What rules do I need to follow in the Stellar 1-Step Challenge?

To ensure success in the Stellar 1-Step Challenge, it's crucial to follow these guidelines and restrictions:

What is the Maximum Daily Loss Limit?

For Stellar 1-Step:
Traders are allowed to lose 4% of their initial account balance on any given day as their Daily Loss in the Stellar 1-Step account. If your initial account balance is $100,000, then 4% of the amount is $4000. This means that your Daily Loss Limit will remain unchanged whether you make a profit or incur a loss. At any point during the day, if your total running and closed losses exceed $4,000, it will be considered a violation of the Daily Loss Limit.

For Stellar Lite:
In the Stellar Lite Account, traders are permitted to lose up to 4% of their initial account balance as their Daily Loss Limit. For instance, with an initial balance of $100,000, this equates to $4000. This means that your Daily Loss Limit will remain unchanged whether you make a profit or incur a loss. At any point during the day, if your total running and closed losses exceed this, it will be considered a violation of the Daily Loss Limit.

How can I calculate the Daily Loss Limit?

For traders participating in the Stellar 2-Step Challenge, the Daily Loss Limit is 4% of their initial account balance., and for the Stellar Lite Challenge, the Daily Loss Limit is 3% of their initial account balance. However, for traders

enrolled in the Stellar 1-Step Challenge, the Daily Loss Limit is 4% of their initial account balance.

To calculate your daily loss limit, use the following formula:

Daily Loss Limit = Initial Balance × Daily Loss Limit Percentage of Your Enrolled Challenge Account.

When calculating the daily loss, please note that swap charges, commissions, and fees are included in the total amount. **If you exceed the daily loss limit, your account will be "Paused" and marked with a "Daily Loss Limit," and you will no longer be able to trade.**

Example 1: You have a $100,000 Stellar 2-Step Challenge Account, and your Daily Loss Limit is 5% of your initial balance. So, $100,000 is considered as the initial balance. Then, your Daily loss will be ($100,000 * 0.05) = $5000

Example 2: Let's say you are in profit at a certain time in the day. You can calculate your **Loss Limit for the day: (Your initial balance × 0.05 + Profit amount in that day)**

You have a $100,000 Stellar 2-Step Challenge Account, at noon GMT+3 server time, you have made $2,000 profit, so the Daily Loss Limit for that day will be ($100,000 * 0.05 + $2000) = $7000. In other words, losing more than $7,000 on closed or running trades on that day will violate the Daily Loss Limit.

Please keep in mind that your Daily Loss Limit will reset at midnight according to the server time. Therefore, your new Daily Loss Limit for the following day will be calculated as the initial balance (in this case, $100,000) multiplied by the Daily Loss Limit Percentage of your enrolled challenge (5%), which is $5,000.

Let's consider an example to illustrate this calculation. Suppose you have purchased a Stellar 2-Step $100,000 Account. Here's how the calculation works:

Case 01:

According to the challenge you have, let's assume the Daily Loss Limit is $5,000, and you are not allowed to lose more than $5,000 on any given day. Suppose you have lost a total of $3000 in your closed trades. In such a case,

you cannot lose more than $2000, including floating losses. **Note that swap, commission rates, and fees are included in this calculation. It will be considered a violation if you lose more than $2,000 on that day.**

In other words,
Current Daily loss = Closed trade results for this day + Results from the open positions.

