



THE RISE OF NEWS TRADING ALLOWANCE IN PROP FIRMS FOR 2025

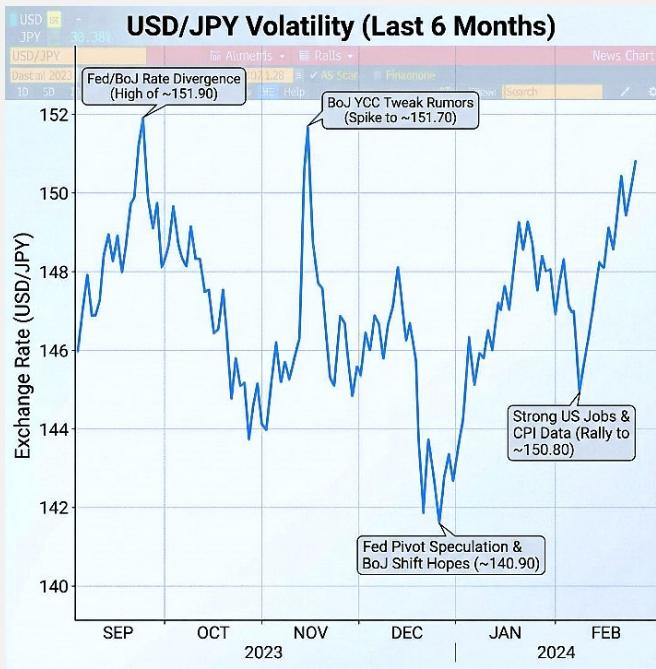
In the fast-paced world of prop trading, 2025 marks a shift toward more flexible rules, with many firms now allowing news trading during major economic events. This opens doors for options, forex, and futures traders—but it comes with nuances. Here's what you need to know:

- **Understanding News Trading Basics:** News trading involves capitalizing on market volatility from events like interest rate decisions, employment reports, or GDP releases. In prop environments, it's about reacting to data without violating drawdown limits. Common misconception: It's "easy money." Reality: It requires disciplined risk management to avoid whipsaws.
- **Why Firms Are Allowing It:** Traditional restrictions limited strategies, but modern prop firms recognize that skilled traders can thrive here. For forex (e.g., EUR/USD during Fed announcements), options (volatility spikes in S&P 500 contracts), or futures (oil during OPEC meetings), this flexibility boosts edge—if handled right.



Practical Tips for Success:

- Use economic calendars to plan; focus on high-impact events like the Fed's December rate decisions.
- Set tight stops: Limit risk to 1-2% per trade to stay within prop drawdowns (typically 4-6%).
- Combine with technicals: Wait for confirmation post-release, like a breakout above resistance in USD/JPY.
- Avoid overleveraging: In futures, micros help scale safely during volatile



For deeper strategies on navigating these changes, explore resources at paragonelitetrading.com—your go-to for professional trading insights.

Key Statistics/Data Points:

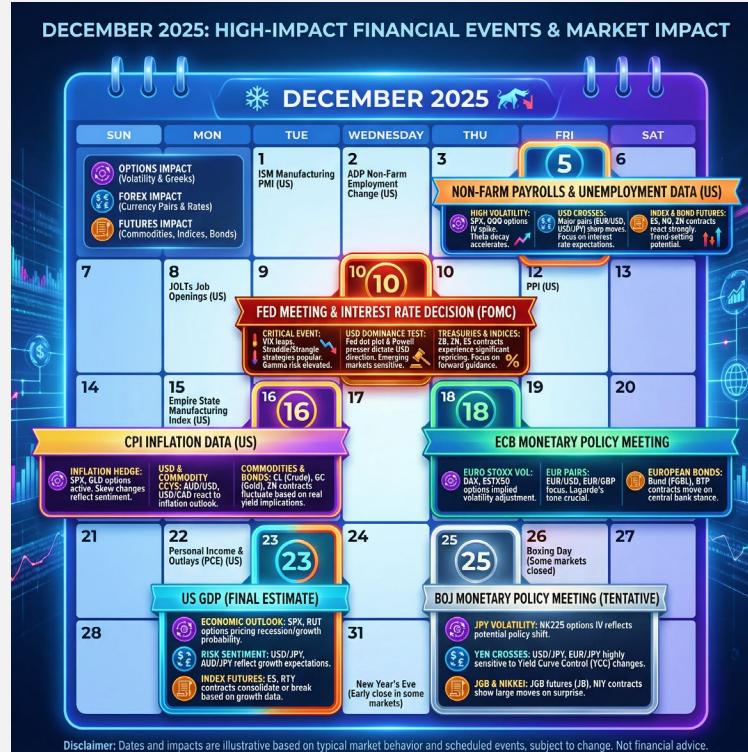
In 2025, over 60% of top prop firms (e.g., FTMO, The 5ers, Goat Funded Trader) now permit news trading, up from 40% in prior years, allowing strategies during events like Fed rate cuts (markets pricing 81% chance of a 0.25% cut in December). Although Paragon always considers it wise to

ponder why “Challenge Firms” change rules → what is motivating that change → does the change do more than just attract more assessment candidates? → these are all things to consider. Why?

...Because **volatility during news can spike 2-3x normal levels**, with forex pairs like EUR/USD showing average 50-100 pip moves on major releases.

Trader success rate in news events: **Around 55% with proper risk controls**, per industry benchmarks from platforms like My Funded Futures.

Rationale: This topic was selected due to prominent discussions in recent news and X posts about prop firms embracing news trading flexibility amid 2025 regulatory and market shifts (e.g., articles on firms like Apex and FundedNext allowing it, contrasting past restrictions). It addresses community pain points like rule limitations while providing value through myth-busting and tips, fostering engagement among aspiring traders seeking adaptable strategies.



Disclaimer: Dates and impacts are illustrative based on typical market behavior and scheduled events, subject to change. Not financial advice.