
Advanced Certificate in CFD Trading

Trade Execution and Order Types

A book is a collection of financial instruments that are managed by a trader or a broker on behalf of a client, it is essential in trade execution and order types.

Algorithmic trading is a method of executing trades using computer programs that are designed to follow specific rules and strategies, it is widely used in CFD trading.

Ask price is the minimum price at which a seller is willing to sell a security, it is an essential concept in trade execution.

At the money refers to an option whose strike price is equal to the current market price of the underlying asset, it is crucial in options trading.

Automatic execution is a type of execution where trades are automatically executed without the need for human intervention, it is commonly used in algorithmic trading.

Average entry price is the average price at which a trader has entered into a position, it is essential in calculating profits and losses.

Average true range is a technical indicator that measures the volatility of a security based on the average range of its price movements, it is widely used in technical analysis.

Barrier option is a type of option that becomes active or inactive when the underlying asset reaches a certain price level, it is a popular options trading strategy.

Basket trade is a type of trade that involves buying or selling a group of securities simultaneously, it is commonly used in portfolio management.

Basis point is a unit of measurement that represents a 0.01% change in the value of a security or an interest rate, it is essential in calculating yields and returns.

Bear market is a market condition where the prices of securities are falling, it is characterized by pessimism and negative sentiment.

Beta is a measure of the volatility of a security relative to the overall market, it is widely used in risk management.

Bid price is the maximum price at which a buyer is willing to buy a security, it is an essential concept in trade execution.

Bid-ask spread is the difference between the bid price and the ask price of a security, it is a key concept in market microstructure.

Block trade is a type of trade that involves buying or selling a large quantity of securities at a single price, it is commonly used in institutional trading.

Bull market is a market condition where the prices of securities are rising, it is characterized by optimism and positive sentiment.

Buy limit order is a type of order that instructs a broker to buy a security at a specific price or lower, it is widely used in technical analysis.

Buy stop order is a type of order that instructs a broker to buy a security when its price rises to a specific level, it is commonly used in trend following strategies.

Call option is a type of option that gives the holder the right to buy an underlying asset at a specific price, it is a popular options trading strategy.

Cancel order is an instruction to cancel a previously placed order, it is essential in trade management.

Cash settlement is a process where the settlement of a trade is made in cash rather than in the underlying asset, it is commonly used in derivatives trading.

CFD is a type of contract that allows traders to speculate on the price movement of an underlying asset without actually owning the asset, it is a popular trading instrument.

Clearing house is an organization that acts as an intermediary between buyers and sellers in a trade, it is essential in trade settlement.

Close only order is a type of order that instructs a broker to close an existing position at the current market price, it is widely used in trade management.

Collateral is an asset or a security that is used to guarantee the performance of a contract or a loan, it is essential in margin trading.

Commodity is a type of asset that is traded on an exchange, such as gold or oil, it is a popular trading instrument.

Confidentiality agreement is a contract that requires parties to maintain the confidentiality of certain information, it is essential in business and trading.

Contingent order is a type of order that is triggered by a specific event or condition, it is widely used in algorithmic trading.

Contract for difference is a type of contract that allows traders to speculate on the price movement of an underlying asset without actually owning the asset, it is a popular trading instrument.

Contract note is a document that outlines the terms and conditions of a trade, it is essential in trade settlement.

Contract size is the quantity of the underlying asset that is specified in a contract, it is essential in trading and risk management.

Cooling-off period is a period of time during which a trader is not allowed to enter into a new trade after closing a previous one, it is essential in risk management.

Corporate action is an event that affects the ownership or value of a security, such as a merger or acquisition, it is essential in trading and investment.

Covered call is a type of options trading strategy that involves selling a call option on an underlying asset that is already owned by the trader, it is a popular income generating strategy.

Credit check is a process of evaluating the creditworthiness of a client or a counterparty, it is essential in risk management.

Credit rating is an evaluation of the creditworthiness of a client or a counterparty, it is essential in lending and trading.

Crossing trade is a type of trade that involves buying and selling the same security at the same time, it is commonly used in market making.

Currency pair is a combination of two currencies that are traded against each other, it is a popular trading instrument.

Day order is a type of order that is valid for a single trading day, it is widely used in intraday trading.

Day trading is a type of trading that involves buying and selling securities within a single trading day, it is a popular trading strategy.

Deal ticket is a document that outlines the terms and conditions of a trade, it is essential in trade settlement.

Deferred settlement is a process where the settlement of a trade is delayed until a later date, it is commonly used in derivatives trading.

Delivery versus payment is a process where the transfer of securities is made simultaneously with the payment of the purchase price, it is essential in trade settlement.

Delta is a measure of the sensitivity of an option to changes in the price of the underlying asset, it is widely used in options trading.

