Glossary

A B C D E F I L M N O P Q R S T U V

A

Asset: an aggregate of proprietary rights of commercial value including tangibles, cash, receivables, etc. held by an individual or an entity. Examples of asset include Russian rubles, LUKoil stocks, etc.

B

Broker order: a special type of transactions applied if one QUIK server is used by several participants for connection to trading systems of the exchanges. The broker order allows a participant who uses the QUIK server jointly with others to put its individual code directly when entering orders.

C

Client portfolio: a table that is intended to display data on the cash value of the client assets, available borrowed assets and margin lending. For details, see 3.12 of Section 3.

Collateral: an amount of cash assets required to cover open positions in the derivatives market.

Contingent order: a preliminarily prepared limit order entered into the trading system as soon as the preset condition occurs. For details, see 5.6 of Section 5.

D

DDE (Dynamic Data Exchange): a mechanism of transferring updated information between applications under Microsoft Windows.

Depo account: a set of records grouped by a common feature and intended for securities accounting.

Derivatives market: a market where transactions for delivery of assets at a specific future date are entered into on predetermined conditions. For this purpose, specific instruments (derivatives market instruments) are used such as standardized contracts (futures, options etc.).

E

Exchange trading system: a set of software and hardware facilities used to ensure trading on the exchange.

Expiration: exercise of an option. Expiration results in closing subject to the option's conditions an underlying asset transaction between the subscriber and the option holder and the option itself is considered exercised.

F

Futures: an obligation to buy or sell a certain underlying asset after a certain period of time at a specified price.

I

'If done' order is a contingent order, the activation condition (the QUIK server starts checking the stop price) is the execution of a certain active order called 'primary order'. For details, see 5.7 of the Section 5.

Instrument: a subject of buy/sell transactions entered into within the trading period in a certain exchange trading section that is determined by a set of standard conditions prescribed by the exchange regulations. For example: LUKoil ordinary stock or MICEX A1-shares

Instrument class: a set of instruments that meet the same trading requirements. Classes contain similar instruments (e.g., bonds) and allow for transactions in them on certain conditions (e.g., REPO transactions). For example: MICEX A1-shares, REPO: RTS.

Instrument code: an exchange identifier in the form of a digit/character code assigned to the instrument. Examples of MICEX instrument codes include: «LKOH» for LUKoil ordinary stock or «RU14TATN3006» for the 3rd issue of Tatneft ordinary stock

ISIN code (ISIN = International Securities Identification Number): an international identification code for a security.

L

Leverage: a relationship between the client equity and the borrowed assets in margin trading.

Leveraged option: an option with settlements similar to those of futures. In buying/selling a leveraged option, the premium is not charged off the buyer's account to the credit of the seller's account, instead, the exchange reserves the amount of collateral on the buyer's account. The premium is transferred by means of daily transfers of variation margin for trades made and open positions for a day. The variance margin calculation based on exercise prices and estimated option prices is similar to that for futures.

Listing: a procedure of assessing the credibility of securities and admitting them to trading on the exchange.

Long: see Long position.

Long position, long: an asset bought in expectation that its value will grow ('bull transaction').

Lot: a standard transaction size unit expressed by a number of instruments. For example, 1 lot = 100 instruments means that transactions in securities whose number is a multiple of 100 are carried out in the trading system.

M

Makler order: a special type of transaction used when one QUIK server is used by several trading participants to connect to exchange trading systems. A makler order allows to specify a trading participant code directly when entering instructions from brokers using this QUIK server. For details, see 7.12 of the Section 7.

Margin: an amount of cash to be deposited as transaction collateral for each open position held by the market participant.

Margin lending: lending cash or securities against the current value of the client assets (securities and/or cash). For details, see 7.4 of Section 7.

Margin ratio: a percentage relationship between the client's equity and the total value of the client's assets.

N

Negotiated deal mode (NDM): a transaction mode with a deferred exercise date that does not require preliminary deposition of funds and suggests an opportunity for negotiated orders and quotes. For details, see 7.10 of Section 7.

Non-trade instruction: an order given to the broker to transmit the client assets from one account to another: e.g., entering funds into the trading system, withdrawal to the client's account, transfer between different accounts or trading systems.