Case 02:
Similarly, let's say you gained $5,000 in profit in a single day. In such a case, you will be allowed to lose $5,000 (your profit) + $5,000 (your Daily Loss Limit) = $10,000 for that day. Losing more than $10,000 (in both open and closed positions) will be considered a violation. **Note that the Daily Loss Limit resets at midnight (server time). After the reset, previous day profits will no longer count toward your Daily Loss Limit.** Instead, your Daily Loss Limit will return to being a percentage of your Initial Balance **(e.g., $100,000 × 5% = $5,000).**
For example, if you start a new day with $110,000 and lose $5,000 during the day, your equity will be $105,000. **However, since your Daily Loss Limit is calculated based on the Initial Balance ($100,000 × 5% = $5,000), losing $5,000 breaches the limit for that day.** This will result in your account being paused, **even though your equity has not dropped to $95,000.**

Case 03:
Let's look at another case: You have a $100,000 trading account. In a single day, you encounter a significant loss of around $3,000. Determined to be profitable, you initiate another trade. **If at any given moment your running position results in a floating loss exceeding -$2,000, your account will breach the Daily Loss Limit** as you have crossed $5,000 for a single day, and your account will be paused.

Case 04:
Another thing to keep in mind is that your Daily Loss Limit will be reset at midnight according to the server time. For example, suppose you have gained a $2000 profit in a closed trade, and currently, you have a running trade at a $6,000 floating loss. In this case, you still have not violated your

Daily loss for the day because your current daily loss is +$2000 - $6000 = -$4000. However, if you hold this one trade with a floating loss of $6,000 after midnight, you will breach the Daily Loss Limit because a new day begins after midnight, and you have already lost $6,000, which is more than your calculated Daily Loss Limit of $5,000.

Case 04:
Another thing to keep in mind is that your Daily Loss Limit will be reset at midnight according to the server time. For example, suppose you have gained a $2000 profit in a closed trade, and currently, you have a running trade at a $6,000 floating loss. In this case, you still have not violated your Daily loss for the day because your current daily loss is +$2000 - $6000 = -$4000. However, if you hold this one trade with a floating loss of $6,000 after midnight, you will breach the Daily Loss Limit because a new day begins after midnight, and you have already lost $6,000, which is more than your calculated Daily Loss Limit of $5,000.

How can I calculate the Overall Loss?

For traders participating in the Stellar 2-Step Challenge, 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 9% 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 a Stellar 2-Step Account $100,000. 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.

What is the Maximum Daily Loss Limit?

For Evaluation Stellar 2-Step:

Traders are allowed to lose 5% of their initial account balance on any given day as their Daily Loss. **If your initial account balance is $100,000, then 5% of the amount is $5000. This means that your Daily Loss Limit will remain unchanged whether you make a profit or incur a loss.** At any point in a day, if the (running + closed) loss exceeds $5000 it will be considered a Daily Loss rule violation.

For Stellar 1-Step:

Traders are allowed to lose 3% of their initial account balance on any given day as their Daily Loss in the Stellar 1-Step account. If your initial account balance is $100,000, then 3% of the amount is $3000. This means that your Daily Loss Limit will remain unchanged whether you make a profit or incur a loss. At any point during the day, if your total running and closed losses exceed $3,000, it will be considered a violation of the Daily Loss Limit.

For Stellar Lite:

In the Stellar Lite Account, traders are permitted to lose up to 4% of their initial account balance as their Daily Loss Limit. For instance, with an initial balance of $100,000, this equates to $4000. This means that your Daily Loss Limit will remain unchanged whether you make a profit or incur a loss. At any point during the day, if your total running and closed losses exceed this, it will be considered a violation of the Daily Loss Limit.

How can I calculate the Daily Loss Limit?

For traders participating in the Stellar 2-Step Challenge, the Daily Loss Limit is 5% of their initial account balance., and for the Stellar Lite Challenge, the Daily Loss Limit is 4% of their initial account balance. However, for traders enrolled in the Stellar 1-Step Challenge, the Daily Loss Limit is 3% of their initial account balance.

To calculate your daily loss limit, use the following formula:

Daily Loss Limit = Initial Balance × Daily Loss Limit Percentage of Your Enrolled Challenge Account.

