



FINANCIAL TRADING WITH MARKETSPREADS

Frequently Asked Questions

NEW ACCOUNTS

- How do I open an account?
- Is there a minimum deposit?
- What kind of educational material or assistance is available?
- Can I practise trading before trading for real?

TRADING

- What are MarketSpreads dealing hours?
- What is the minimum stake?
- What is Margin Factor?
- Can the 'Margin Factor' change?
- What is a margin call?
- What is the hedging option used for?
- What are different types contracts are available?
* Shares *Indices *Currencies *Commodities
- Can I roll my positions on expiring contracts over to the next month/quarter?

Stop/Limit Orders

- What is a stop order?
- What is a limit order?
- What is a stop loss order and how do I use them?
- What is a trailing stop? How can I put on a trailing stop?
- My order was filled at a different price to the price I requested on my order ticket? Why is this?
- Can I guarantee my stop loss order level? How much does a guaranteed stop cost?

Adjustment/Charges

- What is a dividend adjustment?
- What are daily rolling charges?
- How are daily rolling charges calculated?
- What are the currency rollover charges and how are they calculated?
- What are the daily rolling future charges?
- What are the adjustments on rolling futures contracts?

ACCOUNT MAINTENANCE

- How can I fund my account?
- How can I change my password?
- I've forgotten my password. What do I need to do?
- How can I change my contact information?

PC TROUBLESHOOTING

- I am having problems viewing the website, trading platform or charts. What can I do?

NEW ACCOUNTS

- **How do I open an account?**

To open an account, you simply fill out our quick online application form which is available on the MarketSpreads homepage by clicking on the 'Apply Now' button. After you have completed this form, you then need to email the required documentation listed below to info@marketspreads.ie. The development team will be in touch with you shortly after you have submitted the documentation to complete the account opening process.

ID Documentation Required:

- ***Photo ID:*** In the form of a driver's license or passport.
- ***Proof of address:*** 2 items required in the form of a utility bill, bank statement or other official documentation stating your address. This must be dated within the last 3 months.
- ***Compliance form:*** after you have filled out your application form, you will receive an email with a compliance form attached, you need to complete and return this form to info@marketspreads.ie. Alternatively, you can complete the compliance questions over the phone with a member of the compliance team.

- **Is there a minimum deposit?**

There is a minimum opening deposit of €500 for new clients. This is to ensure that you have enough funds in your account to cover the margin required on the positions you wish to open.

- **What kind of help is available for Spread Trading beginners?**

Here at MarketSpreads, we pride ourselves on providing clients with as much educational material as possible to allow them to begin trading with confidence. We encourage clients to avail of our free educational services listed below.

- *One-to-One Tutorials*
- *Online Interactive Tutorial – available on our website under the 'Learning' section*
- *Trading Seminars/Webinars*
- *Trading Mentor*

If you would like to partake in any of the above services, please fill out the form available on our website under the 'Learning' section or contact us on 1890 252 102 and we would be only too happy to book you in!

- **Can I practise trading before I trade for real?**

Absolutely. You can open a demo account and trade instantly. Using this

service, you can simulate placing real trades in real time without risking your own funds. This is a great way to practise using the platform features and to get familiar with the product. To open a demo account now, click here <http://www.marketspreads.ie/spread-betting/demo-account.aspx>

TRADING

- **What are the MarketSpreads dealing hours?**
The MarketSpreads trading desk is open 24 hours a day. The dealing desk opens when the markets open at 11pm on Sunday night and does not close until the markets close at 9.15pm on Friday night. Market opening hours determine what specific markets are tradable throughout this period.
- **What is the minimum stake?**
The minimum stake is 20 cent (or currency equivalent) per point stakes on all instruments with the exception of some small cap equities.
- **What is the Margin Factor?**
The Margin Factor is the initial margin required to open a position on a market. It is the minimum amount of funds you need to have in your available trading resources to trade. You can find the 'Margin Factor' in the 'Info' button on the right hand side of the contract listing on the platform.
- **Can the margin required change?**
*The margin required is at the discretion of MarketSpreads and can be changed, although rarely, at any time by the trading desk. You can get a list of the current margin requirements on our market information sheet, which is available to download from the following link;
<http://www.marketspreads.ie/pdfs/MarketInformationSheets.pdf>*
- **What is a margin call?**
A margin call is a call or email that a client may receive from a member of our trading team to request additional funds to top up their account balance. Clients will receive such a call or email if the balance in their account is not sufficient to cover the required margin (IMR) to maintain their open positions. If the client wishes to keep your positions open, you must provide the requested funds immediately or within a very short period of time after the call. In the case where a client does not fund their account with the required funds after a margin call, their positions will be closed. The MarketSpreads Trading Team advise all clients to monitor their accounts closely and fund their trading accounts sufficiently to avoid receiving a margin call or running the risk that their positions will be closed prematurely.
- **What is the hedging option used for?**
The hedging option allows clients to trade on an instrument in both directions.i.e. it facilitates the option to go long and short at the same time on the same instrument. This can be used for a number of reasons.

