



## **Key Information Document (KID) for Trading with 8TradeX Inc.**

### *1. Introduction*

This Key Information Document (KID) provides essential information about trading with 8TradeX Inc. It is designed to help you understand the key features, risks, and costs associated with trading financial instruments on our platform. Please read this document carefully before engaging in any trading activities.

### *2. What is Trading?*

Trading involves buying and selling financial instruments such as stocks, commodities, indices, and currencies with the aim of making a profit. When you trade, you speculate on the price movements of these instruments. If you predict the market correctly, you can make a profit; if not, you may incur a loss.



### 3. Key Features of Trading

#### 3.1. Leverage

Leverage allows you to control a larger position with a relatively small amount of capital. For example, with a leverage ratio of 1:10, you can control a position worth 1,000 of your own capital. While leverage can amplify your profits, it can also amplify your losses. It is important to use leverage cautiously and understand the risks involved.

#### 3.2. Buying (Going Long)

When you buy a financial instrument, you are "going long," which means you expect the price to rise. If the price increases, you can sell the instrument at a higher price and make a profit. Conversely, if the price decreases, you may incur a loss.

#### 3.3. Selling (Going Short)

When you sell a financial instrument, you are "going short," which means you expect the price to fall. If the price decreases, you can buy the instrument back at a lower price and make a profit. Conversely, if the price increases, you may incur a loss.

#### 3.4. Market Orders

A market order is an instruction to buy or sell a financial instrument immediately at the current market price. Market orders are executed quickly, but the price at



which the order is filled may differ slightly from the quoted price due to market fluctuations.

### 3.5. *Limit Orders*

A limit order is an instruction to buy or sell a financial instrument at a specified price or better. Limit orders allow you to control the price at which your trade is executed, but there is no guarantee that the order will be filled if the market does not reach the specified price.

## 4. *Costs and Fees*

### 4.1. *Spread*

The spread is the difference between the buy (ask) price and the sell (bid) price of a financial instrument. It is one of the primary costs of trading. The tighter the spread, the lower the cost of trading.

### 4.2. *Commissions*

Some trades may incur a commission, which is a fee charged by the broker for executing the trade. Commissions can vary depending on the type of financial instrument and the trading platform.

### 4.3. *Overnight Fees*

If you hold a position overnight, you may incur an overnight fee, also known as a swap fee. This fee is charged to reflect the cost of keeping the position open and can be either positive or negative depending on the interest rate differential between the currencies involved.



## *5. Risks of Trading*

### *5.1. Market Risk*

The value of financial instruments can fluctuate due to market conditions, economic events, and other factors. These fluctuations can result in losses as well as gains.

### *5.2. Leverage Risk*

While leverage can amplify profits, it can also amplify losses. It is important to use leverage cautiously and understand the potential impact on your trading account.

### *5.3. Liquidity Risk*

Liquidity refers to the ease with which a financial instrument can be bought or sold without affecting its price. Some instruments may have lower liquidity, which can result in wider spreads and difficulty in executing trades at desired prices.

### *5.4. Operational Risk*

Operational risks include technical issues, system failures, and other disruptions that can affect your ability to trade. While we strive to maintain a reliable trading platform, it is important to be aware of these risks.



## *6. How to Manage Risks*

### *6.1. Risk Management Tools*

8TradeX Inc. provides various risk management tools to help you manage your trading risks, including stop-loss orders, take-profit orders, and negative balance protection.

### *6.2. Education and Research*

We offer educational resources and market analysis to help you make informed trading decisions. It is important to continuously educate yourself and stay updated on market developments.

### *6.3. Diversification*

Diversifying your portfolio by trading different financial instruments can help spread risk and reduce the impact of adverse market movements.

8TradeX Inc. owns and operates the "8tradeX" brand.

The website (8tradex.com) is operated by 8TradeX Inc., with Company number 219380/355 authorized and regulated international entity. The company service address is 7th Floor, 32 Gateway East, White City, London, W12 7TU.



## 7. Conclusion

Trading can be a rewarding activity, but it is important to understand the risks and costs involved. By using leverage cautiously, employing risk management tools, and continuously educating yourself, you can enhance your trading experience and improve your chances of success.

## Contact Information

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