

GLOSSARY OF TERMS

-A-

ASIAN SESSION

23:00 – 08:00 GMT.

ASK (OFFER) PRICE

The price at which the market is prepared to sell a product. Prices are quoted two-way as Bid/Ask. The Ask price is also known as the Offer. In FX trading, the Ask represents the price at which a trader can buy the base currency, shown to the right in a currency pair. For example, in the quote USD/CHF 1.4527/32, the base currency is USD, and the Ask price is 1.4532, meaning you can buy one US dollar for 1.4532 Swiss francs. In CFD trading, the Ask also represents the price at which a trader can buy the product. For example, in the quote for UK OIL 111.13/111.16, the product quoted is UK OIL and the Ask price is 111.16 for one unit of the underlying market.

AUTO-LIQUIDATION

Also known as Stop-Out. The automatic account balance protection that may prevent negative account balance. After a margin call is issued and accumulated losses exceed a predefined level the broker will automatically liquidate/close any open positions until the account balance is greater than the predefined level.

-B-

BASE CURRENCY

The first currency in a currency pair. It shows how much the base currency is worth as measured against the second currency. For example, if the USD/CHF (U.S. Dollar/Swiss Franc) rate equals 1.6215, then one USD is worth CHF 1.6215. In the forex market, the US dollar is normally considered the base currency for quotes, meaning that quotes are expressed as a unit of \$1 USD per the other currency quoted in the pair. The primary exceptions to this rule are the British Pound, the Euro and the Australian Dollar.

BASE RATE

The lending rate of the central bank of a given country.

BID/ASK SPREAD

The difference between the bid and the ask (offer) price.

BID PRICE

The price at which the market is prepared to buy a product. Prices are quoted two-way as Bid/Ask. In FX trading, the Bid represents the price at which a trader can sell the base currency, shown to the left in a currency pair. For example, in the quote USD/CHF 1.4527/32, the base currency is USD, and the Bid price is 1.4527, meaning you can sell one US Dollar for 1.4527 Swiss francs. In CFD trading, the Bid also represents the price at which a

trader can sell the product. For example, in the quote for UK OIL 111.13/111.16, the Bid price is 111.13 for one unit of the underlying market.

BROKER

An individual or firm that acts as an intermediary, bringing buyers and sellers together for a fee or commission. In contrast, a dealer may sometimes commit capital and take one side of a position, hoping to earn a spread (profit) by closing out the position in a subsequent trade with another party.

BUY

Taking a long position on a product.

-C-

CALL OPTION

A derivative which gives the owner the right, but not the obligation, to buy the underlying asset at a specified price.

CASH MARKET

The market on which the underlying asset of a derivatives contract is based.

CASH PRICE

The price of a product for “instant delivery”; i.e., the price of a product at that moment in time.

CENTRAL BANK

A government or quasi-governmental organization that manages a country's monetary policy. For example, the US central bank is the Federal Reserve.

CFD

A Contract for Difference (or CFD) is a type of derivative that gives exposure to the change in value of an underlying asset (such as an index or equity). It allows traders to leverage their capital (by trading notional amounts far higher than the money in their account) and provides all the benefits of trading securities, without actually owning the product. In practical terms, if you buy a CFD at \$10 then sell it at \$11, you will receive the \$1 difference. Conversely, if you went short on the trade and sold at \$10 before buying back at \$11, you would pay the \$1 difference.

CLEARED FUNDS

Funds that are freely available, sent in to settle a trade.

CLEARING

The process of settling a trade.

CLOSED POSITION

Exposure to a financial contract, such as currency, that no longer exists. A position is closed by placing an equal deal in the exact opposite direction to offset the open position. Once closed, a position is considered squared. The procedure of ordering to close a position may differ depending on the trading software/platform a trader may use.

CLOSING

The process of stopping (closing) a live trade by executing a trade in the exact opposite direction of the open trade. The procedure of ordering to close a position (or partially close) may differ depending on the trading software/platform a trader may use.

CLOSING PRICE

The price at which a product was traded to close a position. It can also refer to the price of the last transaction in a day trading session.

COLLATERAL

An asset given to secure a loan or as a guarantee of performance.

COMMISSION

A fee that is charged for buying or selling a product.

CONTRACT

The standard unit of forex trading.

CONTRACT SIZE

The notional number of shares/units one CFD represents.

