TradeZero

Pattern Day Trading

TradeZero America, Inc., like all other registered Broker Dealers in the US, enforces the Pattern Day Trading (PDT) rule as defined by FINRA Rule 4210 (Margin Requirements).

The PDT rule generally states that a customer is limited to three (3) round trip trades in any consecutive five trading day period unless maintaining a daily equity balance of $25,000.

If a customer creates a fourth (4) roundtrip trade, the account is classified as a pattern day trading account. During this time, the account is restricted from day trading unless the equity balance is $25,000 or more.

Click here to read FINRA Rule 4210 on Pattern Day Trading (PDT Rule).

Dat Trade Counting Examples

This is one day trade because account bought and sold 100 shares XYZ in the same day:

- Account starts with 0 shares XYZ
- Buy 100 XYZ today
- Sell 100 XYZ today

This is one day trade because account shorted and covered 100 shares XYZ in the same day:

- Account starts with 0 shares XYZ
- Short 100 XYZ today
- Cover 100 XYZ today

This is one day trade. The trade that opened before today does not count:

- Account start day with 100 shares XYZ
- Sell 100 XYZ today
- Buy 100 XYZ today
- Sell 100 XYZ today

This is one day trade. The Buy of 50 and Sell of XYZ occurred today:

- Account starts day with 100 XYZ
- Buy 50 XYZ today
- Sell 100 XYZ today

This is one day trade because there is only one change of direction in the account, going from long to flat on the same day:

- Account starts day with 0 shares of XYZ
- Buy 100 XYZ today
- Sell 50 XYZ today
- Sell 100 XYZ today

This is two day trades because a change of direction happened when a Cover of 50 XYZ occurred. The counter started on the second trade on the next short of 100 XYZ:

- Account starts day with 0 shares of XYZ
- Short 100 XYZ today
- Short 50 XYZ today
- Cover 50 XYZ today
- Cover 100 XYZ today