



ACM HTML TRADING CONSOLE
USER GUIDE
(Version 1.0)

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1. Quick overview

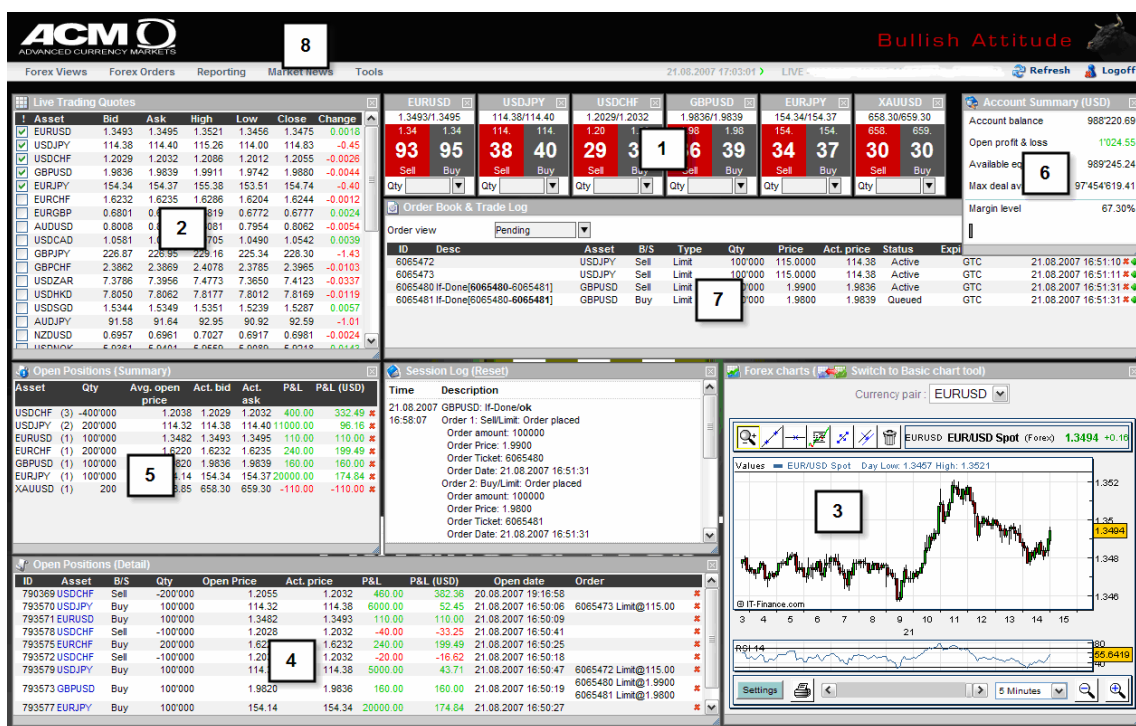
1.1 First login

The login is quick and easy from the following links:

LIVE: <https://live.acm.ch/html>

DEMO: <https://demo.acm.ch/html>

1.2 Main Screen – quick description



1. **WYCIWYG Trading Boxes:** one box for each currency pair. View real time bid/ask rates. Click on the BUY or SELL to execute a trade.

2. **Live Trading Quote:** view real time list of current bid/ask, today's high/low, etc.

3. **Chart Tool:** real time charts on all currency-pairs. Many customizable technical analysis tools are accessible. The chapter 5 contains all basic steps to master the ProRealTime charting tool.

4. **Position List (detail)**: real time summary view of all open positions. Place orders linked to the selected position or close selected position.
5. **Position List (summary)**: real time, summary view of all open positions consolidated by currency-pair. Close selected position.
6. **Margin Summary**: view real time information about margin, P&L and account balances.
7. **Order book & Trade log**: view real time information of all open trades, as well as trades that have been closed out during the selected period. Create new, cancel or modify orders.
8. **Market News**: view containing the latest news published.