When calculating the daily loss, please note that swap charges, commissions, and fees are included in the total amount. **If you exceed the daily loss limit, your account will be "Paused" and marked with a "Daily Loss Limit," and you will no longer be able to trade.**

Example 1: You have a $100,000 Stellar 2-Step Challenge Account, and your Daily Loss Limit is 5% of your initial balance. So, $100,000 is considered as the initial balance. Then, your Daily loss will be ($100,000 * 0.05) = $5000

Example 2: Let's say you are in profit at a certain time in the day. You can calculate your **Loss Limit for the day: (Your initial balance × 0.05 + Profit amount in that day)**

You have a $100,000 Stellar 2-Step Challenge Account, at noon GMT+3 server time, you have made $2,000 profit, so the Daily Loss Limit for that day will be ($100,000 * 0.05 + $2000) = $7000. In other words, losing more than $7,000 on closed or running trades on that day will violate the Daily Loss Limit. **Please keep in mind that your Daily Loss Limit will reset at midnight according to the server time.** Therefore, your new Daily Loss Limit for the following day will be calculated as the initial balance (in this case, $100,000) multiplied by the Daily Loss Limit Percentage of your enrolled challenge (5%), which is $5,000.

Let's consider an example to illustrate this calculation. Suppose you have purchased a Stellar 2-Step $100,000 Account. Here's how the calculation works:

Case 01:

According to the challenge you have, let's assume the Daily Loss Limit is $5,000, and you are not allowed to lose more than $5,000 on any given day. Suppose you have lost a total of $3000 in your closed trades. In such a case, you cannot lose more than $2000, including floating losses. **Note that swap, commission rates, and fees are included in this calculation. It will be considered a violation if you lose more than $2,000 on that day.**

In other words,
Current Daily loss = Closed trade results for this day + Results from the open positions.

Case 02:

Similarly, let's say you gained $5,000 in profit in a single day. In such a case, you will be allowed to lose $5,000 (your profit) + $5,000 (your Daily Loss Limit) = $10,000 for that day. Losing more than $10,000 (in both open and closed positions) will be considered a violation. **Note that the Daily Loss Limit resets at midnight (server time). After the reset, previous day profits will no longer count toward your Daily Loss Limit.** Instead, your Daily Loss Limit will return to being a percentage of your Initial Balance **(e.g., $100,000 × 5% = $5,000).**

For example, if you start a new day with $110,000 and lose $5,000 during the day, your equity will be $105,000. **However, since your Daily Loss Limit is calculated based on the Initial Balance ($100,000 × 5% = $5,000), losing $5,000 breaches the limit for that day.** This will result in your account being paused, **even though your equity has not dropped to $95,000.**

Case 03:
Let's look at another case: You have a $100,000 trading account. In a single day, you encounter a significant loss of around $3,000. Determined to be profitable, you initiate another trade. **If at any given moment your running position results in a floating loss exceeding -$2,000, your account will breach the Daily Loss Limit** as you have crossed $5,000 for a single day, and your account will be paused.

Case 04:
Another thing to keep in mind is that your Daily Loss Limit will be reset at midnight according to the server time. For example, suppose you have gained a $2000 profit in a closed trade, and currently, you have a running trade at a $6,000 floating loss. In this case, you still have not violated your Daily loss for the day because your current daily loss is +$2000 - $6000 = -$4000. However, if you hold this one trade with a floating loss of $6,000 after midnight, you will breach the Daily Loss Limit because a new day begins after midnight, and you have already lost $6,000, which is more than your calculated Daily Loss Limit of $5,000.

What happens if my CK Funded Account is in profit but I hit the Daily Loss Limit?

If a trader's CK Funded Account is profitable but they exceed the Daily Loss Limit, they might still get 50% of their profits under these conditions:

- **All their CK Funded Account trades need a stop-loss.**
- **They can't lose over 1% of their account size per trade.**

It is important to meet both of these criteria. If you do, you will have a period of seven days following the violation to request a disbursement of 50% of the profits from your suspended CK Funded Account.

