

Table of Contents

STOCK INDEX FUTURES	Page 2
SELL TO OPEN	Page 2
SELL TO CLOSE	Page 2
SELL LIMIT ORDER	Page 2
BUY ON OPENING	Page 2
BUY ON CLOSE	Page 2
BUY STOP ORDER	Page 2
BUY LIMIT ORDER	Page 3
STOP ORDER	Page 3
STOP CLOSE ONLY	Page 3
STOP LIMIT ORDER	Page 3
LIMIT ORDER	Page 3
MARKET ORDER	Page 3
MARKET IF TOUCHED ORDER	Page 3
MARKET ON CLOSE ORDER	Page 3
MARK-TO-MARKET	Page 4
SETTLEMENT PRICE	Page 4
STOP LOSS	Page 4
TRAILING STOP	Page 4

Market Orders and Limit and Stop Orders

STOCK INDEX FUTURES

Futures contracts on a stock index, such as the Standard & Poor's 500 or the Dow Jones Industrial Average. Stock index futures contracts are a derivative of the underlying index, and are cash-settled

SELL TO OPEN

An order entered to establish a new short position. Generally used in futures/options investing to distinguish between establishing vs. closing a position. Consequently, a "buy to close" order is always used to close a short position.

SELL TO CLOSE

An order entered to close a long position. Generally used in futures/options investing to distinguish between establishing vs. closing a position. Consequently, a "buy to open" order is always used to open a long position.

SELL LIMIT ORDER

An order to a broker to sell a specified quantity of a security at or above a specified price (called the limit price).

BUY ON OPENING

Buying securities, futures or other financial instruments at the beginning of a trading session at a price within the opening range.

BUY ON CLOSE

Buying securities, futures or other financial instruments at the end of a trading session at a price within the closing range.

BUY STOP ORDER

An order to buy a market that is entered at a price above the current offering price and that is triggered when the market price touches or goes through the buy stop price.

BUY LIMIT ORDER

An order to a broker to buy a specified quantity of a security at or below a specified price (called the limit price).

STOP ORDER

An order that becomes a market order when a particular price level is reached. A sell stop is placed below the market, a buy stop is placed above the market. Sometimes referred to as a stop loss order.

STOP CLOSE ONLY

A stop order that can be executed, if possible, only during the closing period of the market.

STOP LIMIT ORDER

An order to buy or sell a certain quantity of a certain security at a specified price or better, but only after a specified price has been reached. Essentially a combination of a stop order and a limit order.

LIMIT ORDER

An order in which the customer sets a limit on either price or time of execution, or both, as contrasted with a market order, which implies that the order should be filled at the most favorable price as soon as possible.

MARKET ORDER

An order to buy or sell futures contracts, stocks or other financial instrument which is to be filled at the best possible price and as soon as possible. A limit order, in contrast, may specify requirements for price or time of execution.

MARKET IF TOUCHED ORDER

An order which becomes a market order if the specified price is reached.

MARKET ON CLOSE ORDER

A buy or sell order which is to be executed as a market order as close as possible to the end of the day.

MARK-TO-MARKET

The process of valuing an account at the end of the day based on the settlement prices of the securities.

SETTLEMENT PRICE

The closing price, or a price within the range of closing prices, which is used as the official price in determining net gains or losses at the close of each trading session. (2) Payment of any amount of money under a contract.

STOP LOSS

A risk management technique used to close out a losing position at a given point. A stop loss order is placed at the given point.

TRAILING STOP

A "trailing stop" order is a stop order that moves along with a favorable movement in a security. Trailing sell stop orders will move upward a defined distance as long as the security moves upward. Trailing buy stop orders will move downward a defined distance as long as the security moves downward.