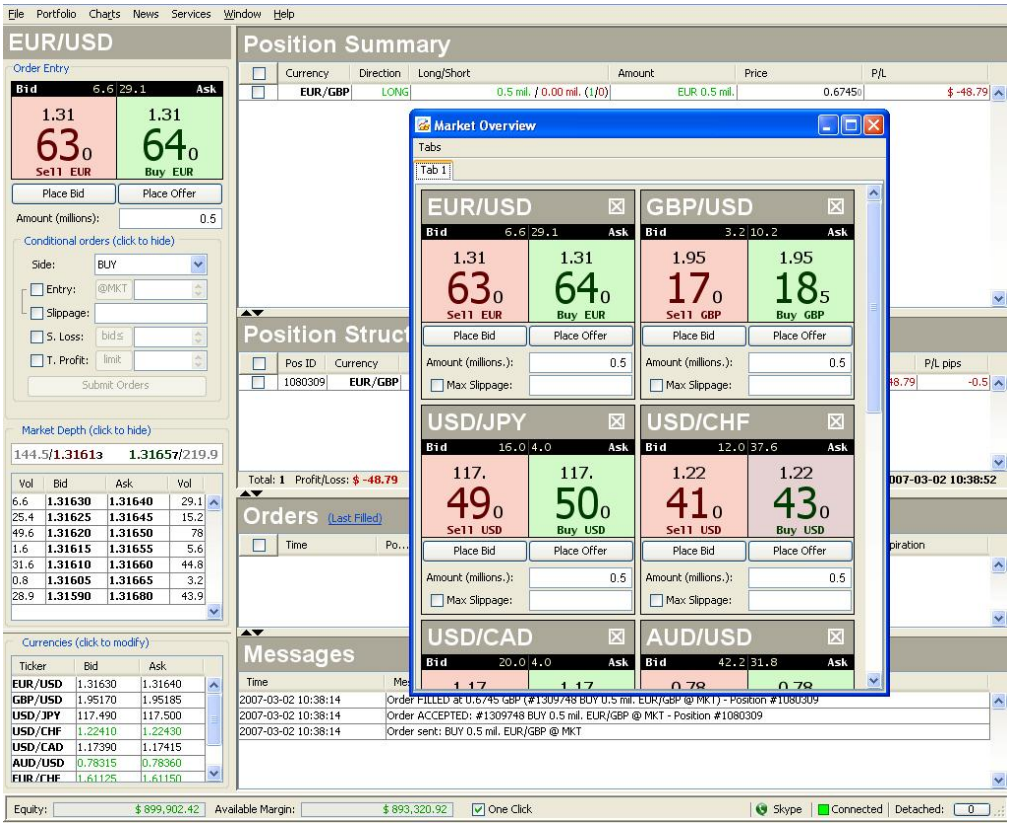
SWFX - Swiss FX Marketplace Manual V.18.06.2010



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1. Disclaimer

1.1. Market Risk

Users of the platform must keep in mind in all circumstances that the means of trading never have the ability to eliminate, reduce, or even alter market risk, that is, the risk arising from price fluctuations, changes and jumps. While the efficient use of an electronic means of trading may improve the management of several aspects of risk present in the investment process, it has no effect on the nature of the risk itself. As a result, users are strongly encouraged to review their internal risk management procedures in order for them to fully understand and integrate the potential implications of the use of the electronic means described thereafter.

1.2. Operational Risk

Users of the platform must fully understand as well, the operational risks inherent to the use of electronic means of trading. Although the features and operational environment of the platform are optimized, improved, and tested through an ongoing process by the firm, some residual risk may remain. Operational risk includes, but is not limited to: technical failures, human failures, communication failures, and so on… Contrary to market risk, potential operational risks under the firm's responsibility can be greatly reduced if adequate resources, both technical and human, are devoted to the ongoing development of such processes. Users can be assured that the firm conducts and will continue to conduct thorough research and development in order to bring such risks toward the lowest possible level.

1.3. Platform User Guide

Users are encouraged to read the entire manual following while testing the different features on the demo platform. Account managers and representatives at Dukascopy will be glad to address any issues raised during this educational process, so that users can be well prepared when they trade live, and manage real equity.
In addition, as the platform development goes on, functions are enhanced and the present manual will be experiencing constant and ongoing modifications.

1.4. Demo Versus Live Platform

While all features and functions of the live platform are available in the demo platform, users should keep in mind that simulation cannot replicate real trading under all market conditions.
One important distinction is that volume executed through the simulation does not affect the market, while in real trading, volumes has an effect on the market, especially when deal size is huge. Furthermore, users will have a very different psychological profile depending on : if they trade demo or live, this aspect may impact the evaluation performed with the demo, and users should be cautious and avoid complacency about any conclusion they would have drawn from the use of the demo platform.

2. Execution Process

Dukascopy is building on a brand new concept in foreign exchange markets with the purpose of increasing the liquidity at its maximum extent, and providing clients with some of the most advantageous spreads within the industry.
The model is basically based on the concept of Decentralized Marketplace, seeking to combine different liquidity sources, either from centralized Marketplaces, from decentralized market participants, or both. This concept enables Dukascopy to seek on a real-time the best available prices to match with the clients' orders.

2.1. Liquidity Providing Versus Liquidity Consuming

Orders registered in the order book as bid and ask offers, are defined as liquidity providers, where is market orders and entry orders are liquidity consumers.
In a general sense, liquidity providers exhibit a preference bias for price conditions, while liquidity consumers exhibit a preference for likelihood of execution. The disadvantage of being liquidity providers is that full execution is less likely, while the disadvantage of being liquidity consumer is that the price conditions could be less favorable.

2.2. Marketplace Access Versus Market-Making

The marketplace model introduces the concept of combining different sources of liquidity, versus the concept of market-making. The main difference lies in the fact that the marketplace provides market spreads, and is not creating spreads itself. For remuneration of providing access to the marketplace, we are taking a commission based on the size of the transaction, while the market-marker is capitalizing on spreads they make available to their clients. We think therefore that the marketplace environment is able to provide transparency and eliminate potential conflicts of interest unlike alternative trading structures.

3. Security and Emergency

3.1. Secure Access

Clients are able to change the original password attributed, at their convenience. Such a process can only be performed through the phone, while the Dukascopy's representative can take any action to ensure about the identification of the client asking to change the password. In addition to the user name (login), and password, a third level of security is provided by the use of secure code encryption. The login procedure is explained in-depth by the Dukascopy's representative when client gets her registration information.

As always with such electronic communications, clients are encouraged to extremely cautious with their login, password and other personal information, in order to prevent any unauthorized access. In case users forget their password, a reset procedure can be performed.

3.2. Recovery and Backup

In situations where the platform becomes unavailable, the system has an automatic restart process. Dukascopy's team will be able to solve any issue, or question, whether technical or trading related. Clients who have no access to the platform, or lost such access for any reason, can still trade, or take action, by phoning with the Dukascopy's representatives.
Clients are encouraged to contact Dukascopy should they experience repeated disconnections, and to do so immediately should a trading action be performed.
All login information is required to allow Dukascopy representatives identifying the clients appropriately.

4. Overview

4.1. Market Access

The platform provides access to the SWFX, Swiss FX Marketplace, which provides access to different liquidity providers from major marketplaces to major banks in order to increase the available market liquidity. Clients have the opportunity to improve the quality of their executions thanks to this privileged access.