O

ODBC (Open DataBase Connectivity): a standard of information exchange between different data sources developed by Microsoft

Option: a contract that provides the right to buy or sell a certain amount of underlying asset at a certain date at a specified price. Options are subdivided into two types:

- **CALL option** gives the right to buy a certain amount of underlying asset at a specified date at a specified price within a predetermined period;

- **PUT option** is a contract to sell a certain amount of underlying asset at a certain price for a certain period.

Option board: a table showing in a convenient form the bid and offer prices for different option contracts for the same underlying asset. For details, see 3.20 of Section 3.

Order: agreement to buy/sell instruments on the terms specified in the instructions. Orders for trades, according to the conditions of their execution, can be negotiated or quotes.

- **Negotiated order** is one to with an intent to trade with a certain partner;
- **Quote** is an offer addressed to all trading participants.

For details, see 7.8.1 of the Section 7.

P

Pending order: an order with preferred conditions not sent to the exchange.

Portfolio: a special type of tables described structurally in the inbuilt QPILE programming language that may contain parameters calculated using mathematical formulas from data taken from other QUIK tables. For details, see 5.14.4 of the Section 5.

Position: an amount of cash (or securities) available for trading in the stock market. For details, see 7.5 of Section 7.

Price increment: the least possible difference between prices stated in buy and sell orders.

Price step: the minimum possible difference between prices specified in buy/sell orders.

Q

QPILE – see QPILE Language.

QPILE Language (QUIK Programmable Interface and Logic Environment) is a list of instructions interpreted by the QUIK workstation. For details, see Section 8.

R

REPO: see REPO transaction.

REPO transaction or **repurchase transaction**: a transaction in securities that includes two parts or legs:

1. In the **first part of REPO** the seller undertakes at the date of agreement to deliver securities and the buyer undertakes to pay cash.

2. At the date of closing the **second leg of REPO**, the buyer of securities in the first part of transaction is obliged to deliver the securities and the seller in the first part is obliged to pay cash in compliance with the terms and conditions of the REPO agreement.

For details, see 7.9 of Section 7.

Report: a presentation of the client's transactions outcome for a given period of time in the form set by the broker. For details, see 9.1 of Section 9.

S

Short: see Short position.

Short position, short: an asset sold with the goal of buying it later at a lower price ("short sale").

Spot asset: an asset traded on the exchange in the "delivery vs payment" mode.

Spread: a difference between the best bid price and the best offer price of an asset.

Stop order: an order exercised by the broker when the market price of the instrument reaches a particular level. This order states two price values:

- **Stop price**: a condition of the type 'the last traded price no more/less than the specified value'. Once the condition occurs, the order is activated, that is, sent to the exchange as an ordinary limit order;
- **Price**: a price stated in the order when sent to the exchange.

For details, see 5.6 of Section 5.

Strike: a price of exercising an option. A price fixed in the option contract at which the underlying asset can be bought or sold if the option is exercised.

Sub-administration: a feature that allows for servicing the clients of a broker who is in its turn a client of another broker (sub-broker). For details, see 7.3 of Section 7.

Sub-broker: a professional market participant providing the brokerage service based on services furnished by another broker who provides access to trading as well as depositary and other services.

T

Ticker: same as instrument code.

Trading account: an accounting section of the trading system showing the assets of participants reserved for making transactions on the exchange.

Trading session: a period of time allowed for offering and handling orders as well as making transactions in securities and financial instruments.

Transaction: an order given by the client to the broker to carry out an operation. For example: entering or cancelling an order.

Transactions Pocket: a table that enables forming a list of pending orders and sending these orders to the trading system selectively or simultaneously. The Transactions Pocket is storage of the user's orders that have been formed but not yet sent to the server. For details, see 3.51 of Section 3.

Trend line: a charting analysis indicator used to monitor the direction of price changes.

Two-factor authentication: the user authentication on the QUIK server that includes two steps:

1. Entering the login and the password for the QUIK server.
2. Entering an additional code phrase transmitted to the user from the broker using a preset method of communication.

U

Underlying assets: securities, commodities, stock indices or futures which value is a basis for calculation when executing a futures contract.

Unified cash position in the spot and derivatives markets (UCP): accounting within the same cash limit of the client transactions in both spot market and derivative instruments.

V

Variation margin: a variation in terms of money in the obligations of an exchange trading participant, considering the change in the futures contract quotation.

Volatility: a measure of price variability of a specific financial instrument for a selected period of time.