For instance, let's consider a scenario where you have successfully completed the challenge phase and have received a CK Funded account worth $100,000. Over the span of three days, you made a profit of $3,000 on day 1, $5,000 on day 2, and $4,000 on day 3. This brings your total profit to ($3,000 + $5,000 + $4,000) = $12,000, resulting in a current account balance of $112,000.

However, on day 4, you encountered a challenging trading day, incurred a loss of $5,000, and breached the rules of the Daily Loss Limit. So at this moment, your current account balance is $107,000.

Despite exceeding the daily loss limit, since you are still in profit with $7,000, CK Funded is pleased to offer you a 50% profit share if you meet the aforementioned criteria. Therefore, you will be eligible to receive a profit share of 50% of your $7,000 profit, totaling $3,500.

N.B.: Kindly note that this rule solely pertains to instances in which your account is breached as a result of exceeding the Daily Loss Limit. It does not hold relevance in the event of an account breach or suspension due to other activities.

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

Traders are obliged to adhere to both the Today's Permitted Loss Limit and the Maximum Permitted Loss Limit as stipulated on the CK Funded dashboard.

Today's Permitted Loss:

Today's Permitted Loss Limit provides traders with a dynamic view of their allowable losses for a specific day, subject to continuous updates based on the profit or loss incurred during that trading day.

For example, if a trader possesses a $100,000 Stellar 2-Step account, the maximum daily loss limit is set at $5,000. Consequently, following the server reset time, the Today's Permitted Loss Limit will be displayed as $5,000. If a trader opens a trade and subsequently closes it with a profit of $500, the Today's Permitted Loss Limit visible on the dashboard will reflect $5,500 ($5,000 + $500). In contrast, if the trade closes with a loss of $500, the Today's Permitted Loss Limit will be presented as $4,500 ($5,000 - $500).

It is imperative to recognize that the Today's Permitted Loss Limit undergoes a daily reset, occurring precisely at midnight, synchronized with the server time. However, it is crucial to adhere to both the daily loss limit and overall loss limit, ensuring that the Today's Permitted Loss Limit does not exceed the Maximum Permitted Loss Limit at any given time.

For example, in the case of a $100,000 Stellar 2-Step account with an overall maximum loss limit of 10%, not exceeding $10,000, this implies that the account balance must not drop below $90,000. Consequently, if, after several days of trading, the account balance stands at $93,000, the Today's Permitted Loss Limit and Maximum Permitted Loss Limit will both reflect a figure of $3,000.

Maximum Permitted Loss:

The Maximum Permitted Loss Limit reveals the permissible losses within the entirety of a trading cycle, continually adapting based on the trader's accumulated profit or loss throughout the course of the trading cycle.

For example, if a trader possesses a $100,000 Stellar 2-Step account with an overall maximum loss limit set at 10%, not exceeding $10,000, this signifies that the account balance must always maintain a minimum of $90,000. If a trader initiates a trade and subsequently closes it with a profit of $500, the Maximum Permitted Loss Limit displayed on the dashboard will

reflect $10,500 ($10,000 + $500). In contrast, if the trade concludes with a loss of $500, the Maximum Permitted Loss Limit will be presented as $9,500 ($10,000 - $500). It is pivotal to emphasize that the Maximum Permitted Loss Limit remains constant throughout the duration of the trading cycle and does not undergo any reset.

Daily Loss Limit vs. Overall Loss Limit

This rules is **only valid** for CK Funded CFD.

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 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, or not factoring in floating losses, will result in your account being paused until reset.

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 CK Funded Account Phase.

- **For 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 Stellar 2-Step $100,000 Challenge, your new Overall Loss Limit increases to $14,000 (original $10,000 limit + $4,000 profit). This adjustment ensures that profits provide additional flexibility for risk management. However, if your balance falls below $90,000, including floating losses, 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 CK Funded 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 CK Funded Account, you will need to restart with a new Challenge Account.

Impact of Account Scaling

When you scale up your account, both the Daily Loss Limit and the Overall Loss Limit adjust proportionally based on the new account size. For instance, if you double your initial account balance, your loss limits also double, maintaining consistent risk management parameters.