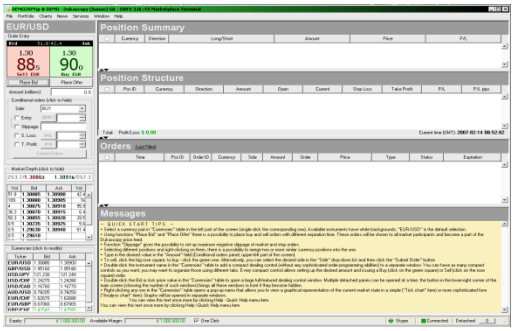
The platform applications can run using both Java and Web-based software.

4.2. Front-End

Front-end is designed to provide users with a great deal of flexibility, transparency and ability to act and react quickly under different market situations. Panes are organized in such a way that the users can easily monitor the market, see their current exposures, manage their positions, and see the evolution of their equity, leverage and performance. The main front-end is organized in two windows which are composed of the following panes:

Order Entry	-Overview and action	Main window
Market Depth	-Overview	Main window
Currencies	-Overview	Main window
Position Summary	-Overview and action	Main window
Position Structure	-Overview and action	Main window
Orders	-Overview and action	Main window
Messages	-Overview	Main window
Market Overview	-Overview and action	Market Overview window

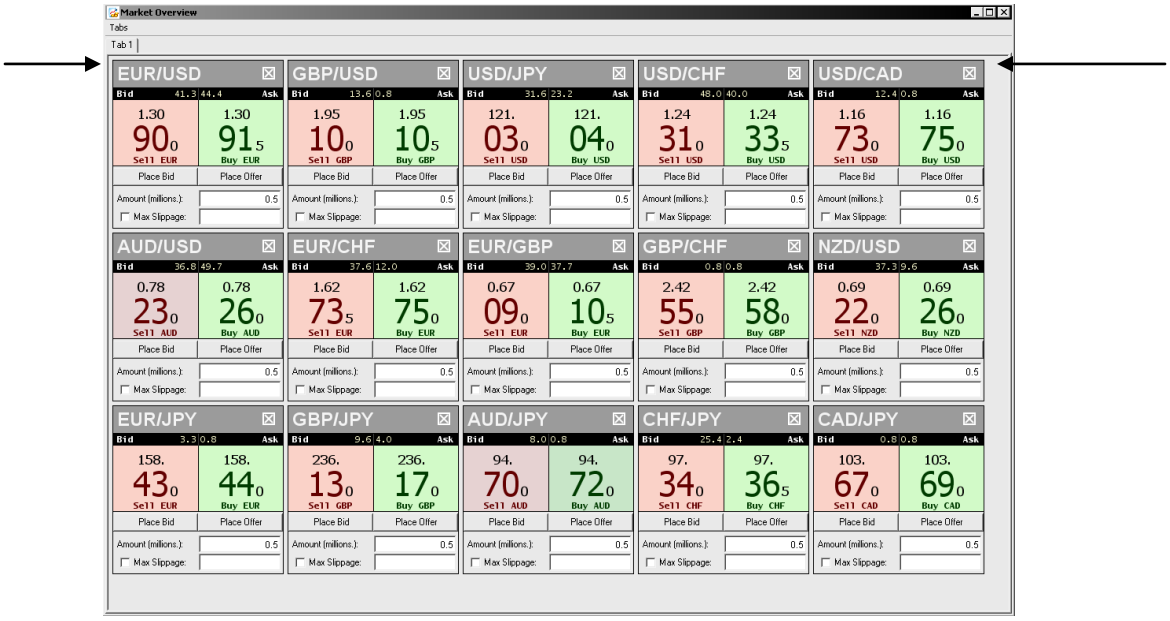
Market overview and main windows can be resized and moved independently from each other. Characteristics and features are explained in further details in dedicated sections hereafter.



Front end main window

4.3. Market Overview

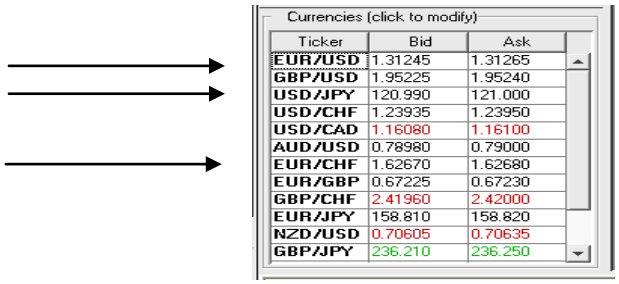
Traders have the ability to get a thorough view of the market activity thanks to windows composing the front-end. Bid and Ask prices with associated volumes are displayed for each currency pair, each with its own order book that discloses the market depth. Double-clicking on any currency pair pane in the market overview window opens an additional window for the selected currency pair with its order book. Bid and Ask prices, volumes, market depth are all updated real-time.
Users may organize these windows depending on their preferences. Currency pairs can be selected from the currencies pane, double-clicking on the currency pair will make it appear in the market overview pane. In addition, the market overview can contain several tabs, into which users may put single currency pairs panes, or built groups as they want.

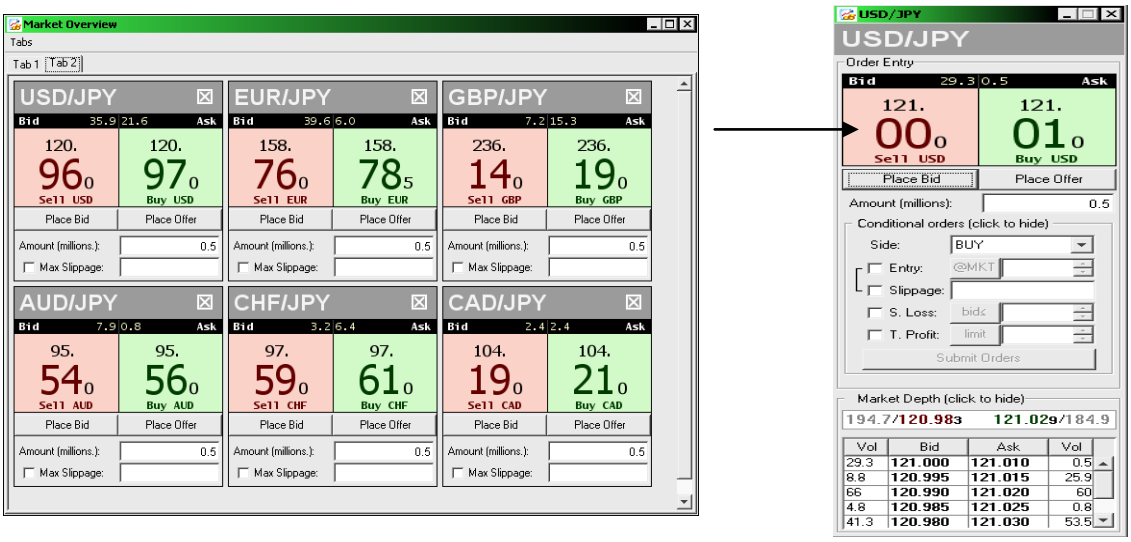


Market overview window

Example of tab set up and currency selection is shown below.