1.3 Market News

This view is composed of a folder containing the latest news published. The second folder contains archives which provide specific searching criteria to retrieve any kind of published news.



1.4 Reporting

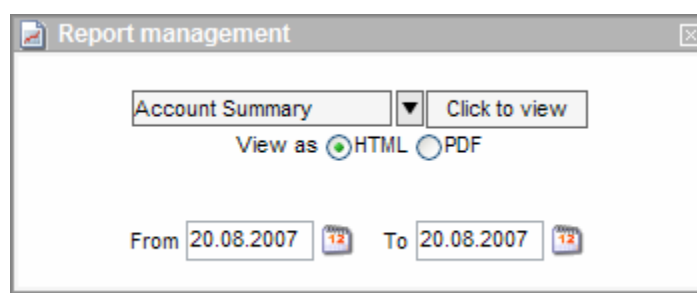
Four kinds of statements are available in the ACM trading console: "Account Statement", "Account Summary", "Transaction Summary", "Today's Activity".

The "Account Statement" returns the balance of the trading account, the list of all open positions and the list of pending orders.

The "Account Summary" displays the all cash movements on the account and details the origin of such movements: type of transaction (forex trade, deposit/withdraw, overnight swap, etc.). In the example of a P&L paid, the report contains the information of the entry and close price, the (historical) exchange rate between the currency of the P&L and the reference currency of the account.

The "Transaction Summary" returns the list of all transactions grouped by transaction-type performed on that trading-account. These order-types include Deposit/Withdraw, Forex trades, Overnight Swap (Rollovers-) operations, etc...

Both reports "Account Summary" and "Transaction Summary" can be generated by selecting a period of activity. By default the current month is selected.



The reports "Today's Activity" is a derivation of both "Transaction Summary" and "Account Summary" but focused on today.



Report display

ACM
ADVANCED CURRENCY MARKETS

Today's Activity

August 20, 2007

Cash Movement

Date	Amount	Balance	Type	Description
20.08.2007 09:43:23	1,500.00	978,191.17 p&I	-10'000 XAUUSD 657.70:1.00 O-ID:6052075 P-ID:786126	
20.08.2007 09:43:25	4,391.60	982,582.77 p&I	-200'000 GBPJPY 228.82:0.01 O-ID:6052076 P-ID:786410	
20.08.2007 12:12:15	270.00	982,852.77 p&I	-100'000 GBPUSD 1.9890:1.0000 O-ID:6053281 P-ID:787908	
20.08.2007 12:53:24	40.00	982,892.77 p&I	-100'000 EURUSD 1.3492:1.0000 O-ID:6053581 P-ID:787905	
20.08.2007 12:53:26	-130.33	982,762.43 p&I	-100'000 USDJPY 115.09:0.01 O-ID:6053582 P-ID:787906	
20.08.2007 19:16:58	-265.42	982,497.02 p&I	-100'000 USDCHF 1.2055:0.6294 O-ID:6057037 P-ID:787907	
	5,805.85	982,497.02		

Executed Transactions

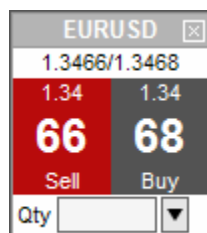
Order ID	Date	B/S	Ccy Pair	Qty	Price	Op. By
6052075	20.08.2007 09:43:23	Sell	XAUUSD	10,000.00	657.70	Client
6052076	20.08.2007 09:43:25	Sell	GBPJPY	200,000.00	228.82	Client

2 TRADE EXECUTION

2.1 Market Order

A market order (Spot) is an order to buy or sell at the current market price. Customers using ACM's online trading platform click on the buy or sell button after having specified their deal size. The execution of the order is instantaneous; this means that the price seen at the exact time of the click will be given to the customer.

The most common way to place a market order (Spot) is to use the WYCIWYG box. The real time bid/ask prices appear in the trading box for each currency-pair. A client has just to click on the current bid or ask offer for executing the trade.