1. *Some clients may take the view that a losing position will eventually turn in their favour, for this reason, they do not want to close out that position but also do not want to run the risk of any further losses. Because of this they may decide to hedge their initial investment by opening a position in the opposite direction. This will serve to limit any further losses whilst maintaining the original open position.*
2. *Alternatively, some clients may want to open a position on an instrument in opposite directions with the intention of maintaining the position that goes into profit and closing the losing trade.*

What are different types contracts available?

- **Shares**
- **Indices**
- **Currencies**

- **SHARES**

Futures (Quarterly Contracts)

Futures contracts are generally for those taking a long term view. The price is calculated by taking the current cash price of the underlying market and adjusting it to account for interest over the term of the contract (fair value). When a share trades ex-dividend, the relevant cash adjustment will be applied to the account on the ex-date (long positions receive 80% of the declared dividend, short positions pay 100%). Contracts are offered on a quarterly basis and expire on the closing price on a stated day in the contract month. You can find out the expiry date on the 'Info' button on the right hand side of the listing on the platform.

Rolling

Rolling bets are designed for those taking a short term view. They have a tighter spread than the futures contracts so can sometimes be more cost effective for those intending to trade for a short period of time. These positions do not expire and will remain open unless they are manually closed or an associated order to close is triggered. There is a daily rollover charge for daily rolling positions of par +2.5%. For more information on daily rollover charges see relevant FAQ on Adjustments/Charges.

- **INDICES**

Daily/Rolling Cash

The cash market is designed to represent the value of the underlying cash index and is derived from the corresponding futures market using fair value adjustments. The daily cash contract will expire at the end of the day. The rolling cash contract will rollover automatically unless closed out manually or an associated order is triggered. This contract is subject to a daily rollover charge. For more information on daily rollover charges see relevant FAQ on Adjustments/Charges.

Daily/Rolling Future

These prices are also based on the underlying market price traded on the relevant futures exchange. The daily contract will expire when the markets close at the end of the day. The rolling futures contract will rollover automatically unless they are manually closed or an associated order to close is triggered. They are subject to daily rollover charges. For more information on daily rollover charges see relevant FAQ on Adjustments/Charges.

Futures

Index future prices are based on the underlying market price traded on the relevant futures exchange. They will expire on the specified expiry date displayed on the 'Info' tab, this date is calculated differently depending on the exchange contract. The corresponding contract period will be denoted by the month in capital letters e.g. UK 100 - SEPT. These positions can be rolled over to the next quarter as long as the MarketSpreads trading desk has been informed prior to the expiry date. See FAQ on rollover instructions for further information.

Please note: *When any futures contract is rolled over to the next quarter, it essentially creates a new contract and as such any orders associated with the previous contract will not apply. Orders on the new contract will have to be added manually by the client.*

- **CURRENCIES**

Rolling Spot

Rolling spot contracts are based on the spot price of the underlying Forex cross. These positions do not expire and will remain open unless they are manually closed or an associated order to close is triggered. There is a daily FX rollover charge for each day the position is open. For more information on daily rollover charges see relevant FAQ on Adjustments/Charges.

Futures

Future FX prices are based on the cash rate adjusted forward based on the relative interest rate differentials. They will expire on the specified expiry date displayed on the 'Info' tab, this date is calculated differently for each exchange. The corresponding contract period will be denoted by the month in capital letters e.g. EURUSD – SEPT. These positions can be rolled over to the next quarter as long as the MarketSpreads trading desk has been informed prior to the expiry date. See FAQ on rollover instructions for further information.