The example below shows a creation of an additional tab for JPY crosses. In order to do that, a new tab is added to the market overview window, when wanted currency pairs are added to the tab by double-clicking on them through the currencies pane:





Default Settings

The user interface allows two default settings containing the default values for each trading function. (if activated) These values can be modified manually however, on a case by case basis.

Default amount:
Default order amount can be set (in millions). Minimum trade size is 0.10 lots, which means
100,000.00 units of the primary currency. Bids and offers orders, however, require a minimum
size of 0.25 lots, meaning 250,000.00 units of the primary currency.
Default value unit at first login is 0.5 lots.

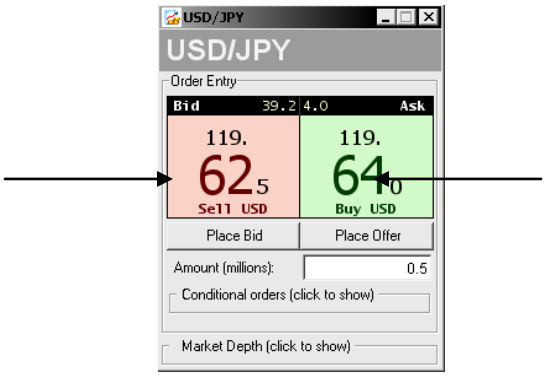
Default slippage:
Default maximum slippage amount can also be set. The slippage unit is the pip in the currency pair considered.
Default value at first login is 5. Users need to activate the slippage function if they are willing to use it. This can be done for each currency pair, independently, through the market overview window.

5. Orders

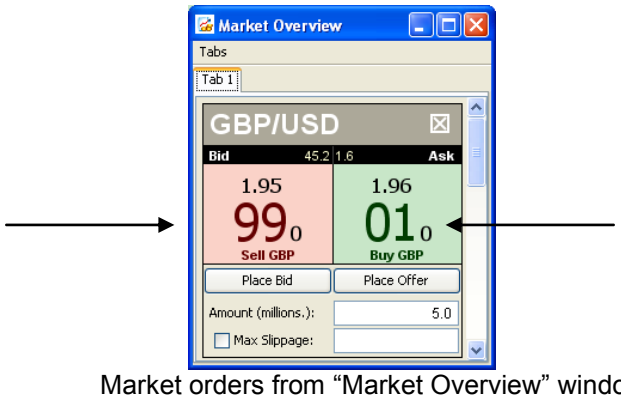
5.1. Market Orders

This is the easiest way to put an order. This can be done either through the main window, or the market overview window. Clicking on the currency pair, bid or ask field, will send a market order of the amount specified for the amount field. Maximum slippage function can be enabled for a market order and users are strongly encouraged to do so in order for them to improve the price conditions of their market executions.

A maximum negative slippage of 5 pips is automatically set to the market order should the user not control for slippage, in order to prevent too large unwanted deviation.



Market orders from "Order Entry" window

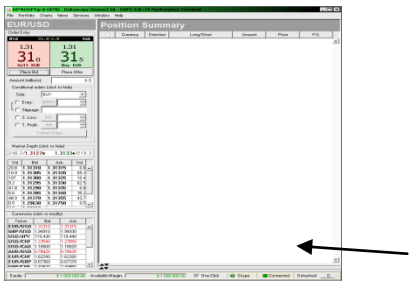


Market orders from "Market Overview" window

If the order is executed, and a new position is opened, this latter shall appear in the position summary, position structure, and orders windows.
If the order is not executed for whatever reason, the order is rejected, and the user receives a notification of the rejection, that appears in the messages pane.

5.2. One-click Trading

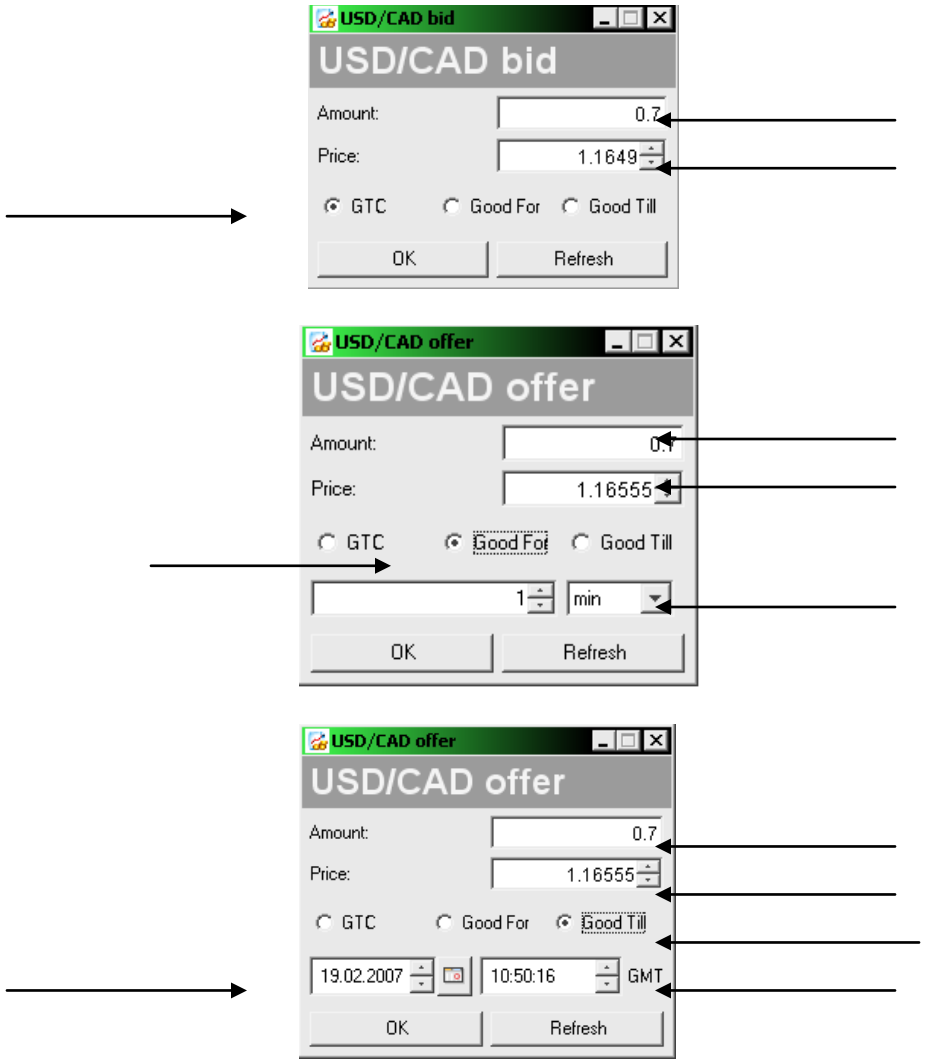
As orders can be sent directly by mouse clicking on either the bid or ask field in the currency pair panes, users can choose if this process is accomplished with one-click or double-click procedure, and this choice can be set as a default, under "file" menu, "settings" submenu. One-click procedure is a fast way to send orders, users must bear in mind, however, that once the order is sent, this process is not reversible.