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 CK Funded Account, you will need to restart with a new Challenge Account.

Why CK Funded Enforces These Limits

CK Funded enforces these loss limits as a critical component of risk management. The Daily Loss Limit prevents excessive losses within a single trading day, ensuring day-to-day stability, while the Overall Loss Limit safeguards against unsustainable cumulative losses. These measures help protect both traders and CK Funded, promoting disciplined and responsible trading behaviors.

Is News Trading Allowed at CK Funded?

CK Funded allows traders to trade during **news events** in both the **Challenge Phase** and the CK **Funded Account**. However, **when trading on a CK Funded Account during high-impact news events, a specific News Profit Split Rule applies, as outlined below.**

News Profit Split Rule for CK Funded Accounts:

- **Time Window**: Trades executed **5 minutes before and 5 minutes after** a listed high-impact news event (a total **10-minute window**) will be subject to the **News Profit Split Rule**.
- **Profit Calculation**: **40% of the profit** from these profitable trade(s) will be counted toward the trader's account balance.
- **Applicable Trade Types**: This rule applies to both **Market Execution (Opening/Closing)** and **Pending Orders (including Take Profit and Stop Loss).**
- **Loss Responsibility**: Any **losses incurred during this period remain the trader's responsibility** and will not be removed.

Clarifications on News Trading Rules:

- The **News Profit Split Rule** applies only to **Stellar 1-Step, Stellar 2-Step, and Stellar Lite** CK Funded Accounts.
- **Challenge Accounts are not subject to this rule.**
- **Partial Order Closure:** If a trader closes a portion of an order, **the entire order will be affected,** and **only 40% of the profit from the profitable trade(s) will be counted.**
- **Impact on Account Metrics:** The adjusted profit calculation may **reduce the account's net profit.**

Calculation of News Profit Split

The calculation for the **News Profit Split** will take place **after the cycle ends**.

Example Calculation:

After the cycle ends, a trader makes a **$10,000 profit**, excluding profits from news trades. This $10,000 profit includes any losses from news trades. Additionally, the **trader makes a $3,000 profit from profitable news trades**. As per the news profit split rule, **40% of the $3,000 profit will be counted**, which equals $1,200. The trader's total profit will be:
$10,000 (excluding news trades) + $1,200 (news profit split) = $11,200 total profit.

Example of Loss Scenario:

- **Initial Account Balance: $100,000**
- **Cycle End Account Balance: $101,000**
- **Account Balance Without Profitable News Trade: $98,000**
- **Profit from News Trades: $3,000**
- **Adjusted Profit (40% of $3,000): $1,200**
- **The adjusted account balance after applying the news profit split rule will be:**
  $98,000 + $1,200 = $99,200.
  Following the scenario stated in the example, the trader's **account balance** becomes negative (for example, a loss of **$99,200**), and the **next cycle** will start with the **initial balance of $100,000**,

regardless of the adjusted balance. the **next cycle** will start with the **initial balance of $100,000**, regardless of the adjusted balance.

In usual cases, if a trader's account ends with a negative balance at the end of a cycle, the next cycle will begin with the **negative balance**, and it will not be restored to the initial balance. However, in this case, if the trader's account goes negative due to the news profit split adjustment, they will have the benefit of starting the next cycle with the initial balance of $100,000.

Managing Trades During News Events:

- Traders **are allowed to hold running trades** during news events with Restrictions.
- Only listed **high-impact news events** that directly correlate with the trading pair will be considered for the **News Profit Split Rule.**
- If a news event **does not directly impact the trading symbol** or is classified as **low or mid-impact**, traders are free to open and close trades without any restrictions.

Example of Trade Correlation

- **EUR/USD trade during high-impact USD or EUR news → The 40% profit count rule applies.**
- **EUR/USD trade during high-impact CNY news → No restrictions apply,** as the news does not directly correlate with the trading pair.