Delta hedging is a type of hedge that involves adjusting the position in the underlying asset to offset the delta of an option, it is essential in options trading.

Derivative is a type of security that derives its value from an underlying asset, it is a popular trading instrument.

Direct market access is a type of trading that allows traders to access the market directly without the need for a broker, it is commonly used in institutional trading.

Discretionary account is a type of account that allows a broker to make trading decisions on behalf of the client, it is essential in wealth management.

Dividend is a payment made by a company to its shareholders, it is a key concept in equity investing.

Diversification is a strategy that involves spreading investments across different asset classes to reduce risk, it is essential in portfolio management.

Double top is a type of chart pattern that is formed when the price of a security reaches a peak twice, it is widely used in technical analysis.

Double bottom is a type of chart pattern that is formed when the price of a security reaches a trough twice, it is widely used in technical analysis.

Downgrade is a reduction in the credit rating of a company or a security, it is essential in credit analysis.

Early closure is the closure of a position before the expiration date, it is commonly used in options trading.

Economic indicator is a statistic that is used to measure the performance of an economy, it is essential in macroeconomic analysis.

Efficient market hypothesis is a theory that states that financial markets are informationally efficient, it is a key concept in finance.

Electronic communication network is a type of trading platform that allows traders to trade electronically, it is commonly used in retail trading.

Entry order is a type of order that is used to enter into a new position, it is essential in trade management.

Equity is a type of asset that represents ownership in a company, it is a popular trading instrument.

Equity financing is a type of financing that involves raising capital by issuing shares, it is essential in

corporate finance.

Error trade is a type of trade that is executed in error, it is essential in trade management.

Escrow is a type of account that holds funds or securities until certain conditions are met, it is essential in trade settlement.

Exchange for physicals is a type of trade that involves exchanging a security for a physical asset, it is commonly used in commodities trading.

Exchange rate is the price of one currency in terms of another currency, it is a key concept in foreign exchange.

Execution only is a type of trading that involves executing trades without providing any investment advice, it is commonly used in retail trading.

Ex-dividend date is the date on which a company ceases to be entitled to a dividend, it is essential in equity investing.

Exercise notice is a notice that is given to the seller of an option to exercise the option, it is essential in options trading.

Expiration date is the date on which an option or a contract ceases to be valid, it is essential in options trading.

Exposure is the potential loss that a trader or an investor may incur as a result of a trade or an investment, it is essential in risk management.

Fed funds rate is the interest rate at which banks lend and borrow funds from each other, it is a key concept in monetary policy.

Fill or kill order is a type of order that is executed immediately or canceled if it cannot be filled, it is widely used in trading.

Financial futures contract is a type of contract that is used to hedge against interest rate or currency risk, it is a popular trading instrument.

First in first out is a type of trading rule that requires traders to close the first position that was opened, it is essential in trade management.

Fixed income security is a type of security that provides a fixed income stream, such as a bond, it is a popular trading instrument.

Flex option is a type of option that allows the holder to exercise the option on any business day, it is commonly used in options trading.

Foreign exchange is the market in which currencies are traded, it is a key concept in international finance.

Forward contract is a type of contract that is used to hedge against price risk, it is a popular trading instrument.

Forward price is the price of a security or an asset at a future date, it is essential in pricing and valuation.

Free riding is a type of trading that involves trading on information that has not been disclosed to the public, it is a key concept in insider trading.

Frontrunning is a type of trading that involves trading on information that has not been disclosed to the public, it is a key concept in insider trading.

Fundamental analysis is a type of analysis that involves evaluating a company or a security based on its

financial statements and other fundamental data, it is a key concept in investment analysis.

Futures contract is a type of contract that is used to hedge against price risk, it is a popular trading instrument.

Gamma is a measure of the sensitivity of an option to changes in the volatility of the underlying asset, it is widely used in options trading.

Gearing is the use of leverage to amplify the potential returns of an investment, it is a key concept in trading and investment.

Give up is a type of trade that involves giving up a position to another trader or broker, it is essential in trade management.

Good till canceled order is a type of order that remains valid until it is canceled or filled, it is widely used in trading.

Good till date order is a type of order that remains valid until a specific date, it is widely used in trading.

Haircut is a reduction in the value of a security or an asset that is used as collateral, it is essential in margin trading.

Hedge is a type of trade that is used to reduce or eliminate risk, it is a key concept in risk management.

Hedging strategy is a type of strategy that involves using hedges to reduce or eliminate risk, it is essential in trading and investment.

High frequency trading is a type of trading that involves using algorithms to execute trades at very high speeds, it is a key concept in market microstructure.

Imbalance is a type of order that is not matched with a counterparty, it is essential in trade management.