5.3. Placing Bid and Ask Offers

By placing bids and/or offers in the market, users have the ability to put limits, and ultimately perform their own market-making activity. In doing so, traders will stay in the market depth until the market reaches them and executes, either in full amount or partially. If the order is not fully executed, the amount not being executed will remain in the market until further action. It is worth to stress at this point that there can be no guarantee that the market reaches limits that users set in.
Users are however encouraged to place bid and ask orders in the market because they have a priority in the order book over most recent orders placed at the same bid/offer price. Bid and ask orders displayed in the front-end orders pane, until further action.

Time validity of bid/ask limit orders can be either set as GTC, good-till-canceled, for a fixed period of time, or until a specified date and time.

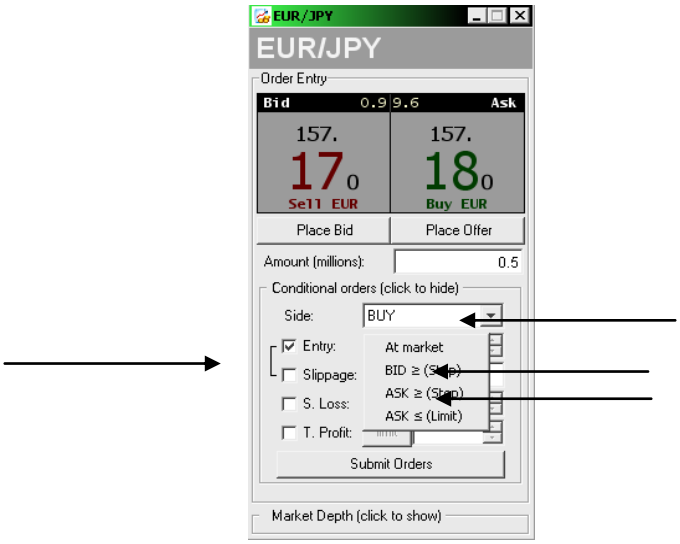


5.4. Conditional Orders

Such orders need a trigger in order to be sent to the market. Users have the ability to create entry orders that shall be sent if the market reaches some level defined by the user, such orders will therefore be sent with the parameters the users will have defined when they create the orders. Such orders might be either modified or cancelled at any time, assuming that they have not yet been triggered.
Users can create the following conditional orders: buy stop entry, sell stop entry, buy/sell stop limit, stop loss and take profit.

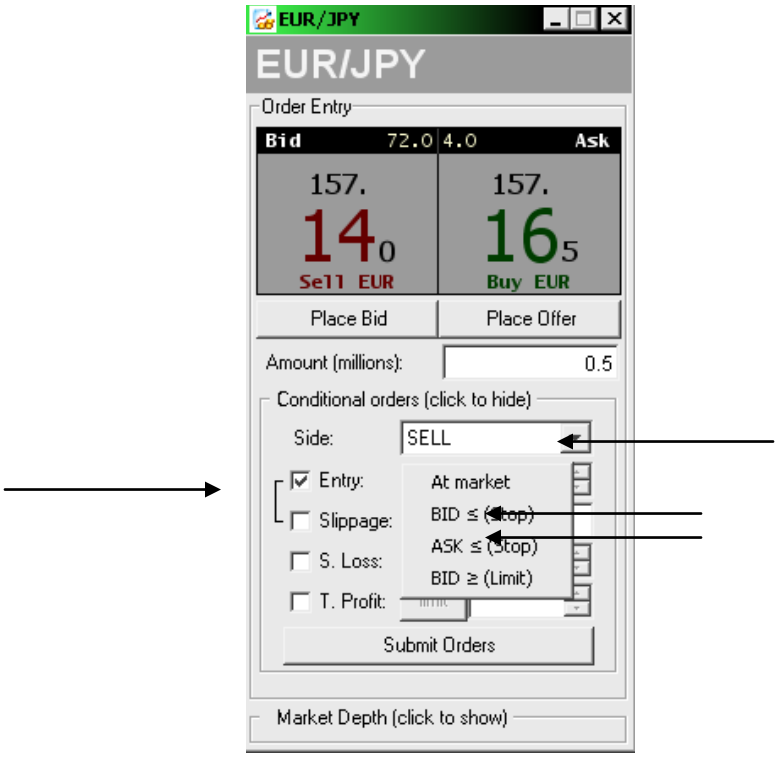
5.4.1. Buy stop entry

Purpose of such an order is to issue a buy order if the market increases to a certain level.
Entry should be selected, then the trigger price may either be set as the anticipated bid or ask price, as shown below. Users should keep in mind that an entry order set at the market is in fact a market order.



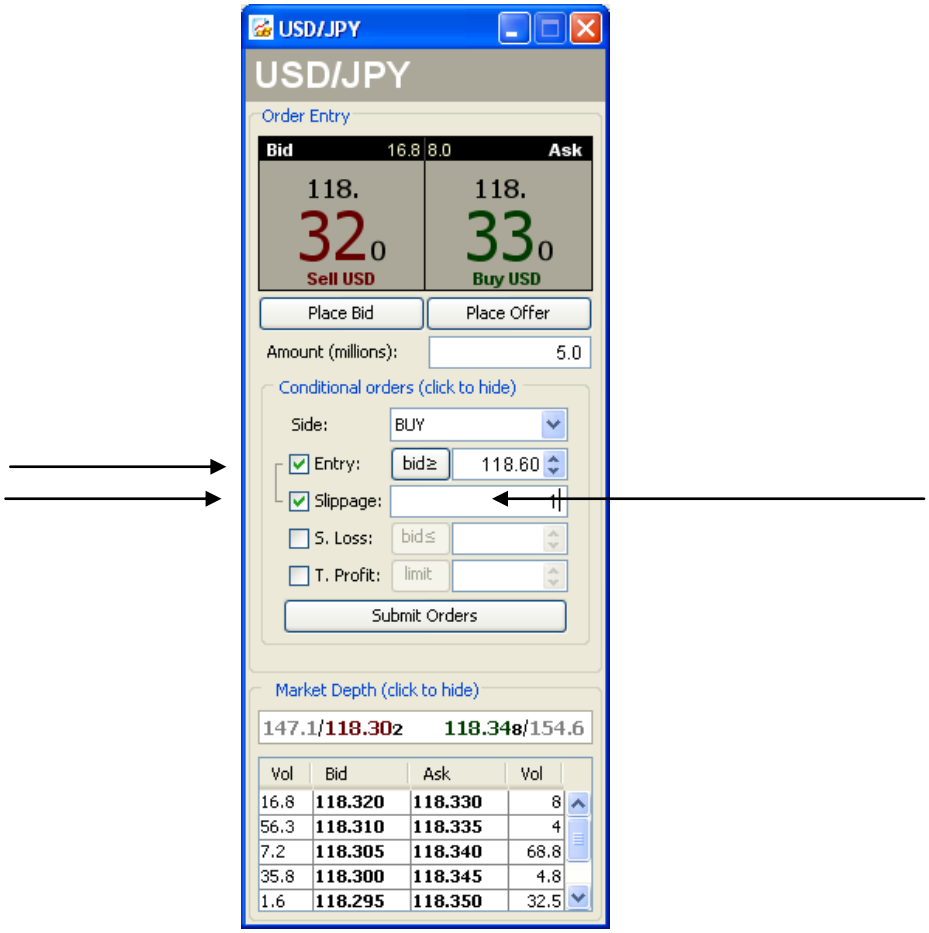
5.4.2. Sell stop entry

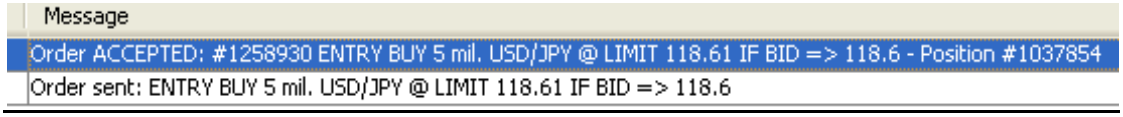
Purpose of such an order is to issue a sell order if the market decreases to a certain level.
Entry should be selected, then the trigger price can be set as either the anticipated bid or ask price, as shown below. Users should keep in mind that an entry order set at the market is in fact a market order.



