



ACM WEB TRADING CONSOLE
USER GUIDE
(Version 2.0)



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1. Quick overview

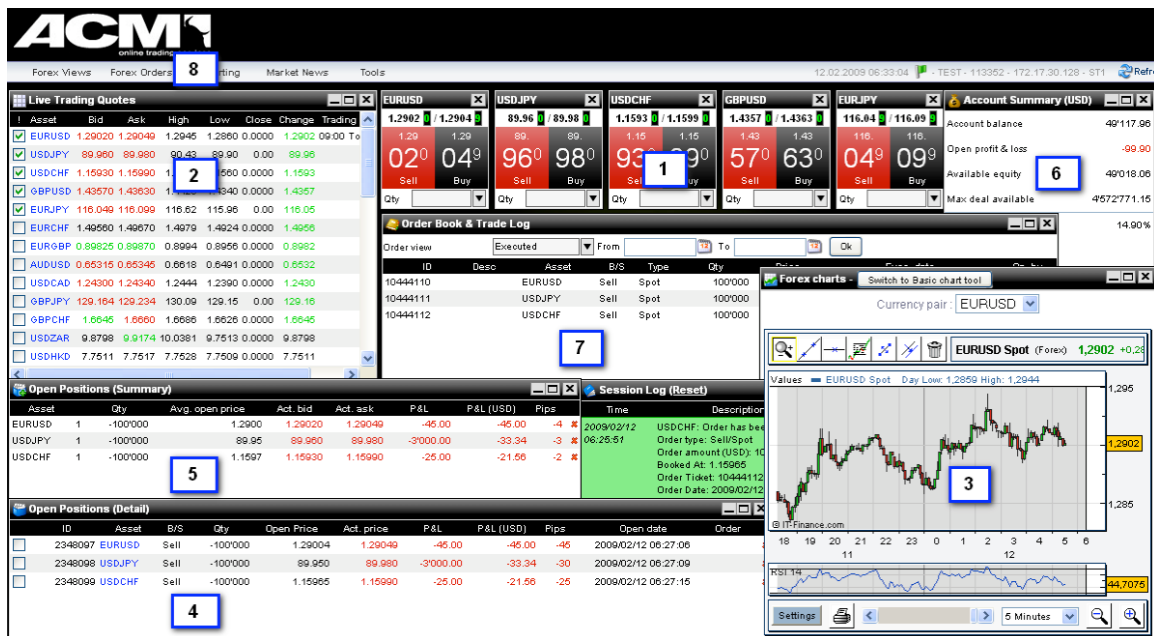
1.1 First login

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. 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 positions.

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 search criteria to retrieve any kind of published news.

Date and Time	News Headline
1/21/2009 11:21:00 AM	MARKET TALK: USD/PKR Ends Up On Importer Demand; May Fall Thu
1/21/2009 11:20:00 AM	MARKET TALK: USD/THB Ends Tad Down, 34.90-35.00 Range Tipped
1/21/2009 11:16:00 AM	MARKET TALK: HUF Weakening Bias Intact - Takarekbank
1/21/2009 11:16:00 AM	UPDATE: UK Dec Net Borrowing Hits GBP14.9 Billion
1/21/2009 11:15:00 AM	UPDATE: UK Dec Jobless Rises For 11th Straight Month
1/21/2009 11:12:00 AM	CABLE: reported stops above \$1.3840 were targeted a..



1.4 Reporting

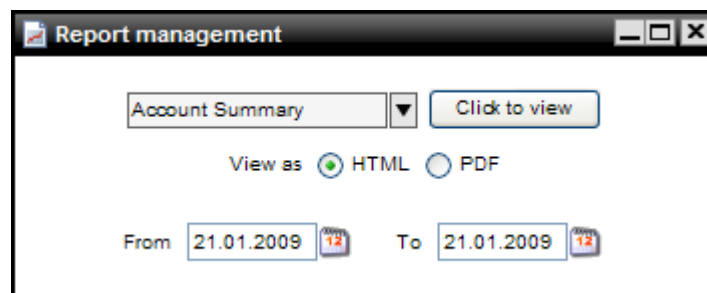
Four kinds of statements are available in the ACM trading console: "Account Statement", "Account Summary", "Transaction Summary", "Today's Activity".

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 all the cash movements on the account and details the origin of such movements: type of transaction (forex trade, deposit/withdrawal, 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/Withdrawal, 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 report "Today's Activity" is a derivation of both "Transaction Summary" and "Account Summary" but focused on today.

