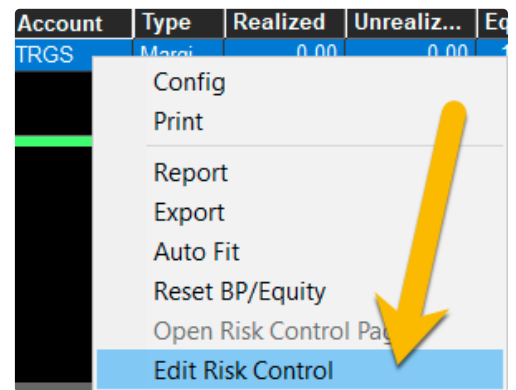# DAS Risk Control Management

Step 1 – Right click on the account information on the account monitor
Step 2 – Select <u>Edit Risk Control</u>

NOTE: If you do not see "Edit Risk Control," please log out and log back into your DAS.

Explanation of Fields & Buttons

◉ **MaxLoss**: This field shows account max loss limitation for NET PL (realized PL & commissions). When max loss is reached, all new orders will be rejected (i.e. no more trades will be allowed that day). This can be used with "Enable Auto Stop" for the system to automatically liquidate position. For example, MaxLoss value is 500, when account's NET PL become -501, this limitation will become effective. Note: This does not include other fees, such as ECN/SEC fee, etc.

◉ **Warning Loss**: Field shows warning about account's realized + unrealized PL. When entered amount is reached, system will warn the trader. For example, if Warning Loss is set to 1000, when account realized + unrealized PL becomes -1001, system will trigger a warning to the trader.

◉ **Total Loss**: Similar to MaxLoss however it uses the total loss of account's realized + unrealized PL. When Total Loss is reached, all new orders will be rejected (i.e. no more trades will be allowed that day). This can be used with "Enable Auto Stop" for the system to automatically liquidate position.

◉ **Curr EQ Lmt**: This field shows the account's equity. If the account's current equity (Open Equity + TradesEQ + PositionsEQ) goes below this limitation, the system will reject new orders (i.e. no more trades will be allowed that day). This can be used with "Enable Auto Stop" for the system to automatically liquidate position.

◉ **RemEQ(%)**: This field shows the account's remaining equity in percentage. If the account's remaining equity percentage (Current EQ/Open EQ*100) goes below this limitation, the system will reject new orders (i.e. no more trades will be allowed that day). This can be used with "Enable Auto Stop" for the system to automatically liquidate position.

◉ **Position Total Loss**: This field triggers on the total loss on the individual positions. If the position's realized + unrealized PL goes below this limitation, the system will reject this symbol per position's new order (i.e. no more trades will be allowed that day). This can be used with "Enable Auto Stop" for the system to automatically liquidate position.

◉ **Position Unreal Loss**: This field triggers the unrealized loss on the individual position. If the position's unrealized loss goes below this limitation, system will reject this symbol/position's new order (i.e. no more trades will be allowed that day). This can be used with "Enable Auto Stop" for the system to automatically liquidate position.

◉ **Pos Mkt Val Loss (%)**: This field triggers on the individual position's realized + unrealized PL. The limitation value is the percentage of the initial market value percentage. For example, if the trader bought 100 shares of stock XYZ at $10, and set the field to 20%; the limitation value will become 200(100*10*20%). When reached, the new order for this symbol/position will be rejected (no more trades for this symbol). This can be used with "Enable Auto Stop" for the system to automatically liquidate position. Note: The calculation formula for the Pos Mkt Val Loss = Share Size * Average Cost * Percentage.