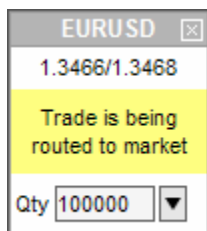


WYCIWYG (What you click is what you get) embodies the concept of total price transparency and permits the retail fx trader to shed the large hidden costs which the great majority of forex dealerships charge their customers in the form of slippage. "What you click is what you get" means that when a customer clicks on a price, that price is "captured" as the execution price and therefore even if the market moves subsequently, the customer still gets the price he chose, always. WYCIWYG execution erases all slippage from trading activities.

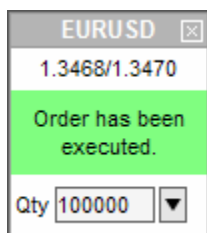
WYCIWYG also applies for limit and stop orders. The price you set is the price at which the order will be executed, always. The first step to pass an order is to select an amount from the proposed drop-down list. The combo-box is editable, so that the user can edit its desired amount, which must be a multiple of the lot.

The second step is to click one of the prices to sell or buy at the proposed price.

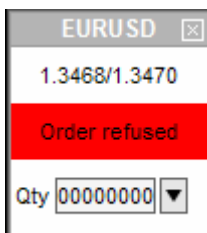
A yellow box indicates that the trade is being routed into the market.



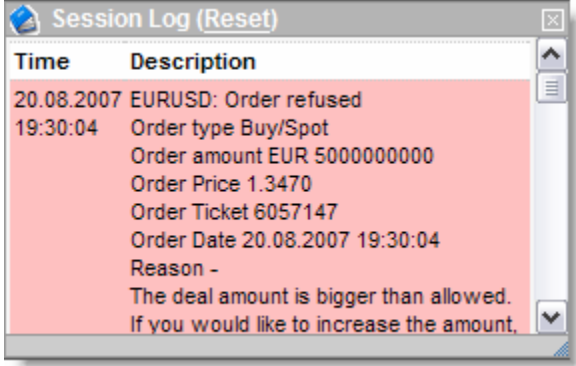
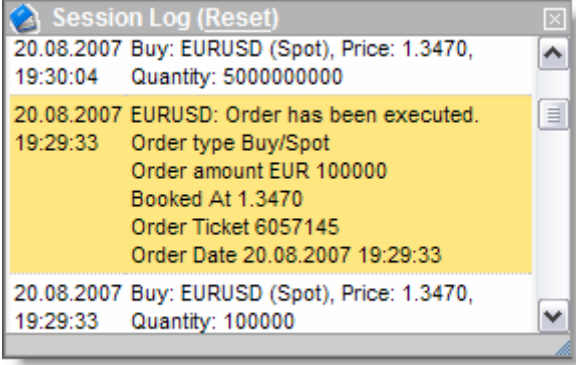
A green box confirms the deal was executed.



A red box indicates that an error occurred.



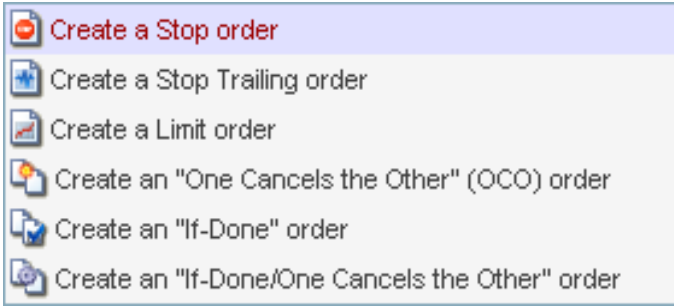
The view Session Log box contains all detailed information about the activity of the trader. In the case of an order refusal, it indicates the reason for which the trade has not been executed.



2.2 Entry Orders

Two possibilities are offered to the client to place an **entry** order.