5.4.3. Buy stop limit – Sell stop limit

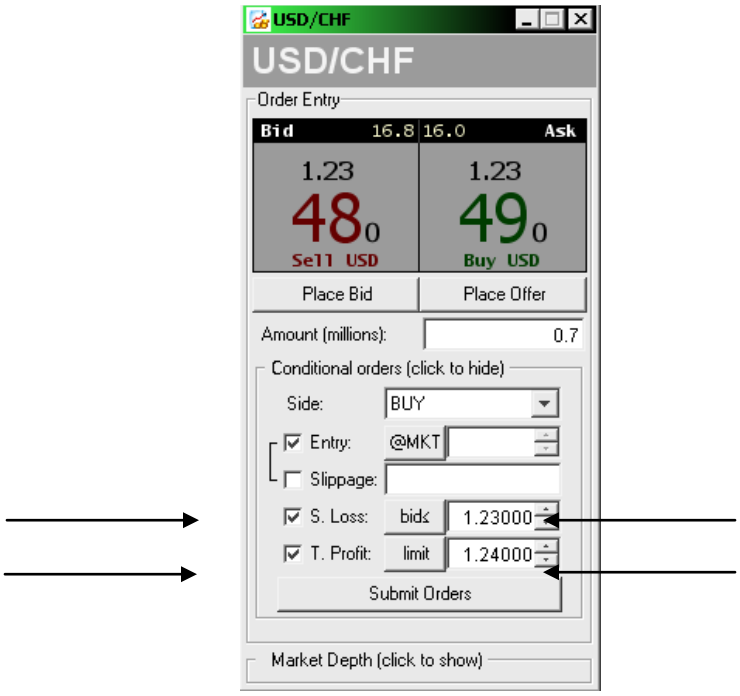
Purpose of such an order is to issue a buy or sell limit order if the market reaches a certain level. Entry should be selected, then the trigger price can be set as either the anticipated bid or ask price, as shown below, however, the entry level would be the limit for execution as well, with slippage selected automatically, and maximum deviation from the limit chosen set by the user. Such limit orders can be executed only at the selected price or better, assuming that max slippage is set to 0.





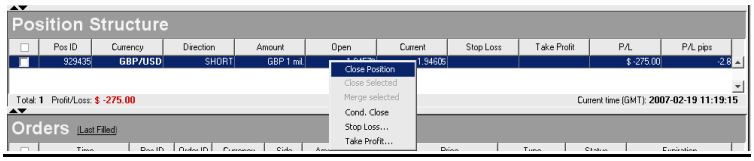
5.4.4. Stop-loss, take profit orders

Users may issue their orders in such a way that they will be sent, or executed depending on some conditions. For instance, the issuance of entry orders is conditional to the market level.
Other conditional orders include take profit and stop loss orders.
When a position is opened, users might want to set conditions at which the position will be closed. They are able to set such conditions upon order issuance, or after the position is opened, as hereafter:



Upon order issuance : The example above shows a market order to buy the selected currency pair, while setting stop loss and take profit levels at the same time. Since the stop loss order will be an order triggered, the user can choose what the trigger shall be, either the bid or ask level.

On open transactions: Right-clicking on the selected position allows user to enter stop loss and take profit conditional orders. Once set, the level of either stop loss and/or take profit will appear in the appropriate column of the position structure.



Conditional orders such as stop loss and take profit, will remain in force until they are either sent for execution, or canceled.

5.4.5.Trailing Stop

Trailing stop feature can be used to enhance the control on both stop loss and entry stop orders.
It allows adjustment of stop and entry levels according to the underlying market price path, and aims as a result to capture potential profit and to limit potential loss in a more efficient way.

Traling stop can be set by adjusting the trailing step parameter as shown below. The parameter is available through the edit menu for both kinds of orders.

The minimum value of the trailing step parameter is set to 10 pips.

Stop loss and entry levels are shifted from the trailing step value should the market price moves a value equal of the set trailing step. Each time the market price move determines a stop level shift, the market price will be used as a new base of reference for further stop levels shifts.

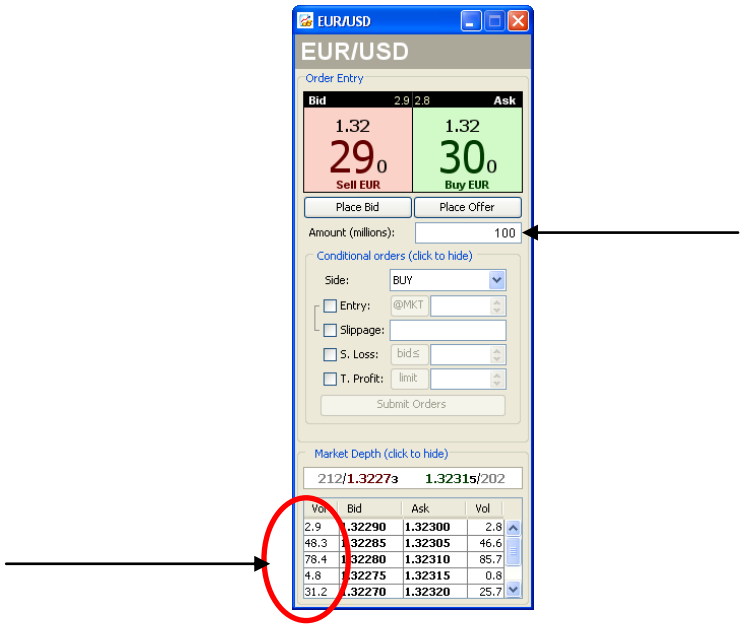
5.5. Slippage control

When sending market orders, clients run the risk of slippage. Slippage is defined as the difference between the price of execution and the price that the client sees when he sends the order.

Slippage arises from a phenomenon known as “ping delay” that exists in any online trading environment which is the time taken for an order to arrive on the execution server from the clients’ computer. Connections between the different market participants make the network highly complex and the path of execution varies depending on the location of the counterparties.

Amount less or equivalent to best bid/ask's amount:
Under normal market conditions, it is unlikely to experience slippage, but it becomes more common as market is in a phase of heavy trading, especially upon news release. In such events, the workload of orders increases substantially, often in both demand and supply, and the time window between the instant where the client sees the price he is willing to trade and the instant of the execution is enough to experience slippage. Slippage can be either positive or negative.

Amount bigger than best bid/ask's amount:
When an order's amount is bigger than the best bid/ask amount, the client will touch the second level of depth of market, producing a slippage in his price.

