

# IndependentInvestor Warns Traders To Be Ware Of The Risks When Trading CFDs or Spread Betting

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*Independentinvestor.com has warned traders of all levels of experience to be mindful of the various risks and pitfalls associated with CFDs and spread betting.*

LONDON, UK, September 30, 2014 /EINPresswire.com/ -- [Independent Investor](#), the online CFD & FX trading and spread betting resource site has told traders to exercise the utmost caution when trading contracts for difference and forex, to take account of the higher risk profile of CFD trades and the potential for runaway, leveraged losses in creating a sustainable, manageable and profitable portfolio.

Contracts for difference pose substantial risks to traders and capital, with every point movement in a market against a trader rendering liability for another multiple of the original stake. This means trades need to guard against downside liability to give an improved chance of profiting from the markets.

With leverage inherent in the makeup of CFD trades and spread bets and the volatility of some markets, traders should be proactive in handling and assessing risks in order to trade their capital to best effect, and to see the maximum returns on their investments, according to Independentinvestor.com.

Alex Johnson, a spokesperson for Independentinvestor.com, said that by being more alert to the risks posed by trading, traders can make more effective decisions about how to deploy their capital in order to guarantee the best result from their research and trading labour.

“When it comes to trading CFDs and financial spread betting, most traders are aware that they represent a higher risk. Wilfully blinded by the promise of higher returns, traders tend not to factor these risks in to their trading strategy and mentality as much as they should, which can lead to unsuspected capital losses and position failure across the account. Being live to the risks of trading the markets at all times should be the default position, and traders who place a significant emphasis on handling risks and managing their capital appropriately tend to perform better on aggregate.”

“Markets can be volatile, and high degrees of leverage can make for an explosive trading combination. At Independentinvestor.com, we urge traders to remain conscious of the risks they

are taking and to put proactive measures in place to cap these risks and limit the probability of them occurring. Only by managing the downside can traders hope to profit on the upside of moving markets.”

For those already trading, or about to embark on the markets for the first time, Independentinvestor.com can assist in choosing a suitable [contracts for difference broker](#) or [spread betting account](#), through providing impartial comparisons between the leading options across the market. This helps traders find the best deal, and the most competitive terms available for accessing the financial markets.

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