The client choose the desired type of order in the menu "Forex orders"



2.2.1 Limit Orders

A limit order is an order placed to buy or sell at a certain price. The order essentially contains two variables, price and duration. The trader specifies the price at which he wishes to buy/sell a certain currency pair and also specifies the **Expiration Type** that the order should remain active.

GTC (Good till cancelled): A GTC order remains active in the market until the trader decides to cancel it. The dealer will not cancel the order at any time therefore it is the customer's responsibility to remember that he possesses the order.

GFD (Good for the day): A GFD order remains active in the market until the end of the trading day. Since foreign exchange is an ongoing market the end of day must be a set hour. For ACM the end of the trading day occurs at exactly 24:00 CET or 23:00 GMT.

Note here that our trading system will only validate limit buy order with a limit price under the actual market price. For sell order, the limit should be above the market price. If these rules are not respected, the ACM trading system will reject that order and return an error-message to the user, telling him in which direction it makes sense to trade. We have an internal policy which rejects all limit orders which are not placed at minimum distance of 2 times the spread relative to the actual price.

Edit Order		Edit Order	
Currency pair	EURUSD	Currency pair	EURUSD
Order B/S	Buy	Order B/S	Sell
Order type	Spot	Order type	Spot
Spot price (=)	1.2772	Spot price (=)	1.2770
Amount	100000	Amount	100000
Expiration type	GTC	Expiration type	GTC
<input type="button" value="Accept"/> <input type="button" value="Cancel"/>		<input type="button" value="Accept"/> <input type="button" value="Cancel"/>	

2.2.2 Stop orders

A stop order is an order to buy or sell when a definite price is reached, either above (on a buy) or below (on a sell) the price that prevailed when the order was given. A stop order to buy, always at a higher price than the current market price, is usually designed to protect a profit or limit a loss on a short-sale. A stop order to sell, always at a lower price than the current market price, is usually designed to protect a profit or limit a loss on a position already purchased at a higher price.

From the trader point of view, a buy stop order is placed when the trader believes that if the price moves upwards and reach a certain limit, the price will continue its trends and move further upwards. In the case of a sell stop order, the trader believes that if the price moves downwards and reach a certain limit, the price will continue its trends and move further to moves downwards. The main difference with a limit order is that the trader believes the opposite behavior once the limit price has been reached.

The order contains the same two variables, **Amount** and **Expiration Type**. The same variations are used to specify the expiration as in limit orders (GTC and GFD). Let's take the following example:

Example: Trader x buys EURUSD 100'000 @ 0.9340, he's expecting a 60 to 70 pips move in the market but he wants to protect himself in case he has overestimated the potential strength of the Euro. He knows that 0.9310 is a strong support level so he places a stop loss order to sell at that level. Trader x has limited his risk on this particular trade to 30 pips or USD 300.

Another usage of a stop order is when a trader is expecting a price breakout to occur and wishes to grasp the opportunity to 'ride' the breakout. In this case a trade will place an order to buy or sell 'on stop'. To illustrate the logic behind this let's review the following scenario:

Example: Trader x sees EURUSD breaking through the 1.3090 resistance level. He believes that if this happens, the price of EURUSD could be headed to 1.3150 and over. At this point the market is at

1.3050 so trader x places an order to initiate a buying position of 500'000 at 1.3090 'on stop'.

Edit Order		Edit Order	
Currency pair	EURUSD	Currency pair	EURUSD
Order B/S	Buy	Order B/S	Sell
Order type	Spot	Order type	Spot
Spot price (=)	1.2772	Spot price (=)	1.2770
Amount	100000	Amount	100000
Expiration type	GTC	Expiration type	GTC
<input type="button" value="Accept"/> <input type="button" value="Cancel"/>		<input type="button" value="Accept"/> <input type="button" value="Cancel"/>	

Note here that the ACM trading system will only validate stop buy order with a limit price above the actual market price. For sell order, the stop limit price should be under the market price. When these rules are not respected, the ACM trading system will reject that order and return an error-message to the user, telling him in which direction it makes sense to trade. We have an internal policy which rejects all orders which are not placed at minimum distance of 2 times the spread relative to the actual price.