CONTROLLED RISK

A position which has a limited risk because of a Stop/Loss Order.

COUNTER CURRENCY or QUOTE CURRENCY

The second listed currency in a currency pair.

COUNTERPARTY

One of the participants in a financial transaction.

COUNTRY RISK

Risk associated with a cross-border transaction, including but not limited to legal and political conditions.

CROSS

A pair of currencies that does not include the U.S. dollar, i.e. Minors and non-USD Exotics.

CURRENCY

Any form of money issued by a government or central bank and used as legal tender and a basis for trade.

CURRENCY PAIR

The two currencies that make up a foreign exchange rate. For example EUR/USD (Euro/U.S. Dollar).

CURRENCY RISK

The probability of an adverse change in exchange rates.

CURRENCY SYMBOLS

A three-letter symbol that represents a specific currency. For example, USD (U.S. Dollar).

-D-

DEAL

A term that denotes a trade done at the current market price. It is a live trade as opposed to an order.

DEALER

An individual or firm that acts as a principal or counterpart to a transaction. Principals take one side of a position, hoping to earn a spread (profit) by closing out the position in a subsequent trade with another party. In contrast, a broker is an individual or firm that acts as an intermediary, putting together buyers and sellers for a fee or commission.

DEALING SPREAD

The difference between the buying and selling price of a contract.

DELIVERY

A trade where both sides make and take actual delivery of the product traded.

DERIVATIVE

A financial contract whose value is based on the value of an underlying asset. Some of the most common underlying assets for derivative contracts are indices, equities, commodities and currencies.

DEVALUATION

When a currency is allowed to weaken or depreciate based on official actions; the opposite of a revaluation.

DIVIDEND

The amount of a company's earning distributed to its shareholders – usually described as a value per share.

-E-

END OF DAY ORDER (EOD)

An order to buy or sell at a specified price that remains open until the end of the trading day, typically at 5pm/17:00 New York time.

EST/EDT

The time zone of New York City, which stands for United States Eastern Standard Time/Eastern Daylight time.

EUROPEAN SESSION

07:00 – 16:00 (London).

EXOTIC(S) PAIR(S)

Exotics are not so frequently traded currency pairs, with less daily volumes and less liquidity; e.g. EURNOK, USDMXN, EURTRY etc.

EXPIRY DATE/PRICE

The precise date and time when an option will expire. The two most common option expiries are 10:00am ET (also referred to as 10:00 NY time or NY cut) and 3:00pm Tokyo time (also referred to as 15:00 Tokyo time or Tokyo cut). These time periods frequently see an increase in activity as option hedges unwind in the spot market.

-F-

FILL

When an order has been fully executed.

FILL OR KILL

An order that, if it cannot be filled in its entirety, will be rejected.

FIRST IN FIRST OUT (FIFO)

All positions opened within a particular currency pair are liquidated in the order in which they were originally opened.

FOREIGN EXCHANGE/FOREX/FX

The simultaneous buying of one currency and selling of another. The global market for such transactions is referred to as the forex or FX market.

FORWARD

The pre-specified exchange rate for a foreign exchange contract settling at some agreed future date, based on the interest rate differential between the two currencies involved.

FORWARD POINTS

The pips added to or subtracted from the current exchange rate in order to calculate a forward price.

FRACTIONAL PIP

The smallest unit of price change of currency pairs. Usually it refers to the 5th digit of a price quoted or the 3rd for JPY pairs. A pip consists of 10 fractional pips.

FUNDAMENTAL ANALYSIS

The assessment of public information available on a tradable product to determine its future outlook and therefore predict where the price is heading. Often non-measurable and subjective assessments, as well as quantifiable measurements, are made in fundamental analysis. The analysis may include macroeconomic factors, company or sector based financial data, actual demand and supply and more, depending on the financial instrument.

FUTURE

An agreement between two parties to execute a transaction at a specified time in the future when the price is agreed in the present.

FUTURES CONTRACT

An obligation to exchange a good or instrument at a set price and specified quantity grade at a future date. The primary difference between a Future and a Forward is that Futures are typically traded over an exchange (Exchange- Traded Contracts - ETC), versus Forwards, which are considered Over The Counter (OTC) contracts. An OTC is any contract NOT traded on an exchange.

-G-

GEARING (ALSO KNOWN AS LEVERAGE)

Gearing refers to trading a notional value that is greater than the amount of capital a trader is required to hold in his or her trading account. It is expressed as a percentage or a fraction.