Client 105427					
Account USD					
Date	Amount	Balance	Type	Description	
03.04.2009 10:19:59	-5,925.00	19,976,491.06 p&l	-300 XAUUSD 906.60:1.00	O-ID:11164178 P-ID:2523455	
03.04.2009 10:22:40	447.87	19,976,938.93 p&l	-40'000 EURCHF 1.52720:0.89024	O-ID:11164186 P-ID:2524220	
03.04.2009 10:22:40	942.74	19,977,881.67 p&l	-70'000 EURCHF 1.52720:0.89024	O-ID:11164187 P-ID:2524260	
03.04.2009 10:22:41	683.95	19,978,565.62 p&l	-60'000 EURCHF 1.52720:0.89024	O-ID:11164189 P-ID:2524221	
03.04.2009 10:22:41	868.80	19,979,434.42 p&l	-70'000 EURCHF 1.52720:0.89024	O-ID:11164191 P-ID:2524249	
03.04.2009 10:22:48	562.97	19,979,997.38 p&l	-40'000 USDJPY 99.956:0.010	O-ID:11164194 P-ID:2524265	
03.04.2009 10:22:48	595.38	19,980,592.76 p&l	-40'000 USDJPY 99.956:0.010	O-ID:11164195 P-ID:2524266	
03.04.2009 10:22:49	719.72	19,981,312.48 p&l	-50'000 USDJPY 99.956:0.010	O-ID:11164197 P-ID:2524256	
03.04.2009 10:22:49	6.30	19,981,318.78 p&l	-70'000 USDJPY 99.956:0.010	O-ID:11164199 P-ID:2598841	
03.04.2009 10:22:49	11.00	19,981,329.78 p&l	-100'000 USDJPY 99.956:0.010	O-ID:11164201 P-ID:2598845	
-1,086.28		19,981,329.78			
Client 105427					
Account USD					
Order ID	Date	B/S	Ccy Pair	Qty	Price Op. By
11164044	03.04.2009 09:19:36	Buy	GBPUSD	50,000.00	1.4675 Client
11164106	03.04.2009 09:57:10	Buy	XAUUSD	10,000.00	908.80 Client

Please carefully review all transactions on this statement and report any differences immediately. The failure to report differences within 30 minutes after a difference has occurred will be considered as an agreement that this statement is correct and ratified. ACM SA reserves the right to annul transaction made online by a customer within the space of 48 hours after the transactions were made.



2 TRADE EXECUTION

2.1 Market Order

A market order (Spot) is an order to buy or sell at the current market price. Client's 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.

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 only needs to click on the current bid or ask offer for the execution of the trade.





Stop and Limit orders are executed at market best. The price you set is the price at which the order will be triggered, ACM will execute at the best market price possible. 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 client can enter the 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.

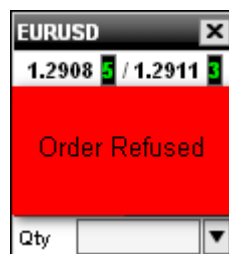
A yellow box indicates that the trade is being routed to the market.



A green box confirms that 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 was not executed.

Time	Description
2009/02/12 11:02:37	EURUSD: Order has been executed. Order type: Sell/Spot Order amount (EUR): 300'000 Booked At: 1.28458 Order Ticket: 10444155 Order Date: 2009/02/12 11:02:36
2009/02/12 11:02:36	Buy: EURUSD (Spot), Price: 1.28458, Quantity: 300000
2009/02/12 11:04:52	USDJPY: Order placed Order type: Buy/Limit

Time	Description
2009/02/12 11:04:27	EURUSD: Order refused Order type: Sell/Spot Order amount (EUR): 5'000'000 Order Price: 1.28499 Order Ticket: 10444157 Order Date: 2009/02/12 11:04:25 Reason -: The trade is not possible. The margin amount is not sufficient to trade.
2009/02/12	Buy: EURUSD (Spot), Price:

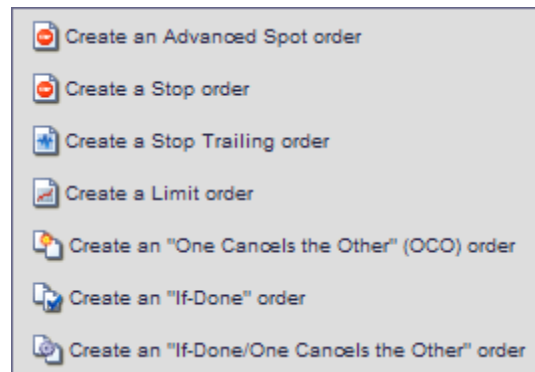
Time	Description
2009/02/12 11:08:41	Order 10441314 cancelled successfully. USDJPY, Buy/Limit Amount: 100000 Open Price: 24.00 Open date: 2009/02/09 16:15:48
2009/02/12 11:08:30	EURUSD: Order placed Order type: Buy/Stop Order amount (EUR): 100'000 Order Price: 1.28680



2.2 Entry Orders

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

The client chooses 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**, i.e. how long the order should remain active. Limit Orders are executed at market best.