2.2.3 Trailing stop orders

Placing trailing stop orders is similar to a normal stop order with the difference that additional order parameters is prompted to specify Trailing Points, which is the number of pips from the current rate at which you want the stop loss order to be executed. The advantage of a trailing stop is that the order automatically "trails" the rate if the position moves in your favor, offering the potential for greater gains while still guarding against price declines.

In this example, the live rate is 1.2951 and the Trailing Points are set to 40. The sell stop order will be filled if EURUSD **bid** reaches 1.2911 (live rate – 40 pips). If EURUSD moves in your favor, e.g. to 1.2995, the stop order will automatically adjust to 1.2955 - always 40 pips from the live rate.

Technically speaking, the only difference with a normal stop order, is that the stop price changes as the rates moves in your favor.

2.3 Related Orders

At this level, we will present the use of related trade orders to link orders together to create more complex trading strategies. OCO (order cancels others) and IF DONE orders (also known as slave orders) are typically used in that context.

2.3.1 OCO (order cancels other)

An **OCO** order is a mixture of one limit- and one stop orders. 2 orders with price and duration variable are placed above and below the current price. When one of the orders is executed the other order is cancelled. To illustrate how an OCO order works let's take the following example: The price of USDJPY is 114.41. Trader x wants to either sell 100'000 at 114.30 below the resistance level in anticipation of a breakout or initiate a selling position if the price reach 114.51.

Edit Order						
Currency pair:	USDJPY	Order subtype:	OCO	Expiration type:	GTC	
Order 1	Asset: USDJPY	Buy/Sell: Sell	Basis: Limit	Price: 114.51	Amount: 100'000	
Order 2	Asset: USDJPY	Buy/Sell: Sell	Basis: Stop	Price: 114.30	Amount: 100'000	
		Accept		Cancel		

We have an internal policy which rejects all limit/stop orders which are not placed at minimum distance of 2 times the spread relative to the actual price.

2.3.2 IF DONE

Two-legged order whereby the second single order is placed only upon execution of the first single order.

Edit Order					
Currency pair:	EURUSD	Order subtype:	If-Done	Expiration type:	GTC
IF Section	Asset: EURUSD	Buy/Sell: Buy	Basis: Limit	Price: 1.3060	Amount: 100'000
DONE Section	Asset: EURUSD	Buy/Sell: Sell	Basis: Limit	Price: 1.3100	Amount: 100'000
		Accept	Cancel		

In this example, the trader believes that the EURUSD is going down but will reach a resistance at 1.3060. At that point, the trader thinks that the market will rebound and that's why he planned to place a sell order at 1.3100.

This kind of order allows the trader to execute its strategy without being all the time behind his computer.

We have an internal policy which rejects all limit/stop orders which are not at minimum distance of 2 times the spread. In the case of an IF DONE order, the check in the DONE section is made relative to the price in the IF section.

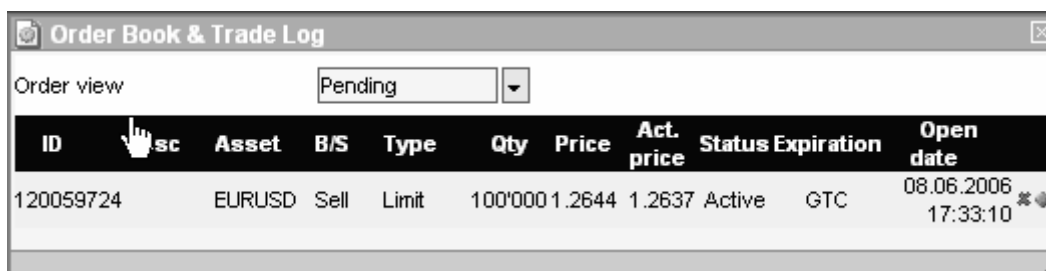
2.3.3 IF DONE / OCO

This is a variation of the IF DONE order whereby an OCO is placed after the order in the IF section has been successfully executed.

