

 Search for articles...[All Collections](#) > [General FAQ](#) > [Account Information](#) > [How can I calculate the Overall Loss?](#)

How can I calculate the Overall Loss?

Updated over 2 weeks ago

For traders participating in the Evaluation, Express, and Stellar 2-Step Challenges, the Overall Loss Limit is 10% of their initial account balance. On the other hand, for traders enrolled in the Stellar 1-Step Challenge, the Overall Loss Limit is 6% of their initial account balance.

Additionally, for traders participating in the Stellar Lite Challenge, the maximum Overall Loss Limit is 8% of their initial account balance.

Let's consider an example to illustrate this calculation. Suppose you have purchased an Evaluation \$100,000 account. Here's how the calculation works:

Case 01:

Suppose you start with a \$100,000 account, and your Overall Loss Limit is set at 10% (\$10,000). This means that if your account balance/equity ever drops below \$90,000, it will be considered a violation of the rule. To avoid any such violations, you must ensure that your account balance/equity remains above \$90,000.

Case 02:

Now, let's say you start with a \$100,000 account and make a \$4,000 profit. In this scenario, your Overall Loss Limit will increase to \$14,000 (\$10,000 original limit + \$4,000 profit). This means that you can sustain a total loss of \$14,000, and if your account balance/equity ever drops below \$90,000, it will be considered a violation of the rule.

Case 03:

Suppose you start with a \$100,000 account, and after your trading cycle, you end up with a loss of \$2,000 without any violations. This means that you have to start your next trading cycle with a balance of \$98,000. It's important to note that in this scenario, your Overall Loss

Limit will not be reset in your next cycle, and it will be reduced to \$8,000 (\$98,000–\$90,000). Therefore, if your account balance/equity drops below \$90,000 at any point during your trading journey, it will be considered a rule violation in both the Challenge Phase and the FundedNext Account Phase.

In summary, understanding the Overall Loss Limit is crucial to managing your trading account. By keeping your account balance/equity above the 90% threshold, you can avoid any potential violations and ensure a successful trading journey.

Related Articles

How can I calculate the Daily Loss Limit? >

What is the Maximum Daily Loss Limit? >

What are Today's Permitted Loss Limit and Maximum Permitted Loss Limit? >

Daily Loss Limit vs. Overall Loss Limit >

What is the Daily Loss Limit and the Overall Loss Limit in the Trade Master Cup? >

Did this answer your question?



support@fundednext.com