GMT (GREENWICH MEAN TIME)

Greenwich Mean Time - The most commonly referred time zone in the forex market. GMT does not change during the year, as opposed to daylight savings/summer time.

GOING LONG

The purchase of a stock, commodity or currency for investment or speculation – with the expectation of the price increasing.

GOING SHORT

The selling of a currency or product not owned by the seller – with the expectation of the price decreasing.

GOOD FOR DAY

An order that will expire at the end of the day if it is not filled.

GOOD FOR SECONDS

An order that will expire after a certain number of seconds if it is not filled.

GOOD 'TIL CANCELLED ORDER (GTC)

An order to buy or sell at a specified price that remains open until filled or until the client cancels.

GOOD 'TIL DATE

An order type that will expire on the date you choose, should it not be filled beforehand.

-H-

HANDLE

Every 100 pips in the FX market starting with 000.

HEDGE

A position or combination of positions that reduces the risk of your primary position.

-I-

ILLIQUID

Little volume being traded in the market; a lack of liquidity often creates irregular market conditions.

INITIAL MARGIN REQUIREMENT

The initial deposit of collateral required to enter into a position.

INTERBANK RATES

The foreign exchange rates which large international banks quote to each other.

INTEREST

Adjustments in cash to reflect the effect of owing or receiving the notional amount of equity of a CFD position.

INTRODUCING BROKER

A person or corporate entity which introduces accounts to a broker in return for a fee.

-J-

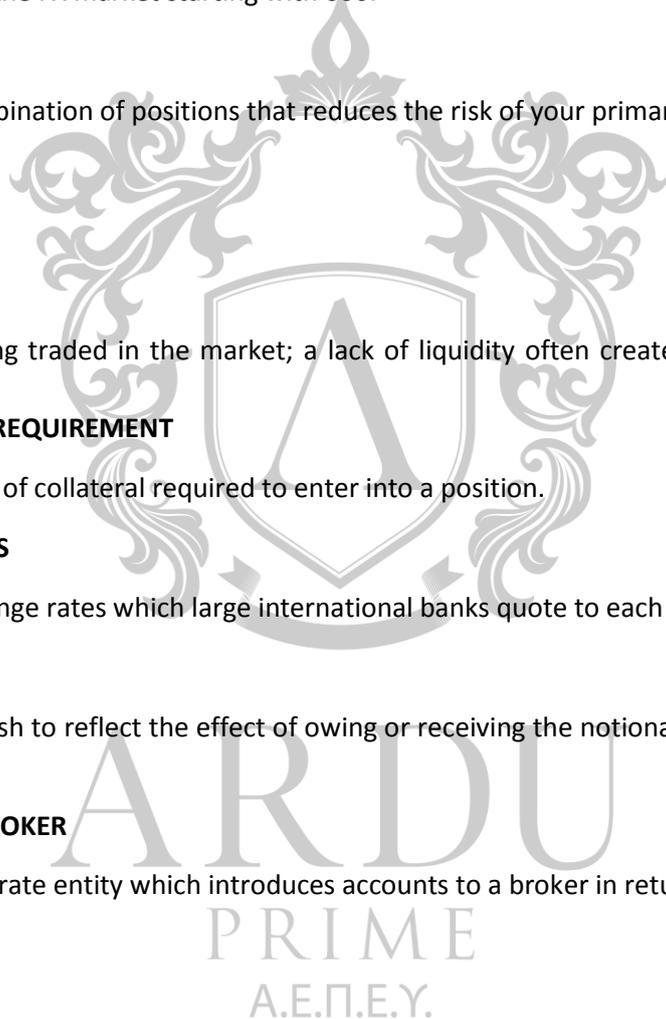
-K-

-L-

LAST DEALING DAY

The last day you may trade a particular product.

LAST DEALING TIME



The last time you may trade a particular product.

LEVERAGE

Also known as margin, this is the percentage or fractional increase you can trade from the amount of capital you have available. It allows traders to trade notional values far higher than the capital they have. For example, leverage of 100:1 means you can trade a notional value 100 times greater than the capital in your trading account.

LIBOR

The London Inter-Bank Offered Rate. Banks use LIBOR as a base rate for international lending.