Edit Order					
Currency pair:		Order subtype:	If-Done/OCO	Expiration type:	GTC
IF Section	Asset:	Buy/Sell:	Basis:	Price:	Amount:
DONE Order1	Asset:	Buy/Sell:	Basis:	Price:	Amount:
DONE Order2	Asset:	Buy/Sell:	Basis:	Price:	Amount:
		Accept	Cancel		

2.4 Modifying or Canceling orders

Each pending order can be canceled or edited in order to modify some parameters. From the view "Order book & Trade Log", right click on the order and select the appropriate action.



ID	sc	Asset	B/S	Type	Qty	Price	Act. price	Status	Expiration	Open date
120059724		EURUSD	Sell	Limit	100'000	1.2644	1.2637	Active	GTC	08.06.2006 17:33:10

2.4.1 Cancel Order

By clicking on the red cross of an order item in the view "Order Book & Trade Log", the trader will be prompted to confirm the cancellation of the trade. The pending order is then removed from the order queue and will no longer be executed. The following confirmation message is displayed to the trader:



Time	Description
08.06.2006 17:34:09	Order 120059724 closed successfully. EURUSD, SellLimit Amount: 100000, Open Price: 1.2644 Open date: 08.06.2006 17:33:10
08.06.2006 17:33:10	EURUSD: Order placed Order type SellLimit Order amount EUR 100000 Order Price 1.2644 Order Ticket 120059724

2.4.2 Modify Order

By clicking on the green rhombus of an order item in the view "Order Book & Trade Log", the appropriate order-editor is displayed and all parameters of the order can be modified.



Edit Order	
Currency pair	EURUSD ▾
Order B/S	Sell ▾
Order type	Limit ▾
Limit price (≥)	1.2650 ⬆️⬆️
Amount	100000 ▾
Expiration type	GTC ▾
<input type="button" value="Accept"/> <input type="button" value="Cancel"/>	

Press on the "Place" button to validate the modifications and replace the old order with the new one in the system. Attention, as long as the order has not been (re-)placed, the old one is still valid. In the case of replacing an order that has been executed in the meanwhile by the system, the ACM Trading-system returns the following error:

'It is not possible to modify an order that has already been processed'.

3 Open Positions

A position is called 'open' if it has not been offset by an equal and opposite deal. An open position is defined primarily by quantity of the underlying instrument (or asset) and the price at which it was opened.

An open position can be long if the trader bought the underlying asset or short if he sold that position. Note that, an asset can be sold before being bought.

A long or short position can be closed or reduced but not increased. If a client wants to increase its exposure on an instrument, a new position will be created.

On ACM trading platforms, each open position is displayed with corresponding unrealized Profit & Loss (or open P&L).

Normally, all positions on a specific instrument are opened in the same direction (long or short). For example a client can only have long positions on EURUSD, but not simultaneously long and short positions. If the client decides to place a trade in the opposite direction than the actual exposure, some open positions are getting closed or reduced. If no instruction has been given, the oldest open positions are getting closed first, following the FIFO (First In First Out) rule.

FIFO rule is not followed when an order is linked to a given open position. When a linked order is executed, its linked position will be closed or reduced.

3.1 Open Position (detail)

One of the specificities of the ACM Java Trading Platform is the possibility to manage many open positions in the same currency pair.