Implied volatility is a measure of the volatility of a security that is implied by the price of an option, it is widely used in options trading.

In the money refers to an option whose strike price is favorable to the holder, it is essential in options trading.

Index fund is a type of fund that tracks a specific index, such as the S&P 500, it is a popular investment vehicle.

Initial margin is the amount of collateral that is required to open a position, it is essential in margin trading.

Initial public offering is the first sale of shares by a company to the public, it is a key concept in corporate finance.

Insider trading is the buying or selling of securities by insiders who have access to non-public information, it is a key concept in securities law.

Interbank rate is the interest rate at which banks lend and borrow funds from each other, it is a key concept in monetary policy.

Interest rate is the cost of borrowing funds, it is a key concept in finance.

Interest rate risk is the risk that changes in interest rates will affect the value of a security or an investment, it is essential in risk management.

Intermediary is a party that acts as a middleman between buyers and sellers in a trade, it is essential in trade settlement.

Intraday trading is a type of trading that involves buying and selling securities within a single trading day, it

is a popular trading strategy.

Intrinsic value is the value of a security or an asset based on its fundamental characteristics, it is a key concept in investment analysis.

Investment advisor is a professional who provides investment advice to clients, it is essential in wealth management.

Investment bank is a type of bank that specializes in investment banking services, such as underwriting and advising on mergers and acquisitions, it is a key concept in corporate finance.

Investment company is a type of company that pools funds from investors to invest in a diversified portfolio of securities, it is a popular investment vehicle.

Investment objective is the goal of an investment strategy, such as capital appreciation or income generation, it is essential in investment analysis.

Investment strategy is a type of strategy that involves using investments to achieve a specific goal, it is essential in investment analysis.

IPO is the first sale of shares by a company to the public, it is a key concept in corporate finance.

Iron condor is a type of options trading strategy that involves selling a call option and a put option on the same underlying asset, it is a popular income generating strategy.

Island model is a type of trading model that involves using algorithms to execute trades, it is a key concept in market microstructure.

Knock-in option is a type of option that becomes active when the underlying asset reaches a certain price level, it is a popular options trading strategy.

Knock-out option is a type of option that becomes inactive when the underlying asset reaches a certain price level, it is a popular options trading strategy.

Last in first out is a type of trading rule that requires traders to close the last position that was opened, it is essential in trade management.

Leverage is the use of debt to amplify the potential returns of an investment, it is a key concept in trading and investment.

Limit order is a type of order that instructs a broker to buy or sell a security at a specific price or better, it is widely used in trading.

Limit order book is a list of limit orders that are available for execution, it is essential in market microstructure.

Liquidation is the process of closing out a position by selling the underlying asset, it is essential in trade management.

Liquidity is the ability to buy or sell a security quickly and at a fair price, it is a key concept in market microstructure.

Liquidity provider is a party that provides liquidity to a market, it is essential in market microstructure.

Long position is a type of position that involves buying a security with the expectation of selling it at a higher price, it is a popular trading strategy.

Maintenance margin is the amount of collateral that is required to maintain a position, it is essential in margin trading.

Make or take is a type of trading that involves making or taking liquidity, it is essential in market microstructure.

Managed account is a type of account that is managed by a professional investment manager, it is essential in wealth management.

Margin is the amount of collateral that is required to open or maintain a position, it is essential in margin trading.

Margin call is a request from a broker to a client to deposit more collateral to maintain a position, it is essential in margin trading.

Market abuse is the misuse of information or market power to manipulate the price of a security, it is a key concept in securities law.

Market data is information about the price and trading activity of a security, it is essential in trading and investment.

Market maker is a party that provides liquidity to a market by buying and selling securities, it is essential in market microstructure.

Market order is a type of order that instructs a broker to buy or sell a security at the best available price, it is widely used in trading.

Market risk is the risk that changes in market prices will affect the value of a security or an investment, it is essential in risk management.

Mark-to-market is the process of valuing a security or an investment at its current market price, it is essential in accounting and valuation.

Maximum loss is the maximum amount of loss that a trader or an investor can incur on a trade or an investment, it is essential in risk management.

Mean reversion is a type of trading strategy that involves buying or selling a security based on the assumption that its price will revert to its mean, it is a popular trading strategy.

Microstructure is the study of the structure and functioning of financial markets, it is a key concept in finance.

Minimum deposit is the minimum amount of funds that is required to open a trading account, it is essential in trading.

Model risk is the risk that a model used to value a security or an investment is inaccurate, it is essential in risk management.

Money management is the process of managing the size of a trade or an investment to minimize losses and maximize returns, it is essential in trading and investment.

Momentum trading is a type of trading that involves buying or selling a security based on its momentum, it is a popular trading strategy.

Moving average is a technical indicator that is used to <b