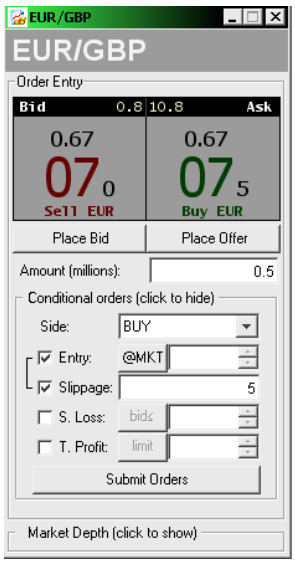


In the above example, if a client wants to sell 100million EURUSD, he will have to pay till level of 1,3228, which mean, he will have an average execution price below best bid price.
In fact, he will get: 2.9mio @ 1.3229
48.3mio @ 1.32285
48.8mio @ 1.3228

Slippage control function is activated from the single instrument pane, using slippage control makes the order conditional, which means that the order may sometimes not be executed.

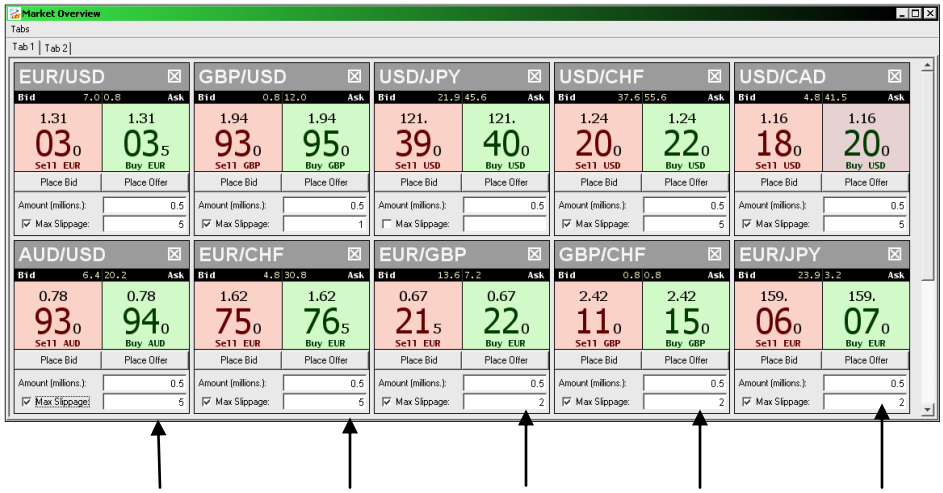
Below, on the left you can see an order prepared with slippage 0, if the order would experience a negative slippage when sending in the market, there will be no execution and the user will receive a notification of rejection.

Below on the right you can see an order prepared with slippage 5, which means that the order will be allowed for execution if the negative slippage does not exceed 5 pips, in case the execution price does not fulfill this condition, the user will receive a notification of rejection.



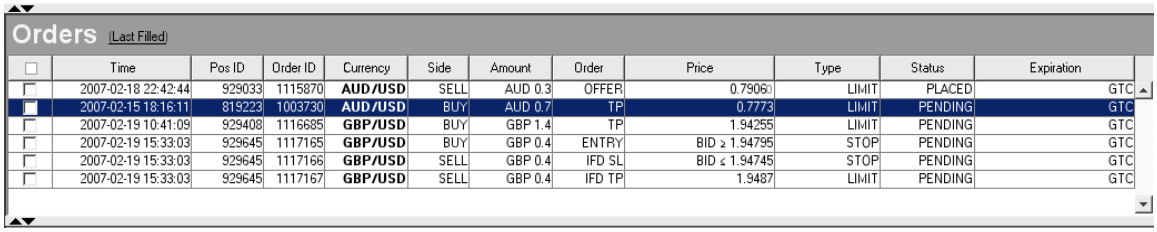
Allowing negative slippage increases the probability of being executed, at the cost of obtaining less favorable price. Limiting negative slippage decreases the probability of the order being executed, but reducing or eliminating the risk of order being executed at unfavorable price.

Max negative slippage can be set at the discretion of the user, for each single currency pair on the market overview pane as shown below for instance:



5.6. Order Management

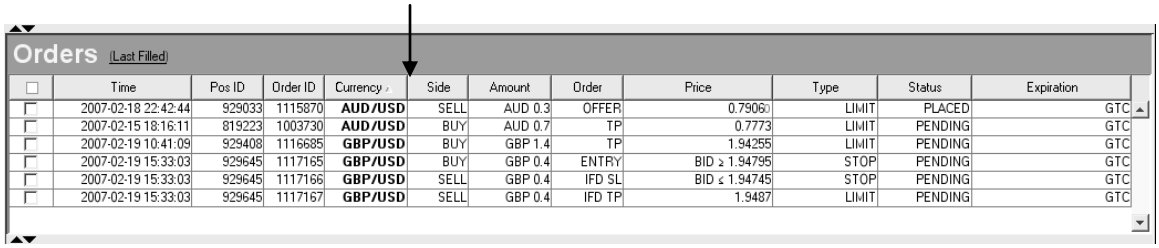
The orders pane discloses all open orders. Under the column status, users can see if the order is in the market depth [placed], or just waiting on some trigger to be sent [pending].



Orders (Last Filled)

Time	Pos ID	Order ID	Currency	Side	Amount	Order	Price	Type	Status	Expiration
2007-02-18 22:42:44	929033	1115870	AUD/USD	SELL	AUD 0.3	OFFER	0.79060	LIMIT	PLACED	GTC
2007-02-15 18:16:11	819223	1003730	AUD/USD	BUY	AUD 0.7	TP	0.7773	LIMIT	PENDING	GTC
2007-02-19 10:41:09	929408	1116685	GBP/USD	BUY	GBP 1.4	TP	1.94255	LIMIT	PENDING	GTC
2007-02-19 15:33:03	929645	1117165	GBP/USD	BUY	GBP 0.4	ENTRY	BID ≥ 1.94795	STOP	PENDING	GTC
2007-02-19 15:33:03	929645	1117166	GBP/USD	SELL	GBP 0.4	IFD SL	BID ≤ 1.94745	STOP	PENDING	GTC
2007-02-19 15:33:03	929645	1117167	GBP/USD	SELL	GBP 0.4	IFD TP	1.9487	LIMIT	PENDING	GTC

Users can sort the orders by each column parameter, for example, per currency pair as shown hereafter:



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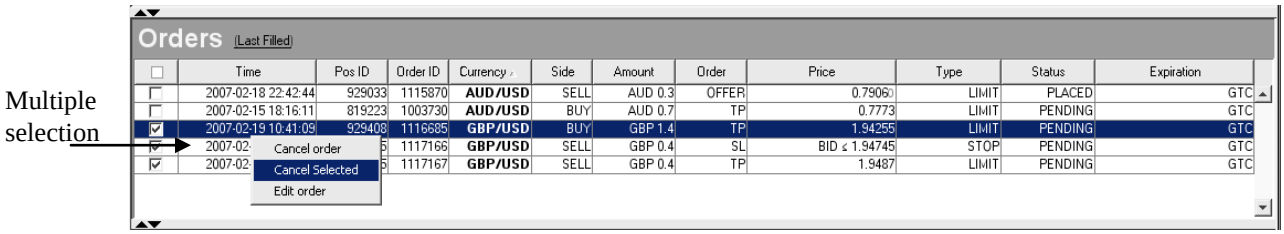
2007-02-18 22:42:44	929033	1115870	AUD/USD	SELL	AUD 0.3	OFFER	0.79060	LIMIT	PLACED	GTC
2007-02-15 18:16:11	819223	1003730	AUD/USD	BUY	AUD 0.7	TP	0.7773	LIMIT	PENDING	GTC
2007-02-19 10:41:09	929408	1116685	GBP/USD	BUY	GBP 1.4	TP	1.94255	LIMIT	PENDING	GTC
2007-02-19 15:33:03	929645	1117165	GBP/USD	BUY	GBP 0.4	ENTRY	BID ≥ 1.94795	STOP	PENDING	GTC
2007-02-19 15:33:03	929645	1117166	GBP/USD	SELL	GBP 0.4	IFD SL	BID ≤ 1.94745	STOP	PENDING	GTC
2007-02-19 15:33:03	929645	1117167	GBP/USD	SELL	GBP 0.4	IFD TP	1.9487	LIMIT	PENDING	GTC