ID	Asset	B/S	Qty	Open Price	Act. price	P&L	P&L (USD)	Open date	Order
790368	USDJPY	Buy	200'000	114.43	114.20	-46000.00	-402.77	20.08.2007 19:16:55	*
790369	USDCHF	Sell	-300'000	1.2055	1.2060	-150.00	-124.39	20.08.2007 19:16:58	*
790370	GBPUSD	Buy	300'000	1.9830	1.9827	-90.00	-90.00	20.08.2007 19:17:02	6057046 Limit@1.9900 6057050 Limit@156.01 6057051 Limit@154.00
790372	EURJPY	Buy	300'000	154.13	153.77	-108000.00	-945.71	20.08.2007 19:17:07	*
790373	EURJPY	Buy	100'000	154.13	153.77	-36000.00	-315.24	20.08.2007 19:17:11	*
790404	EURUSD	Buy	100'000	1.3468	1.3465	-30.00	-30.00	20.08.2007 19:29:04	*
790407	EURUSD	Buy	100'000	1.3469	1.3465	-40.00	-40.00	20.08.2007 19:29:29	*
790408	EURUSD	Buy	100'000	1.3470	1.3465	-50.00	-50.00	20.08.2007 19:29:33	*

A new (open) position is created when the execution of an order increases the exposure on the traded currency pair. In the example above, many buy orders have been executed on the GBPUSD. Each of these orders has generated a new position. The calculation of the P&L is specific to each position and is relative to the entry-price of that position.

When the execution of an order reduces the exposure on the traded currency-pair; the **FIFO** (First In First Out) rule will apply, and the oldest position on the traded currency-pair is closed or reduced. If the amount of the order is bigger than the amount of the closed position, the next older position is reduced or closed. This process will continue as long as the entire amount of the order has not been booked. If all positions are closed and there is still an available amount which has not been booked; it means that the order reverses the exposure from long to short (or from short to long), a new position with the residual amount will be created in the opposite direction.

The section Linked order describes how to close a specific position among all positions listed in this view.

3.2 Open Position (summary)

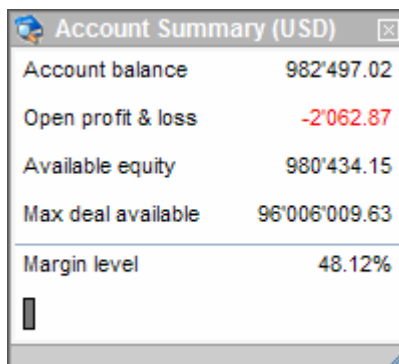
A consolidated view of all positions can be displayed by selecting the menu-item 'Open Positions (summary)' in the 'Forex View' menu. This view shows exactly one entry for each currency-pair. The average open price and the p&l (profit and loss) are calculated for each consolidated position.



Asset	Qty	Avg. open price	Act. bid	Act. ask	P&L	P&L (USD)
USDCHF	(1) -300'000	1.2055	1.2058	1.2061	-180.00	-149.26 *
USDJPY	(1) 200'000	114.43	114.19	114.21	-48000.00	-420.32 *
GBPUSD	(1) 300'000	1.9830	1.9826	1.9829	-120.00	-120.00 *
EURJPY	(2) 400'000	154.13	153.76	153.79	-148000.00	-1295.97 *
EURUSD	(3) 300'000	1.3469	1.3464	1.3466	-150.00	-150.00 *

3.3 Account Summary

The margin analysis window provides traders with real time information about their trading account.



Account Summary (USD)	
Account balance	982'497.02
Open profit & loss	-2'062.87
Available equity	980'434.15
Max deal available	96'006'009.63
Margin level	48.12%

Account Balance: The quantity of money resulting from the sum of all deposits and realized gains less all withdrawals, realized losses, costs and fees which has been booked on the money account

Open Profit & Loss: The net P&L of all open positions, calculated at the current rate. This amount changes as the rates fluctuate.

Available Equity: Represents Account Balance plus the sum total of current unrealized gains/losses.

Max. Deal Available: The maximum position expressed in the reference currency of the client that the margin balance will allow to trade. At 1% margin, this represents 100x the current margin balance, if no position is open.

Margin Level: the available margin represents the ratio between the Available Equity and absolute sum of all open position. This ratio is expressed in percent.

