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Daily Loss Limit vs. Overall Loss Limit

Updated over 2 weeks ago

Daily Loss Limit: The Daily Loss Limit sets the maximum amount you can lose in a single trading day, based on a percentage of your initial account balance. It resets every day at midnight (server time).

- **For Evaluation, Express, and Stellar 2-Step Accounts:** You can lose up to 5% of your initial balance each day. For a \$100,000 account, the daily limit is \$5,000.
- **For Stellar 1-Step Accounts:** The limit is 3%, meaning a maximum daily loss of \$3,000 for a \$100,000 account.
- **For Stellar Lite Accounts:** The limit is 4%, allowing a maximum loss of \$4,000 per day for a \$100,000 account.

Example: If you start with \$100,000 and make a \$2,000 profit by noon, your new Loss limit for that day becomes \$7,000 (\$5,000 + \$2,000). Exceeding this limit, either through closed or open trades, will result in your account being paused.

Overall Loss Limit: The Overall Loss Limit sets the maximum amount you can lose in each phase of your trading journey. It is based on your initial balance and resets once you pass the Challenge Phase, starting fresh in the FundedNext Account Phase.

- **For Evaluation, Express, and Stellar 2-Step Accounts:** The Overall Loss Limit is 10% of your initial balance. For a \$100,000 account, you cannot let your balance fall below \$90,000.

- **For Stellar 1-Step Accounts:** The Overall Loss Limit is 6%, meaning your balance cannot drop below \$94,000.
- **For Stellar Lite Accounts:** The Overall Loss Limit is 8%, so your account cannot fall below \$92,000.

Example: If you make a \$4,000 profit on a \$100,000 account, your new Overall Loss Limit increases to \$14,000 (original \$10,000 limit + \$4,000 profit). If your balance falls below \$90,000, you breach the Overall Loss Limit.

Breach Consequences:

- **Daily Loss Limit Breach:**

- If you exceed your Daily Loss Limit but not the Overall Loss Limit, your account will be paused, and you won't be able to place any trades.
- The Challenge Account will remain paused until you reset it.
- If you have breached a FundedNext Account, you will need to restart with a new Challenge Account.

- **Overall Loss Limit Breach:**

- If you breach the Overall Loss Limit, your account will be paused, and you will not be able to continue trading on that Challenge Account until you reset it.
- If you have breached a FundedNext Account, you will need to restart with a new Challenge Account.

Summary:

- If you breach your Daily Loss Limit but did not breach your Overall Loss Limit, your account will be paused, and you will not be able to place a trade.
- Your Challenge Account will not be reactivated at the end of the day until you reset it.
- If you breach a FundedNext Account, you will need to restart with a new Challenge Account.

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