

Cross & Isolated Margin

A quick breakdown for traders who actually want to understand leverage

When trading with leverage, there are two main margin modes: Cross Margin and Isolated Margin. Understanding the difference is crucial for risk management and position sizing.

Cross Margin

Your entire account balance is used to margin all open positions. This carries higher risk — all available funds are on the line. Liquidation could wipe out your entire account balance.

Isolated Margin

Margin assigned to a position is capped at a specific amount. If margin falls below Maintenance Margin level, only that position is liquidated — not your whole account. You can add or remove margin at will under this method.

Which One Is Better?

There's no definitive right or wrong answer — it comes down to how you manage risk and size your positions.

Regardless of which mode you use, a well-placed stop loss keeps you protected.

With proper risk management and position sizing, liquidation can be entirely avoided. This makes cross margin less scary than it looks — profits from winning positions can support losing ones. Used correctly, it's a powerful tool.

The Real Truth About Margin Mode

With proper risk management and correct position sizing, there is literally no difference which mode you use.

It all comes down to position sizing and risk management.

Margin	Leverage	Position Size
\$10 margin	100x	\$1,000 position
\$100 margin	10x	\$1,000 position
\$500 margin	2x	\$1,000 position
\$1,000 margin	1x	\$1,000 position

The position size is what matters — not the mode.

Master your sizing. Manage your risk. The mode is secondary.