4 P&L Calculation

Gain or loss resulting from the closing of position. The P&L calculation uses the formula:

$(\text{Closing price} - \text{purchase price}) \times (\text{position amount})$.

For example, a client buys 100'000 EURUSD at 1.3400 and later he closes at 1.3410.

The generated P&L is:

$$(1.3410 - 1.3400) \times 100'000 = 100 \text{ USD}$$

Note that if the account is expressed in EUR, the amount will be credited after an exchange rate calculated with the mid-price between the bid- and ask- price at closing.

In the above example, if we consider that the client trades on 2 pips, the bid-price is 1.3410 and the ask-price is 1.3412. The 100 USD are converted into EUR by using the following mid-rate: $(1.3412 - 1.3410)/2 = 1.3411$; the realized P&L is: $100 \text{ USD}/1.3411 = 74.5656 \text{ EUR}$.

Each open position has a corresponding unrealized P&L (or open P&L) which is calculated using the formula:

$(\text{Current price} - \text{purchase price}) \times (\text{position amount})$ expressed in the counter currency of the traded currency-pair.

5 Trading margins

A margin deposit is not, as many traditional traders suggest, the payment in cash for purchasing market shares. A margin is in fact a guarantee or a trust deposit, providing protection from losses during a deal. It allows traders to open positions on amounts that greatly exceed their account limits and so increase their buying power. ACM offers a 1% margin (or 1:100 leverage), which means you can control 100 times your deposit in the real market.

If the margin of the account falls below the prescribed limit (1%) then all your positions will be closed automatically. Using this system, the client's account cannot go overdrawn even under volatile, fast-changing market conditions.

The formula for calculating margins is as follows:

Margin=actual balance/exposure

actual balance = balance + open P&L

Exposure= sum (open positions)

The *actual balance* and the open *P&L* must be expressed in the same currency (for example USD).

Here is an example:

Let's consider a client with 10'000 USD in his account with an open position of +500'000 EURUSD opened at 1.3594 quoted actually at 1.3600.

The actual open P&L is 300 USD.

The actual balance is: 10'000 + 300 USD = 10'300 USD.

The exposure is equal to:

exposure = 1x500'000 EURUSD-->500'000 EUR x 1.36 = 680'000 USD

Margin = actual_balance / exposure=10300/680000 = 0.015147

-> **1.51%**

6 Overnight Positions

Traditionally inter-bank foreign exchange transactions are settled on pre-arranged value dates. In other words if a trader sells 1 million EUR against USD spot on Tuesday, that means he must deliver the value of 1 million Euros on Thursday in order to receive the USD equivalent sum based on the exchange rate agreed upon. (settlement dates in the spot market are valued on a 2 working day basis).

ACM adopts a method of operation by which there are no value dates on any operations and no close out and re-opening of open positions at close of business. We call this process a synthetic spot transaction. This results in a simple one line transaction on the customer's transaction statement instead of an extremely complicated multi-entry statement which is generally unintelligible for anyone not very well acquainted with interbank transactional dynamics.

ACM applies a cost of carry on behalf of the market or the customer on open positions held overnight. This overnight cost of carry is presented as a simple flat fee either paid or charged on a customer's account. This process makes for extremely simple statements and greatly increased executional transparency since we do not modify the original price of the position entered into by the customer.

Please note that the "total open position" for precious metals is the equivalent dollarised value. Example 200 ounces of gold is worth about 133'000 USD (31/07/07 rates).

Overnight costs are credited & debited on any positions held after 23:00 CET. As the markets are closed on Saturdays and Sundays there is no rollover on these days but the banks still calculate interest on any position held over the weekend. To account for this the procedure in the forex market is to apply 3 days of rollover on Wednesdays. The exception being USD CAD where three days of rollover will be applied on a Thursday to take account of the weekend.

Those fees for credit and debit can be found at the following URL, which is daily updated accordingly to market situations:

<http://www.ac-markets.com/online-forex/foreign-exchange-rates.aspx>