Orders can be accessed from the pane, then edited or canceled. Multiple selections are possible too, as shown hereafter:



Once an order is canceled or executed, it will disappear from the orders pane, but its history can be tracked using trade log function in the portfolio section.
A message will confirm the cancellation, or order modification.

5.7. Grouping Orders to OCO

The OCO feature allows users to make some orders dependent of the execution of another order.
As the name implies, OCO [one cancels the other], once an order in the group is executed, it cancels the other orders of the same OCO group.

Entry Limit Orders and Entry Stop Orders in a given currency pair may be grouping to OCO as far as the group respects either one of the following combinations :

LIMIT BUY + LIMIT SELL
LIMIT BUY + STOP BUY
LIMIT SELL + STOP SELL
STOP BUY + STOP SELL

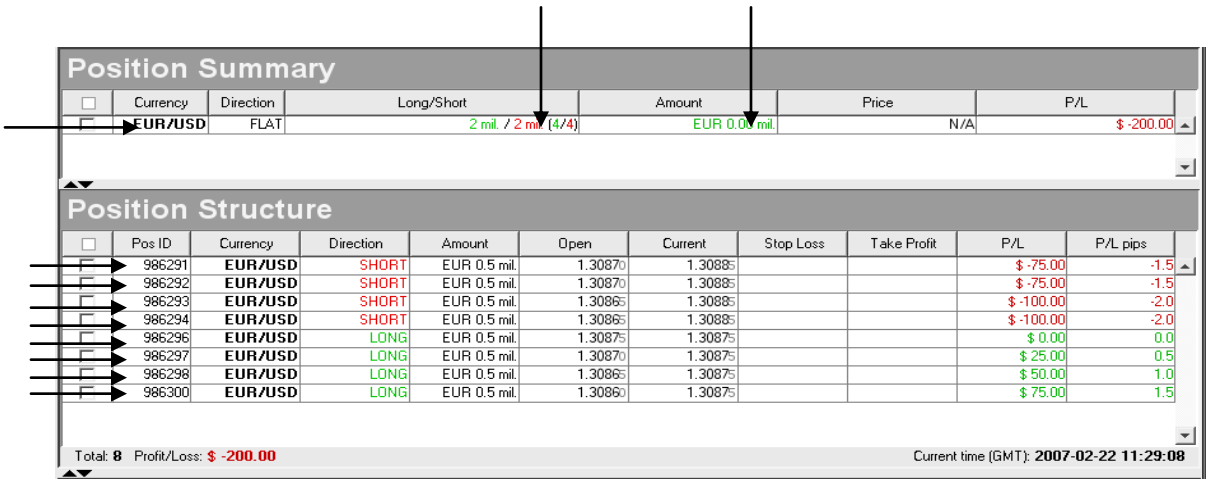
The figure below shows how the trader uses the orders pane for grouping orders to OCO, right clicking calls the pop-up window of possible actions on orders. The orders combined in an OCO group will appear in pale blue when an order belonging to the same group is selected.

5.8. Positions Merger

Warning ! A maximum of 100 individual positions /actually open or potential (pending orders) can be open in the DEMO environment, while the maximum is 200 in the LIVE environment. Orders linked to a position (take-profit and stop-loss orders) are not taken into account in this maximum. Should the number of open positions/pending orders reach the maximum, the trader is prevented for opening new positions, or enter new pending orders.

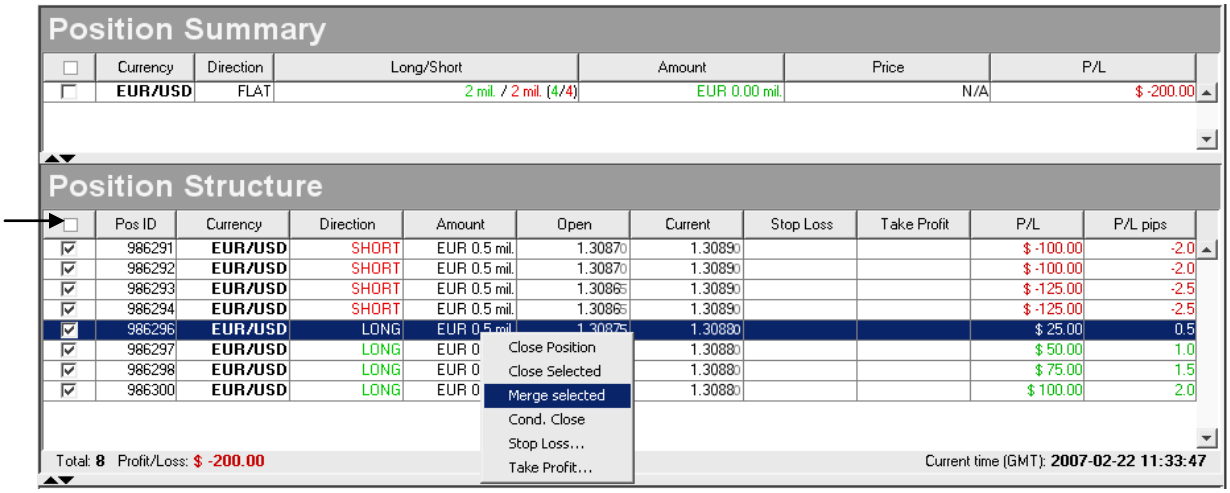
A message is dispatched upon such event warning the trader in the message log, and in the activity log. Merging open positions in part or in full and/or cancellation of pending orders, will decrease the number of open positions/pending orders, therefore enabling the trader to open new individual positions, and/or enter new further pending orders.

Users may enter offset positions to an existing one. As shown below, the position summary discloses the amount traded on each side, and labels the position summary as flat. Position structure shows the details of these positions, as it has been traded.