COMMODITIES

Futures

Futures contracts are priced based on the corresponding contract on the relevant futures exchange. Contracts are offered on a quarterly basis and expire on the closing price on the stated day in the contract month. You can

find out the expiry date on the 'Info' button on the right hand side of the listing on the platform.

- **Can I roll my positions on expiring contracts over to the next month/quarter?**

Yes, we can roll your positions for you if we have received a rollover instruction from you prior to the expiry date of the contract and you have sufficient funds in your account. You can do this by calling our trading desk on 1890 252 103 or emailing trading@marketspreads.ie with your account number and exact instructions of the open position you want to roll. If you want us to automatically roll all of your positions in the future, then you can also request this by using the same contact details as above and specifying this. Acceptance of a rollover instruction will be confirmed with you over the phone or by return email. If you are unsure whether your position is going to be rolled over, please call the trading desk to confirm prior to the expiry of your position.

Please note: *When any futures contract is rolled over to the next quarter, it positions are moved into a new contract and as such any orders associated with the previous contract will not apply. Orders on the new contract will have to be added manually by the client.*

Stop/Limit Orders

- **What is a stop order?**

A stop order is an instruction to execute a trade at a less favourable price than the current price. If you are buying this means that you put on an instruction to buy at a higher price than the current price. If you are selling this means that you put on an instruction to sell at a lower price than the current price.

- **What is a limit order?**

A limit order is an instruction to place a trade at a more favourable price than the current price. If you are buying (going long) this means that you put on an instruction to buy at a lower price than the current price. If you are selling (going short) this means that you put on an instruction to sell at a higher price than the current price.

- **What is a stop loss and how do I use them?**

A stop loss is an extremely important spread betting tool. It is an order that you can add to a trade which enables you to limit the risk on that investment. This means that you can decide before placing a trade how much you're willing to risk and feel safe in the knowledge that any losses incurred on a position will not go beyond your specified risk exposure level (allowing for slippage). The added benefit of automatic stop losses is that you do not have to constantly monitor your positions as the stop loss will fill automatically. E.g. If you choose to buy (go long) for €1 on Ryanair Shares at €3.60 a share but you wish to limit your risk to approximately €100 (allowing for slippage), you would put your stop loss in at €2.60 which on the MarketSpreads platform would be represent a stop order at a level of 260.

Please note: While MarketSpreads endeavour to fill all orders at requested stop levels, stops may be subject to slippage or gaps, in which case, the order will be filled at the next available price.

- **What is a trailing stop? How can I put on a trailing stop?**

A trailing stop is a stop loss which trails the level of a market going in your favour. This feature enables a client to limit their risk on an investment while locking in any potential profit. The client enters a stop loss level and a trailing level. When the market price moves in an increment equal to or greater than the size of the specified trailing level, the stop loss level will be adjusted by the specified trailing level. If the market goes against you, your position will be closed when the market reaches the most recently adjusted stop loss level.

- **My order was filled at a different price to the price I requested on my order ticket? Why is this?**

This can happen for a number of reasons.

***Slippage:** If the underlying market price does not trade at the exact price you specified on your trading ticket, your order will be filled at the next available price. This most commonly happens during periods of high volatility and when the markets are closed overnight. In the case where the market traded through your level overnight, your order will be filled when the market opens the next day at the best price available to us. You can avoid slippage by choosing 'Guaranteed Stop' orders when you place your trade.*

***Please note:** Unless you have chosen the 'Market' price beside the 'Basis' option on the trading ticket when placing your order, your order will be filled according to 'Our Quote' in which case you need to take into account the spread on the market that you're trading. This means that if you are selling, your order level must hit our bid price and if you are buying then your order level must hit our offer price.*

- **Can I guarantee my stop loss level? How much does a guaranteed stop cost?**

You can guarantee the level at which your stop loss level is hit by choosing the 'Guaranteed Stop' option on the order ticket. A guaranteed stop must be placed a minimum number of points away from the current price, this minimum distance is specified by the trading desk and differs for each market. GSL's must be placed during market hours and in normal market conditions. The cost of placing a guaranteed stop loss also differs for each instrument. For information on the pricing structure for guaranteed stop losses, please email info@marketspreads.ie with details of what you wish to trade or call the trading desk directly on 1890 252 103.

