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Deriv Accumulator Strategy – Volatility Indices Dictionary

Introduction: Accumulator options on Deriv can *only* be traded on the platform's synthetic **Volatility Indices**, which are simulated markets with fixed volatility levels (e.g. 10%, 25%, 50%, up to 250%) [1]. Each Volatility Index comes in a standard form (ticks every 2 seconds) and a **(1s)** variant that generates a tick every 1 second [2]. All accumulator trades allow a **growth rate** between **1% and 5%** per tick – this determines both the compounding payout and the tightness of the price range in which the index must stay [3] [4]. Higher growth rates yield faster compounding but impose a narrower allowed price range (increasing the risk of the trade ending early) [4]. Therefore, it's prudent to **choose lower growth rates for more volatile indices** (to give a wider safety range) and higher rates for calmer indices [4]. Below is a dictionary of all volatility indices (including their 1s variants) that support accumulator trading, with their key characteristics, symbols, and suggested growth rate approaches for long-term profitable strategies.

10% and 25% Volatility Indices (Low Volatility)

- **Volatility 10 Index (R_10)** – A synthetic index with a constant **10%** volatility, making it one of the most stable and least volatile instruments [5]. It generates one price tick every 2 seconds [2]. This index exhibits very small price movements and a predictable range, which is ideal for beginners or conservative traders seeking stability [5]. *Accumulator tip:* Because of its low volatility, traders often select a higher growth rate (e.g. **~5%**) on Volatility 10 – the calm market means the price is likely to stay within the accumulator's range, allowing maximum compounding potential [4].

- **Volatility 10 (1s) Index (1HZ10V)** – The 1-second tick version of the Volatility 10 Index, sharing the same **10%** volatility level but updating **every 1 second** [2]. It offers the same stable, low-risk price behavior as R_10, just with twice the tick frequency (more frequent compounding opportunities). *Accumulator tip:* Like its 2-second counterpart, Volatility 10 (1s) is well-suited to aggressive growth settings (~**5%**) given its gentle price fluctuations. The faster tick rate can accumulate profits more quickly, but the underlying stability still helps keep the trade within range [4].

- **Volatility 25 Index (R_25)** – A synthetic index with **25%** fixed volatility. It strikes a balance between stability and activity, showing slightly larger movements than Vol 10 but still relatively mild compared to higher indices [6]. Ticks occur every 2 seconds. This index offers a bit more action while *maintaining* a degree of predictability, making it a middle ground for traders who want modest volatility [6]. *Accumulator tip:* Due to its still-low volatility, traders can use a relatively high growth rate (around **4–5%**) on Vol 25. The price range is a bit wider than Vol 10, but generally the index remains stable enough to support aggressive compounding with a manageable risk of knockout [4].

- **Volatility 25 (1s) Index (1HZ25V)** – The 1-second version of Vol 25, with the same **25%** volatility but ticks every second. It provides more frequent price updates while preserving the moderate stability of the Vol 25 Index [7]. *Accumulator tip:* Traders often apply a **high growth rate (4–5%)** here as well, since the index's movements, though a bit larger than Vol 10, are still constrained enough to keep a

4–5% range intact for many ticks. The (1s) rapid ticks allow compounding to build faster, but be mindful that more frequent ticks also mean you should actively monitor the trade.

50% and 75% Volatility Indices (Medium Volatility)

- **Volatility 50 Index (R_50)** – A synthetic index with **50%** constant volatility. It's a true medium-volatility instrument, offering noticeably larger price swings than Vol 25, yet not as wild as the highest indices. R_50 ticks every 2 seconds and is often seen as a *balanced choice* for traders looking for more movement and profit potential without venturing into extreme volatility. *Accumulator tip:* With its moderate volatility, a **mid-range growth rate** (about **3%** or **4%**) is typically chosen. This provides a reasonable compounding rate while keeping the price range wide enough to accommodate the bigger swings of a 50% index [4]. Pushing to the maximum 5% growth on Vol 50 can be risky, as the price might breach the tighter range more easily than on Vol 10 or 25.

- **Volatility 50 (1s) Index (1HZ50V)** – The 1-second tick version of Vol 50, maintaining the **50%** volatility profile but delivering price ticks every second. This faster update can make the index feel more "active" in real time, though the scale of movements is the same as R_50. *Accumulator tip:* Traders typically stick to **around 3% growth** here as well. The faster tick rate means compounding occurs quicker, but one must ensure the growth rate isn't so high that normal 50%-volatility fluctuations knock the trade out prematurely. A slightly lower growth than one might use on R_50 (e.g. 3% vs 4%) can provide extra safety given the rapid tick cadence.

- **Volatility 75 Index (R_75)** – A synthetic index with **75%** volatility, meaning significantly larger and more sudden price movements. It ticks every 2 seconds. Vol 75 is known to be **highly volatile** – in fact, many traders consider the Volatility 75 Index one of the most challenging and **"dangerous"** indices to trade due to its capacity for sharp swings [8]. It offers high return potential but at the cost of higher risk, and is generally recommended for experienced traders who can handle aggressive market behavior [9]. *Accumulator tip:* Because of its high volatility, it's wise to use a **conservative growth rate** (roughly **1% – 2%**) on Vol 75 in accumulator mode. A lower growth rate keeps the allowed price range wider [4], which is crucial since this index can move quickly. Even with a modest 1–2% compounding rate, the frequent large ticks of Vol 75 can still produce substantial profits if the index stays within range – and the wider range gives a better chance of that [4].

