# TERMINOLOGY

**Ask** – a price at which a tool is available for buying.

**Equit**y — the balance of funds in the trade account. It is calculated using the following formula: balance + floating profit/floating loss.

**Arbitrage conversion operation** — operation of foreign exchange, which is aimed at earning profit.

**Base currency** — the first currency in the currency pair, which a client wants to buy/sell for a quote currency.

**Balance** — the financial result of all completed transactions of the trading account.

**Balance operations** – such operations as funds deposit, withdrawal and balance correction.

**Deposit currency** — currency used for funds deposit and withdrawal.

**Quote currency** — the second currency in a currency pair, for which a client is able to sell/buy the base currency.

**Client** – an individual or a legal entity to which the Company services are provided.

**Company** — as stated in your Client's Agreement.

**Quote** — a security price considered while buying and selling. It is expressed in Ask and Bid prices.

**Rate** - the price of one currency expressed in the unit price of another country's currency.

**Locked positions** — positions opened for buying and selling one and the same tool with the same volume.

**Lot** – tool volume unit.

**Margin** — the guarantee, which is required by the dealer to maintain an open locked position or locked position that the client intends to open. Each tool has its own margin.

**Margin trading** – trading with the use of leverage.

**Meta Trader Bridge** — is a piece of software for client trade retranslations, which allows a broker to automatically submit trade requests to the prime provider of choice.

**Initial margin** — a deposit required to open a position.

**Necessary margin** — the guarantee required by the dealer to maintain an open position.

**Non-market quote** — the quote that meets the following requirements:

1. Significant price gap.
2. Quick price recovery.

**Transaction volume** — a product of the number of lots and a lot volume.

**Order** — a client's order to buy or sell a certain amount at a given rate.

**Prime broker** — is a broker, who has a corporate account to support clients requests transactions of a second tier broker. Our company is the second tier broker. The prime broker can be any large financial institution or bank.

**Floating profit/loss** — unrecorded gains/losses on the open positions of a certain tool at current rates values.

**Stream quotes** – quote provision which enables a client to make transactions without a request.

**Point** — a minimal price change of the base currency.

**Gap** — a price range where quotes haven't occurred.

**Arrangement** — a client's order to open/close a position, to place/delete or modify a pending order.

**Free margin** — funds available for opening of new positions.

**Swap** — the payment for transferring an open position overnight. It may be both positive and negative. The night from Wednesday to Thursday triples the payment.

**Spread** — Ask and Bid difference expressed in points.

**Ticket** — a universal identification number, assigned to all transactions and orders.

**Trading account** — trade platform transactions register that shows full completed transactions, open positions, non-trading operations and orders.

**Margin level** – free assets-to-bond ratio *100%.

**Margin Call level** — warning level. If the current level is lower than Margin Call, account is in warning section of the dealer.

**Stop Out level** — compulsory closing of positions. If the current level reduces lower than Stop Out level, in automatically quoted accounts the most unprofitable position will be closed and in a by dealer quoted account the request about closing of the most unprofitable position will be sent.

**Order activation price (order execution price)** — when the market reaches this price, order will be executed.

**Gap price** — the price of the first quotation after Gap, which can differ from the previous quotation in a few points or more, even in hundreds.

**Obvious error** — non-execution of the client's order, opening or closing of a position at an incorrect price or another action of a dealer linked with incorrect market price evaluation.