LIMITS/LIMIT ORDER

An order that seeks to buy at lower levels than the current market or sell at higher levels than the current market. A limit order sets restrictions on the maximum price to be paid or the minimum price to be received. As an example, if the current price of USD/JPY is 117.00/05, then a limit order to buy USD would be at a price below the current market, e.g. 116.50.

LIQUID MARKET

A market which has sufficient numbers of buyers and sellers for the price to usually move in a smooth manner. Even if the market is liquid enough price irregularities may occur during crucial announcements of macroeconomic or geopolitical changes.

LIQUIDATION

The closing of an existing position through the execution of an offsetting transaction (the procedure from the clients' end may vary depending on the trading software/platform that is used).

LONDON SESSION

08:00 – 17:00 (London).

LONG POSITION

A position that appreciates in value if market price increases. When the base currency in the pair is bought, the position is said to be long. This position is taken with the expectation that the market will rise.

LONGS

Traders who have bought a product.

LOT

A unit to measure the amount of the deal. The value of the deal always corresponds to an integer number of lots.

-M-

MAJOR PAIR(S)

The most liquid and most traded currency pairs. These pairs contain the USD and the currency of another strong and developed economy i.e. EUR, GBP, JPY, AUD, CAD, CHF and NZD.

MARGIN CALL

A request from a broker or dealer for additional funds or other collateral on a position that has moved against the customer or to close out some of the open positions.

MARKET MAKER

A dealer who regularly acts as the counterparty for the trades opened by the client. The result is that any client's profits will be losses for the dealer and vice versa.

MARKET ORDER

An order to buy or sell at the current price.

MARK-TO-MARKET

Process of re-evaluating all open positions in light of current market prices. These new values then determine margin requirements.

MATURITY

The date of settlement or expiry of a financial product.

MINOR PAIR(S)

The Major Currencies without including the USD; e.g. EURGBP, AUDJPY, EURCAD etc. Minors are considered "Crosses". Minor pairs are frequently traded but not as commonly as Major pairs.

-N-

NET POSITION

The amount of currency bought or sold which has not yet been offset by opposite transactions.

NEW YORK SESSION

8:00am – 5:00pm (New York time).

-O-

OFFER/ASK PRICE

The price at which the market is prepared to sell a product. Prices are quoted two-way as Bid/Offer. The Offer price is also known as the Ask. The Ask represents the price at which a trader can buy the base currency, which is shown to the right in a currency pair. For example, in the quote USD/CHF 1.4527/32, the base currency is USD, and the ask price is

1.4532, meaning you can buy one US dollar for 1.4532 Swiss francs. In CFD trading, the Ask represents the price a trader can buy the product. For example, in the quote for UK OIL 111.13/111.16, the product quoted is UK OIL and the ask price is 111.16 for one unit of the underlying market.

OFFSETTING TRANSACTION

A trade that cancels or offsets some or all of the market risk of an open position.

ONE CANCELS THE OTHER ORDER (OCO)

A designation for two orders whereby if one part of the two orders is executed, then the other is automatically cancelled.

OPEN ORDER

An order that will be executed when a market moves to its designated price. Normally associated with good 'til cancelled orders.

OPEN POSITION

An active trade with corresponding unrealized P&L, which has not been offset by an equal and opposite deal.

OPTION

A derivative which gives the right, but not the obligation, to buy or sell a product at a specific price before a specified date.

ORDER

An instruction to execute a trade.

ORDER BOOK

A system used to show market depth of traders willing to buy and sell at prices beyond the best available.

OVER THE COUNTER (OTC)

Used to describe any transaction that is not conducted via an exchange.

OVERNIGHT POSITION

A trade that remains open until the next business day.

-P-

PAIR

The forex quoting convention of matching one currency against the other.

PARTIAL FILL

When only part of an order has been executed.

PIPS

The unit of price change for any foreign currency; pips refer to digits added to or subtracted from the fourth decimal place, i.e. 0.0001. For JPY pairs pips refer to digits added to or subtracted from the second decimal place. A pip consists of 10 fractional pips.

POLITICAL RISK

Exposure to changes in governmental policy which may have an adverse effect on an investor's position.

PORTFOLIO

A collection of investments owned by an entity.

POSITION

The net total holdings of a given product.

PREMIUM

The amount by which the forward or futures price exceeds the spot price.

PRICE TRANSPARENCY

Describes quotes to which every market participant has equal access.