- **Volatility 75 (1s) Index (1HZ75V)** – The 1-second variant of Vol 75, with the same **75%** volatility but a tick every second. This is a fast-paced, highly volatile market – price changes are not only large, but also rapid. Only very seasoned traders typically venture into Vol 75 (1s) accumulators, as it requires quick decision-making and strong risk management. *Accumulator tip:* **Keep the growth rate at the low end (≈1%)** for this index. The combination of high volatility and rapid ticks means there is a high probability of a breach if the range is too tight. A 1% growth rate gives the maximum feasible range buffer per tick [4], improving odds that the trade can sustain many seconds of compounding. Remember, even at 1% growth, compounding every second can build profit quickly if the price remains range-bound.

100% Volatility Indices (High Volatility)

- **Volatility 100 Index (R_100)** – A synthetic index with **100%** volatility. This index represents an **extremely unpredictable** market environment – the price can change dramatically in a short time [10]. R_100 ticks every 2 seconds. The Volatility 100 Index offers very high potential returns due to its large price swings, but it also carries commensurately high risk; it is suitable only for experienced traders who understand and can manage aggressive market volatility [10]. *Accumulator tip:* For Vol 100, traders almost always opt for a **minimal growth rate** (about **1%**, up to **2%** at most). With volatility at 100%, a 5% growth (which severely narrows the price range) would almost certainly knock out the trade quickly. Using ~1% growth gives the widest possible range, offering the trade some breathing room to survive the index's violent swings [4]. Even then, one must be prepared for sudden breakouts – strict risk management is key.

- **Volatility 100 (1s) Index (1HZ100V)** – The 1-second tick version of Vol 100, with **100%** volatility and ultra-fast price updates every second. This instrument is one of the most **volatile and fast-moving** markets available on Deriv. It is comparable to R_100 in its wild nature, but the rapid tick rate can make the experience even more intense in real time. *Accumulator tip:* **Stick to the absolute lowest growth (1%)** for Vol 100 (1s). The reasoning is the same as R_100, only more pronounced – with such high volatility and a tick every second, even a 1% growth range can be challenging to maintain. The goal is to allow as much price fluctuation as possible within the range, so the trade can accumulate ticks. Profits can compound quickly at 1% per second if the index miraculously stays within range, but be aware this is a very high-risk play.

150% and 250% Volatility Indices (Extreme Volatility)

- **Volatility 150 (1s) Index (1HZ150V)** – A synthetic index with a towering **150%** volatility, delivering a price tick every second. This index embodies *extreme* volatility – it's designed for traders who thrive in the fastest and riskiest market conditions [11]. The Volatility 150 (1s) can exhibit massive price jumps or drops in an extremely short time, offering the potential for significant gains **and** equally significant losses [11]. Robust risk management is absolutely necessary when trading this index [11]. *Accumulator tip:* Only the **lowest growth rates (around 1%)** are realistically usable for Vol 150 (1s). At 150% volatility, even a 1% growth accumulator has a relatively tight price range given how far this market can move in one tick. A 2%+ growth setting would make the range so narrow that normal volatility could knock you out almost immediately. Traders should prioritize range tolerance over compounding speed here – surviving a decent number of ticks with 1% growth is an achievement in such a turbulent market.

- **Volatility 250 (1s) Index (1HZ250V)** – The highest-volatility synthetic index currently on Deriv, with an astronomical **250%** volatility and ticks every second. This index is exceptionally **"stormy"** – price movements are extremely large and erratic, far beyond normal market swings. Vol 250 (1s) is a relatively new offering and represents the upper limit of volatility for Deriv's indices (previous ultra-high indices like 200 (1s) and 300 (1s) have been phased out). *Accumulator tip:* **1% growth** is essentially the *only* viable choice for an accumulator on Vol 250 (1s). At 250% volatility, the price range corresponding to even a 1% growth rate is very tight, meaning the trade is at constant risk of a knockout on the next tick. Using the minimum growth keeps the range as wide as possible [4], but traders should approach this index with extreme caution. It is geared towards very advanced strategies – even with prudent settings, the odds of sustaining an accumulator for long on this index are low due to its sheer unpredictability. Always set strict loss limits and consider using features like take-profit or early exit on such high-volatility accumulators to protect your capital [12].

Sources: The above information was compiled from Deriv's official documentation and trading guides, as well as expert commentary. Key references include Deriv Academy guides on volatility indices [5] [10], Deriv's accumulator option guides [3] [4], and third-party analyses of synthetic indices [8] [1]. This dictionary provides a comprehensive overview of each volatility index, its characteristics, and considerations for setting accumulator growth rates to manage risk and optimize long-run profitability.

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[1] [7] [12] Accumulator Options: How To Trade Accumulators
https://www.daytrading.com/accumulator-options

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