feature, you should be aware of the factors that may affect hedged positions. It is important to note that even a fully hedged account may suffer losses due to rollover costs, exchange rate fluctuations or widening spreads. Such losses may even trigger a Margin Call.

Margin Calls

The idea of margin trading is that your margin acts as a good faith deposit to secure the larger notional value of your position. Margin trading allows traders to hold a position much larger than their actual account value. AGM offers Leverage of up to 1:500 depending on the account type.

Obviously, trading on margin comes with risk, since high leverage may work against you as much as it works for you. If account equity falls below margin requirements, the AGM trading system will trigger an order to close all open positions. When positions have been over-leveraged or trading losses are incurred to the point that insufficient equity exists to maintain current open positions, a margin call will result, and open positions must be liquidated.

Please keep in mind that when the account's useable margin reaches zero, all open positions are triggered to close. The margin-call process is entirely electronic, and there is no discretion on AGM's part as to the order in which trades are closed. Such discretion would require AGM to actively monitor positions and accounts.

Although the margin call feature is designed to close positions when account equity falls below the margin requirements, there may be instances when liquidity does not exist at the exact margin call rate. As a result, account equity can fall below margin requirements at the time orders are filled, even to the point where equity account becomes negative. This is especially true during market gaps or volatile periods. AGM will not hold traders responsible for deficit balances in this scenario, but clients should be aware that all funds on deposit in an account are subject to loss. AGM also recommends that traders use stop orders to limit downside risk instead of using a margin call as a final stop.

AGM strongly recommends that traders maintain the appropriate amount of margin in their accounts at all times. You may request to change your margin requirement/leverage, which is subject to approval by AGM. Margin requirements may be changed based on account size, simultaneous open positions, trading style, market conditions, and at the discretion of AGM.

Account equity can fall below margin requirements at the time orders are filled, even to the point where equity account becomes negative. This is especially true during market gaps or volatile periods.

Chart Pricing vs. Prices Displayed on the Platform

It is important to make a distinction between indicative prices (displayed on charts) and executable prices (displayed on the AGM Metatrader Platform in the Market Watch Window). Indicative prices are usually very close to executable prices. Indicative prices only give an indication of where the market is. Only executable prices can be traded.

Differences in Pricing between Brokers

Because the spot forex market is decentralized meaning it lacks a single central exchange where all transactions are conducted, each forex broker, may quote slightly different prices. The small differences in prices are also due to different spreads and commissions each broker charges.

Bonus Offerings

Clients should carefully read and understand the terms and conditions for every bonus offering provided by AGM. The responsibility of understanding the terms and conditions lies with the receiver of the bonus or bonuses.