PROFESSIONAL INVESTOR

An individual or legal entity that fulfills certain requirements and is entitled to fewer protective layers.

PROFIT

The difference between the opening price and the closing price of a closed deal that results in gain, after extracting all costs. For long positions when the closing price is higher than the opening price; while for short positions when the closing price is lower than the opening price.

PUT OPTION

A derivative which gives the owner the right, but not the obligation, to sell the underlying asset at a specified price.

-Q-

QUARTERLY CFDS

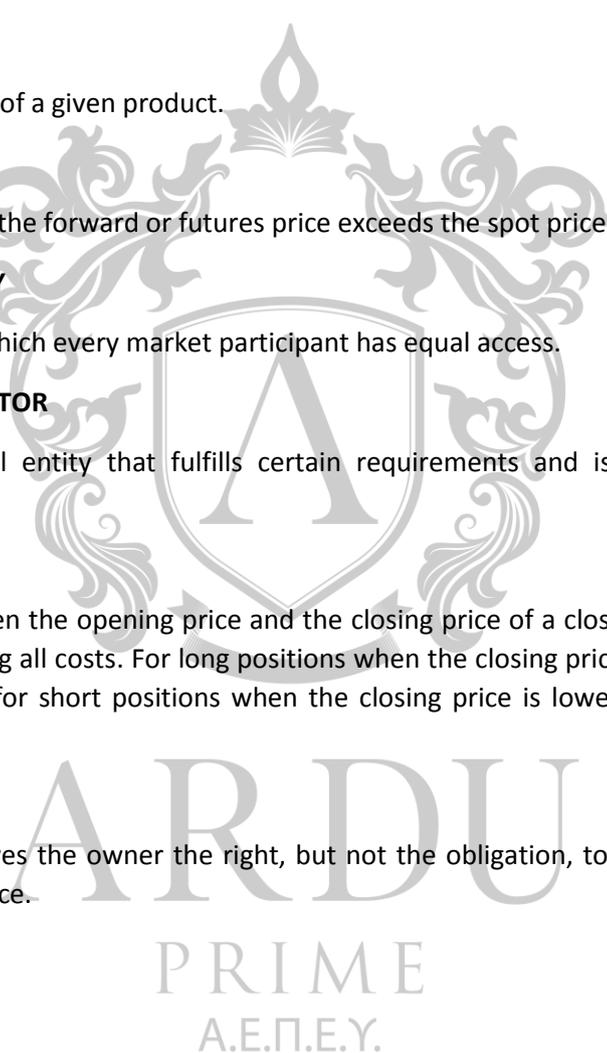
A type of future with expiry dates every three months (once per quarter).

QUOTE

An indicative market price, normally used for information purposes only.

-R-

RATE



The price of one currency in terms of another, typically used for dealing purposes.

REALIZED PROFIT/LOSS

The amount of money you have made or lost when a position has been closed.

RETAIL INVESTOR

An individual investor who trades with money from personal wealth, rather than on behalf of an institution.

REVALUATION

When a currency is allowed to strengthen or rise as a result of official actions; the opposite of a devaluation.

RISK

Exposure to uncertain change, most often used with a negative connotation of adverse change.

RISK MANAGEMENT

The employment of financial analysis and trading techniques to reduce and/or control exposure to various types of risk.

ROLLOVER

A rollover is the simultaneous closing of an open position for today's value date and the opening of the same position for the next day's value date at a price reflecting the interest rate differential between the two currencies. In the spot forex market, trades must be settled in two business days. For example, if a trader sells 100,000 Euros on Tuesday, then the trader must deliver 100,000 Euros on Thursday, unless the position is rolled over. As a service to customers, all open forex positions at the end of the day (5:00 PM New York time) are automatically rolled over to the next settlement date. The rollover adjustment is simply the accounting of the cost-of-carry on a day-to-day basis.

ROUND TRIP

A trade that has been opened and subsequently closed by an equal and opposite deal.

RUNNING PROFIT/LOSS

An indicator of the status of your open positions; that is, unrealized money that you would gain or lose should you close all your open positions at that point in time.

-S-

SELL

Taking a short position in expectation that the market is going to go down.

SETTLEMENT

The process by which a trade is entered into the books, recording the counterparts to a transaction. The settlement of currency trades may or may not involve the actual physical exchange of one currency for another.

SHORT-COVERING

After a decline, traders who earlier went short begin buying back.

