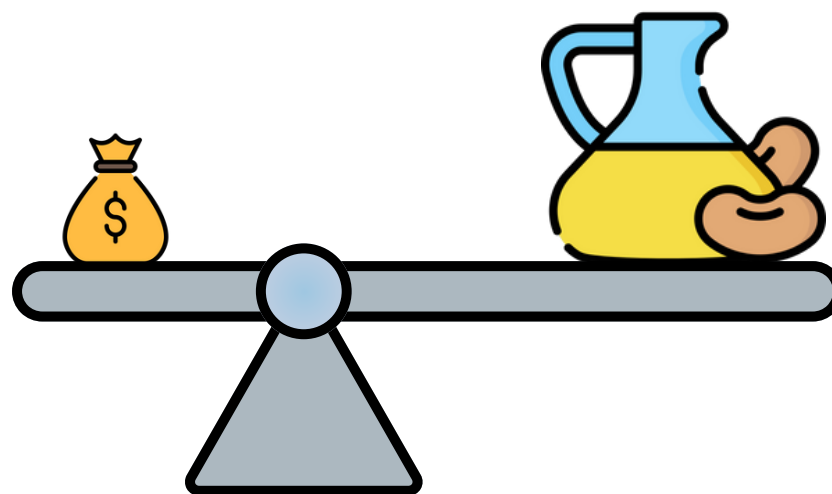


FUTURES LINGO

MARGIN REQUIREMENT



WHAT IS MARGIN REQUIREMENT?



The amount of funds **deposited** to **open** and **maintain** a futures position.



Acts as a **good-faith deposit** or **collateral**.

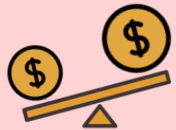


Typically expressed as a **percentage**.



Set by the exchange to **reduce systemic risk** and ensure **market stability**.

IMPORTANCE OF MARGIN REQUIREMENT



Leverage enables a smaller percentage of funds to control a large contract value.



Serve as a **credit control function** to ensure enough capital to maintain the futures position.



Margin requirement acts as collateral to cover potential losses for **risk management**.



A measurement of the volatility of the market where a **higher volatility** requires higher margin requirements to account for increased risk.

TYPES OF MARGIN REQUIREMENT

	Initial Margin	Maintenance Margin
Definition	Initial amount of money required to be deposited into an account to initiate a futures position, which is set by the exchange.	Minimum amount to be maintained in an account to hold the trading position and avoid margin call.

Examples of Futures Contracts with Initial and Maintenance Margin

Gold Futures	USD 22,000*	USD 20,000*
Corn Futures	USD 1,072.50*	USD 975*
Micro Bitcoin Futures	USD 2,465.10*	USD 2,241*

**Margin as of 11 December 2025*

HL Futures



Mezzanine Floor, Block B, Plaza Zurich,
No. 12, Jalan Gelenggang, Bukit Damansara,
50490 Kuala Lumpur



+603-2080 8678



helpdeskfutures@hlib.hongleong.com.my

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