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 client's responsibility to remember that the order is in place.

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 23:00 CET or 22:00 GMT (winter time).

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 higher than the market price. If these rules are not respected, the ACM trading system will reject that order and return an error message to the trader, with an indication of 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.

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 price lower 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. Stop orders are executed at market best.

From the trader's point of view, a buy stop order is placed when the trader believes that if the price moves upwards and reaches a certain limit, the price will continue its trend and continue upwards. In the case of a sell stop order, the trader believes that if the price moves downwards and reaches a certain limit, the price will continue its trend and move further downwards. The main difference with a limit order is that the trader believes the opposite behavior will prevail 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 use the following example:

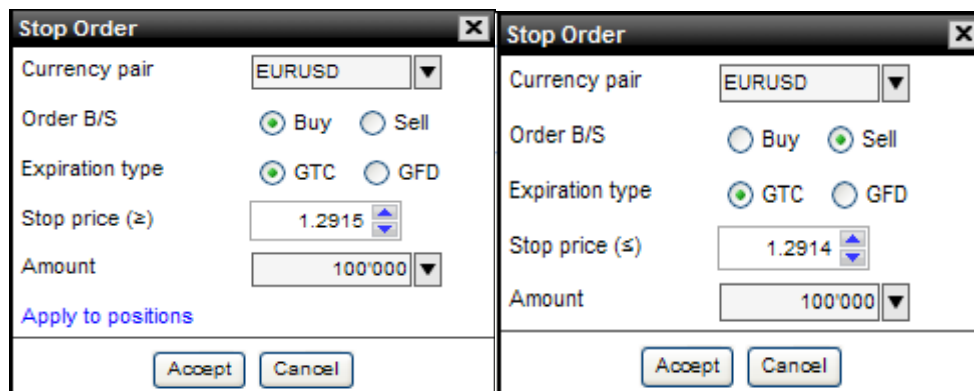


Example: Trader x buys EURUSD 100'000 @ 0.9340, expecting a 60 to 70 pips move in the market, but wants to safeguard against an overestimation of the potential strength of the Euro. Trader X knows that 0.9310 is a strong support level and therefore places a stop loss order to sell at that level. Trader x has limited the 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'.



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 below the market price. When these rules are not respected, the ACM trading system will reject the order and return an error message to the client, with an indication of 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 are 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 the trader’s 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 the trader’s 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 as the order “trails” the market price action the clients’ favor.

2.3 Related Orders

At this point, 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 this context.

2.3.1 OCO (order cancels other)

An **OCO** order is a mixture of one limit and one stop order. Two orders with price and duration variables 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 use 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 reaches 114.51.



OCO Order [X]

Currency pair: USDJPY [v]

Order B/S: Buy Sell

Expiration type: GTC GFD

Stop price (s): 114.3 [up/down]

Limit price (a): 114.51 [up/down]

Amount: 100'000 [v]

Accept Cancel

OCO Order [X]

Currency pair: USDJPY [v]

Order B/S: Buy Sell

Expiration type: GTC GFD

Stop price (s): 114.3 [up/down]

Limit price (a): 114.51 [up/down]

Amount: 100'000 [v]

Accept Cancel

We have an internal policy which rejects all limit/stop orders which are not placed at a 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.

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 which is why the trader has therefore placed a sell order at 1.3100.

This kind of order allows the trader to execute a strategy without constantly being behind the computer.

We have an internal policy which rejects all limit/stop orders which are not at a 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.