SHORT POSITION

An investment position that benefits from a decline in market price. When the base currency in the pair is sold, the position is said to be short.

SLIPPAGE

The difference between the price that was requested and the price obtained typically due to changing market conditions.

SPOT MARKET

A market whereby products are traded at their market price for immediate exchange.

SPOT PRICE

The current market price. Settlement of spot transactions usually occurs within two business days.

SPOT TRADE

The purchase or sale of a product for immediate delivery (as opposed to a date in the future). Spot contracts are typically settled electronically.

SPREAD

The difference between the bid and ask prices. In the retail FX industry it is common to include the broker's fee in the spread.

STOCK INDEX

The combined price of a group of stocks - expressed against a base number - to allow assessment of how the group of companies is performing relative to the past.

STOP ENTRY ORDER

This is an order placed to buy above the current price, or to sell below the current price. These orders are useful if you believe the market is heading in one direction and you have a target entry price.

STOP LOSS ORDER

This is an order placed to sell below the current price (to close a long position), or to buy above the current price (to close a short position). Stop loss orders are an important risk management tool. By setting stop loss orders against open positions you can limit your potential downside should the market move against you. Remember that stop orders do not guarantee your execution price – a stop order is triggered once the stop level is reached, and will be executed at the next available price.

STOP ORDER

A stop order is an order to buy or sell once a pre-defined price is reached. When the price is reached, the stop order becomes a market order and is executed at the best available price. It is important to remember that stop orders can be affected by market gaps and slippage, and will not necessarily be executed at the stop level if the market does not trade at this price. A stop order will be filled at the next available price once the stop level has been reached. Placing contingent orders may not necessarily limit your losses.

STOP-OUT

Also known as Auto-Liquidation. The automatic account balance protection that may prevent negative account balance. After a margin call is issued and accumulated losses exceed a predefined level the broker will automatically liquidate/close any open positions until the account balance is greater than the predefined level.

STRIKE PRICE

The defined price at which the holder of an option can buy or sell the product.

SUSPENDED TRADING

A temporary halt in the trading of a product.

SWAP

A currency swap is the simultaneous sale and purchase of the same amount of a given currency at a forward exchange rate. Also, in retail FX it is common to use the term SWAP for the cost or benefit of holding a position that is rolled to the next day (overnight).

-T-

TECHNICAL ANALYSIS

The process by which charts of past price patterns are studied for clues as to the direction of future price movements. Usually technical analysts use a wide range of indicators that helps them better understand and identify price movements. It is also common to use certain past price formations to interpret market sentiment.

TICK (SIZE)

A tick is a measure of the minimum upward or downward movement in the price of a financial instrument. A tick can also refer to the change in the price from trade to trade.

TIME TO MATURITY

The time remaining until a contract expires.

TOKYO SESSION

09:00 – 18:00 (Tokyo).

T/P

Stands for “take profit.” Refers to limit orders that look to sell above the level that was bought, or buy back below the level that was sold.

TRADE SIZE

The number of units of product in a contract or lot.

TRADING HALT

A postponement to trading that is not a suspension from trading.

TRAILING STOP

A trailing stop allows a trade to continue to gain in value when the market price moves in a favorable direction, but automatically closes the trade if the market price suddenly moves in an unfavorable direction by a specified distance. Placing contingent orders may not necessarily limit your losses.

TRANSACTION COST

The cost of buying or selling a financial product.

TRANSACTION DATE

The date on which a trade occurs.

-U-

UNDERLYING MARKET

The actual traded market from where the price of a product is derived.

UNREALIZED GAIN/LOSS

The gain or loss on open positions valued at current market rates, as determined by the broker in its sole discretion. Unrealized profits/losses become realized when the position is closed.

UPTICK

A new price quote at a price higher than the preceding quote.

-V-

VALUE DATE

Also known as the maturity date, it is the date on which counterparts to a financial transaction agree to settle their respective obligations, i.e., exchanging payments. For most spot currency transactions, the value date is normally two business days forward. The value date may differ depending on currency pairs, holidays or trading breaks.

VARIATION MARGIN

Funds traders must hold in their accounts to have the required margin necessary to cope with market fluctuations.

VOLATILITY

Referring to active markets that often present trade opportunities. In other words, how quickly the market changes.

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-X-

-Y-

-Z-



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PRIME
Α.Ε.Π.Ε.Υ.