Adjustment/Charges

- **What is a dividend adjustment?**

When dividends are paid out on a share that you are trading, you will see this reflected by a 'Dividend Adjustment' on your account. Dividend adjustments are credited to long positions and debited from short positions on the day the dividends are paid. This is called the ex-dividend date.

If you are long, you will be credited with 80% of the dividend and if you are short you will be charged 100% of the dividend.

For example:

If you were long €1 on a share, which is equivalent to owning 100 shares, which went ex-dividend and the dividend was 10 cents per share. You would receive 10 cents x 100 shares x 80% = €8. If you were short by the same amount you would have been charged 10 cents x 100 shares x 100% = €10.

The same adjustment is applied to rolling cash indices positions. When a share in an index goes ex-dividend, your account will be adjusted based on the equivalent number of index points.

- **What are daily rolling charges?**

Daily rolling charges are fees which are applied to your account on a daily basis for each day you have a daily rolling position open. Because Spread Trading only requires you to pay a fraction of the cost (i.e. Margin) of the full investment, it means that you are essentially borrowing the balance of funds required. The rollover charge is the interest you are paying on the borrowed money to keep the position open for another day.

- **How are daily rolling charges calculated?**

If you are short you are paid interest, if you are long you pay interest. Please note the adjustment on a short position can also be negative depending on the prevailing interest rate. MarketSpreads charge an extra 2% in addition to the prevailing interest rate. The total charge can be calculated using the formula's below.

If you're buying (long)

$$\frac{(\text{Interest Rate} + 2\%) \times \text{Total value of your position}}{365}$$

If you're selling (short)

$$\frac{(\text{Interest Rate} - 2\%) \times \text{Total value of your position}}{365}$$

- **What are the currency rollover charges and how are they calculated?**

The principal behind FX roll-overs is that you receive the deposit interest of the currency you are long of and pay the borrowing cost of the currency you are short.

If the interest rate of the currency you are long of is higher than that of the currency you are short of you will receive money.

If the interest rate of the currency you are long of is lower than that of the currency you are short of you will pay.

For Example:

GBP/USD

Interest Rate GBP 0.5% and USD 0.25% Spot rate 1.5300

Per €1 long:

$(0.5 - 0.25 - 2.5) \times 15300 / 365 / 100 = -0.94$

Per €1 short:

$(0.25 - 0.5 - 2.5) \times 15300 / 365 / 100 = -1.15$

- **What are the daily rolling future charges?**

For daily rolling futures positions, there is a rolling adjustment of one index point per day. For example if you are long or short €1 on the Dow Jones daily rolling future, you will be charged €1 for each day you hold the position open. This charge applies to both long and short positions.

- **What are the adjustments on rolling futures contracts?**

When a futures contract rolls over from one quarter to next, there will be a difference in the closing price of the previous quarter and the opening price of the next quarter. This means that when a client is rolled over into the next quarter, they can artificially make a gain or loss, depending on their direction and the price difference between the two quarters. If the opening price of the new quarter is higher than the last then buyers will artificially make a profit from the rollover and sellers will make a loss. If the opening price of the new quarter is lower, then the opposite applies.

In order to reverse out this artificial gain/loss from the rollover, there will be a fair value adjustment on the accounts holders of such positions. They will see this reflected in their transaction history soon after the rollover.

ACCOUNT MAINTENANCE

- **How can I fund my account?**

You can fund your account online using your credit or debit card. Alternatively, you can transfer funds via bank transfer or send us in a cheque. Further details on methods of deposit are available in the 'My Account' tab when you log into the platform.

- **How can I change my password?**

To change your password, click on the 'My Account' tab after you have logged into the platform. You will have an option here to enter your current password and your new password.

- **I've forgotten my password. What do I need to do?**

If you cannot remember your password, please contact the helpdesk on 1890 252 102 or email info@marketspreads.ie and the MarketSpreads team will be happy to send your password to your email address.

- **How can I change my contact information?**

In order to change your address or phone number, please email info@marketspreads.ie with your updated contact details. As MarketSpreads is a regulated company, we require proof of address for all our clients. Therefore, you will also need to attach a copy of a recent utility bill, bank statement or other form of official documentation, dated within the last 3 months, stating your new address.

PC TROUBLESHOOTING

If you need assistance with your browser settings, please click here to download the [website troubleshooting guide](#). If you still have problems after following the instructions on this guide, please call the helpdesk for further assistance on 1890 252 102.