- **Pos Mkt Px deviate (%)**: This field triggers on the individual position when set for the reduction in market price from a single position's average cost in percentage terms. For example, the trader bought 100 shares of stock XYZ at $10. If the Pos Mkt Px deviate field is set at 10%, the limitation value will become $1. When the XYZ market price moves down below $9, this limitation will be reached and the new order for this symbol/position will be rejected (i.e. no more trades for this symbol). This can be used with "Enable Auto Stop" for the system to automatically liquidate position. *Note: The calculation formula for the Pos Mkt Px Deviate Value = Average Cost * Percentage.*

- **Pos Loss Warning**: This warning occurs when the single position loss reaches this value, system will warn the trader. There are 3 types of Pos Loss Warnings. Note: For Pos Loss Warning (%), if 10 (10%) is entered, then the warning value will be equivalent to the "Average Cost * 0.10".

- **Count in Commission for Total Loss/Warning Loss/Curr EQ Lmt**: Commissions will be included when the total loss/warning loss/current equity limit are calculated.

- **Enable Auto Stop**: This field controls the liquidation of the account's open positions when above the Loss limitation is reached. If checked, the system will liquidate the position(s) when those limitations have been reached. If unchecked, it will block the new order when reached. Note: Auto Stop only works during regular market hours (9:30AM EST – 4:00PM EST), it is disabled during pre and post market hours.

- **Downcount**: This is an option for when Auto Stop and Stop Gain are triggered; this control decides how many seconds pass before the system liquidates positions. For example, if the Downcount is set to 30, the system will start to liquidate your position(s) 30 seconds after Stop Loss is activated.

- **Max Share**: This is an option for when Auto Stop and Stop Gain are triggered; this control shows the maximum number of shares that can automatically be liquidated. When the limitation is reached, system will stop liquidating positions and reject new orders once the loss limitation is reached. Note: "0" means no limitation.

- **Max Auto Stop Order Size**: This is an option for when Auto Stop and Stop Gain are triggered; this control decides the maximum share size per single order. For example, if the system needs to liquidate all 1,000 shares of stock XYZ, and this value is set to 200, the system will send five (5) orders; each order with share size of The order sending interval time is defined by the "Delay for next order if exceeding max order size (sec)" control.

- **Stop Gain**: When this option is checked, Stop Gain will lock down profit. Trader must, first, set up the profit threshold and the drop down percentage. Once the account's profit reaches threshold and drop down from peak profit by a specific percentage, the system will liquidate positions. For example, trader has set the Account Net Realized PL Thresh value to $800 and the Drawdown Percent of Max Net PL is set to 20%. The system will look to automatically liquidate the account's positions when the account's current realized PL exceeds $800 and reaches say, $2000, then proceeds to drop down 20%, or $400 ($2000 x 20%) for a Net PL of $1600 or less. Note: This does not include other fees such as ECN/SEN fees, etc. And "0" will work for Drawdown although it is recommended to use 1%-99%, because zero will liquidate immediately.

  Equation: If PositionMaxUnrealizedPL > ThreshMarketValue AND PositionCurrentUnrealPL < DrawdownMktVal: auto stop will be triggered.

  DrawdownMktVal = PositionMaxUnrealizedPL * (1-drawdown) = PositionMaxUnrealizedPL*0.9 (assume Drawdown is 10%)

- **Account Total PL Thresh and Drawdown Percent of Total PL**: This field can be used once Stop Gain is enabled and is similar to Account Net Realized PL Thresh, but shows the TOTAL PL (Realized + Unrealized). This field will include commission if "Count in Commission" is checked.

⊙ **Pos Stop Gain Thresh and Drawdown (and %)**: After the position profit reaches threshold and if drop down from peak profit by a specific value (percentage) the system will liquidate positions. Note: These two options work for the unrealized PL only, and the Initial Market Value is referring to position's average price.

> **Equation**: if PositionMaxUnrealizedPL > ThreshMarketValue AND if PositionCurrentUnrealPL < DrawdownMktVal: auto stop triggered.
>
> **DrawdownMktVal** = PositionMaxUnrealizedPL * (1-drawdown) = PositionMaxUnrealizedPL * 0.9 (assume Drawdown is 10%)