If-Done/OCO Order [X]

Currency pair: EURUSD [v]

Order B/S: Buy Sell

Expiration type: GTC GFD

Amount: 100'000 [v]

Order IF [Buy]

Order type: Stop [v]

Stop price (≥): 1.2907 [spin]

Order THEN OCO [Sell]

Stop price (≤): 1.2904 [spin]

Limit price (≥): 1.2909 [spin]

[Accept] [Cancel]

2.4 Modifying or Canceling orders

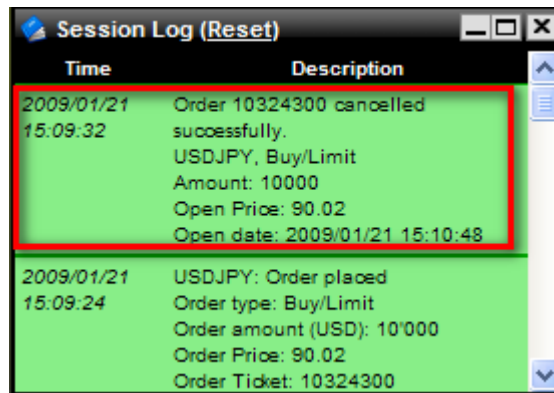
Each pending order can be canceled or edited in order to modify some parameters. From the "Order book & Trade Log" view, click on the red "X" to cancel the order or the green rhombus to modify it.

Order Book & Trade Log											
Order view: Pending [v]											
ID	Desc	Asset	B/S	Type	Qty	Price	Act. price	Status	Expiration	Open date	
10444165	OCO[10444165,10444166]	USDJPY	Buy	Stop	300'000	90.05	89.93	Pending	GTC	2009/02/12 11:11:23	◆*
10444166	OCO[10444165,10444166]	USDJPY	Buy	Limit	300'000	89.79	89.93	Pending	GTC	2009/02/12 11:11:23	◆*



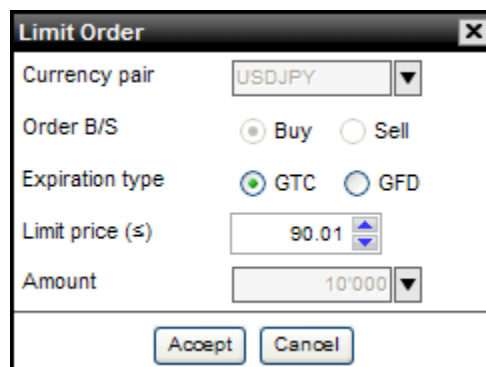
2.4.1 Cancel Order

By clicking on the red "X" on the right side of the order item in the "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:



2.4.2 Modify Order

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



Click the "Accept" button to validate the modifications and replace the old order with the new one in the system. Please note that as long as the order has not been (re-)placed, the old one is still valid. If the order being replaced has been executed in the meanwhile by the system, the ACM Trading System will return 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 the 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 the trader 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 the 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 in 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 will be closed or reduced. If no instruction has been given, the oldest open positions will be closed first, following the FIFO (First In First Out) rule.

The 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.

Open Positions (Detail)											
ID	Asset	B/S	Qty	Open Price	Act. price	P&L	P&L (USD)	Pips	Open date	Order	
<input type="checkbox"/>	2348099	USDCHF	Sell	-100'000	1.15965	1.15989	-24.00	-20.70	-24	2009/02/12 06:27:15	*
<input type="checkbox"/>	2348100	EURUSD	Sell	-200'000	1.29091	1.29044	94.00	94.00	47	2009/02/12 06:43:45	*
<input type="checkbox"/>	2348101	EURUSD	Sell	-100'000	1.29098	1.29044	54.00	54.00	54	2009/02/12 06:44:42	*
<input type="checkbox"/>	2348102	EURUSD	Sell	-1'000'000	1.29069	1.29044	250.00	250.00	25	2009/02/12 06:45:53	*

A new (open) position is created when the execution of an order increases the exposure of 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 of 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 larger than the amount of the closed position, the next oldest 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 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)	Pips	
EURUSD	3	-1'300'000	1.2909	1.28976	1.29004	918.00	918.00	8 *
USDCHF	1	-100'000	1.1597	1.15980	1.16020	-55.00	-47.41	-5 *

3.3 Account Summary

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

Account Summary (USD)	
Account balance	73'880.62
Open profit & loss	2.19
Available equity	73'882.81
Max deal available	7'292'397.08
Margin level	77.05%

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 have 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. 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 positions. This ratio is expressed in percentage.



4 P&L Calculations

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 get overdrawn even under volatility, 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 Wednesday, that means he must deliver the value of 1 million Euros on Friday 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 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 increases executional transparency since we do not modify the original price of the position entered 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 177'000 USD (08/04/2009 rates).

Overnight costs are credited & debited on any positions held after 23:00 CET every day of the week.

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

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