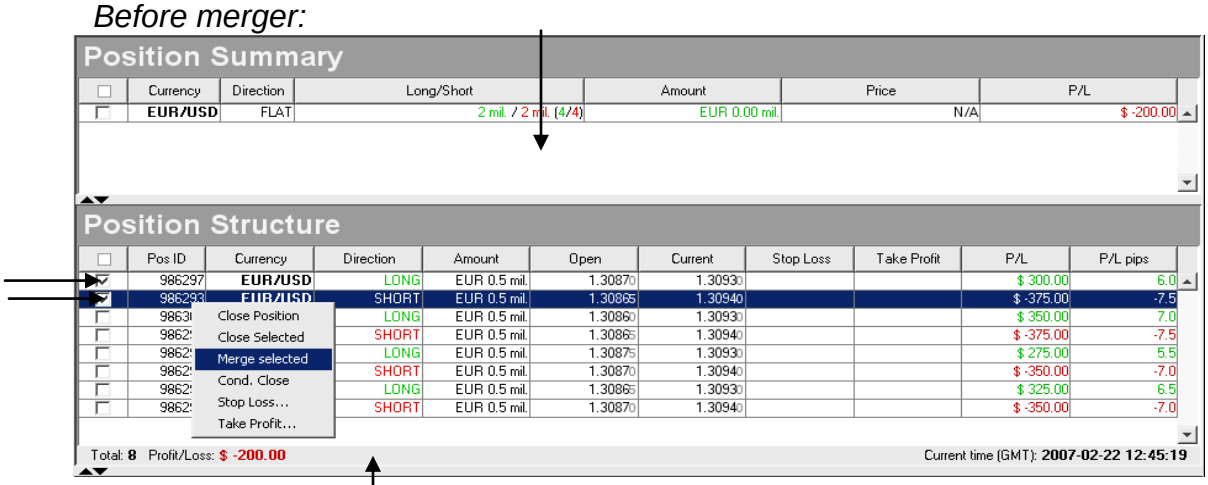
At this stage, positions composing the net exposure may be managed in a very flexible way, at the discretion of the user.

First, single positions can be selected, then edited or canceled. Second, several positions can be selected and managed the same way, this function enabling users to put stop loss and or take profits conditional orders on selected transactions. Finally, positions can be selected and turned into a single one by using the merge function.
In addition, all transactions may be selected by one click on the selection column header.



As shown below, merging two offsetting transactions make them disappear from the position structure, while the components of exposure are adjusted:

Before merger:



Position Summary

Currency	Direction	Long/Short	Amount	Price	P/L
EUR/USD	FLAT	2 mil. / 2 mil. (4/4)	EUR 0.00 mil.	N/A	$ -200.00

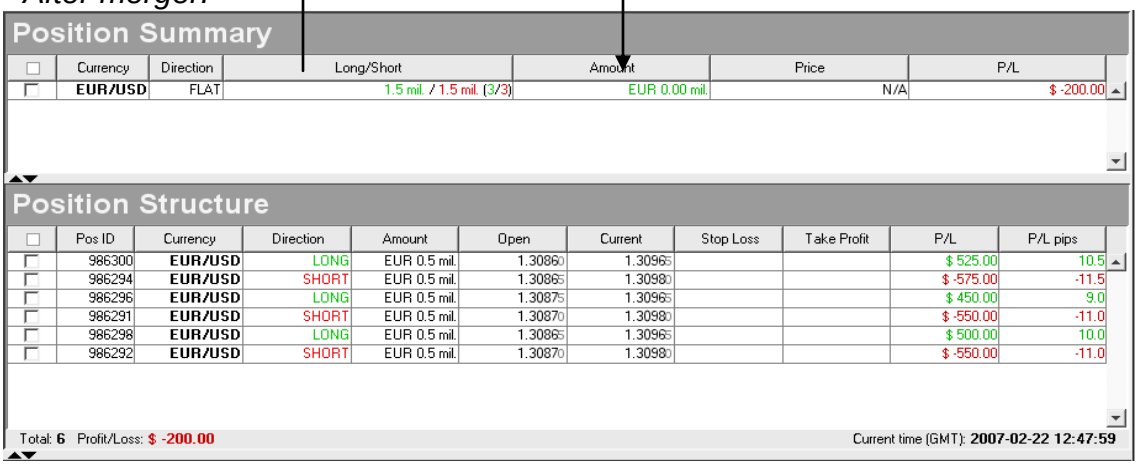
Position Structure

Pos ID	Currency	Direction	Amount	Open	Current	Stop Loss	Take Profit	P/L	P/L pips
986297	EUR/USD	LONG	EUR 0.5 mil.	1.30870	1.30930			$ 300.00	6.0
986293	EUR/USD	SHORT	EUR 0.5 mil.	1.30865	1.30940			$ -375.00	-7.5
9863		LONG	EUR 0.5 mil.	1.30860	1.30930			$ 350.00	7.0
9862		SHORT	EUR 0.5 mil.	1.30865	1.30940			$ -375.00	-7.5
9862		LONG	EUR 0.5 mil.	1.30875	1.30930			$ 275.00	5.5
9862		SHORT	EUR 0.5 mil.	1.30870	1.30940			$ -350.00	-7.0
9862		LONG	EUR 0.5 mil.	1.30865	1.30930			$ 325.00	6.5
9862		SHORT	EUR 0.5 mil.	1.30870	1.30940			$ -350.00	-7.0

Close Position
Close Selected
Merge selected
Cond. Close
Stop Loss...
Take Profit...

Total: 8 Profit/Loss: $ -200.00 Current time (GMT): 2007-02-22 12:45:19

After merger:



Position Summary

Currency	Direction	Long/Short	Amount	Price	P/L
EUR/USD	FLAT	1.5 mil. / 1.5 mil. (3/3)	EUR 0.00 mil.	N/A	$ -200.00

Position Structure

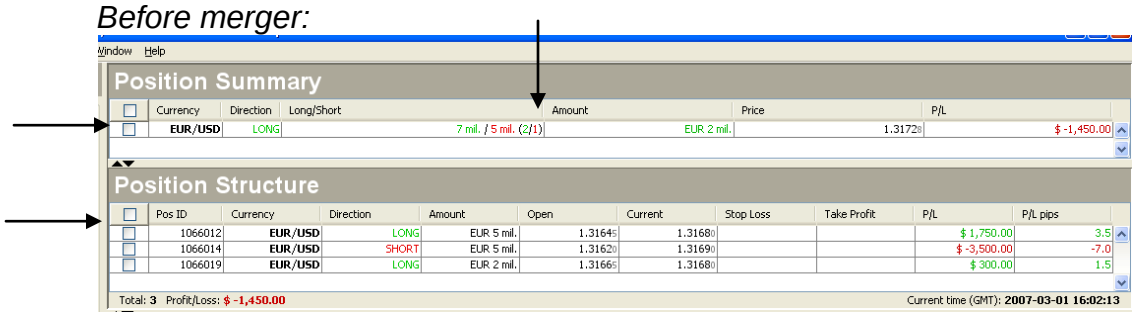
Pos ID	Currency	Direction	Amount	Open	Current	Stop Loss	Take Profit	P/L	P/L pips
986300	EUR/USD	LONG	EUR 0.5 mil.	1.30860	1.30965			$ 525.00	10.5
986294	EUR/USD	SHORT	EUR 0.5 mil.	1.30865	1.30980			$ -575.00	-11.5
986296	EUR/USD	LONG	EUR 0.5 mil.	1.30875	1.30965			$ 450.00	9.0
986291	EUR/USD	SHORT	EUR 0.5 mil.	1.30870	1.30980			$ -550.00	-11.0
986298	EUR/USD	LONG	EUR 0.5 mil.	1.30865	1.30965			$ 500.00	10.0
986292	EUR/USD	SHORT	EUR 0.5 mil.	1.30870	1.30980			$ -550.00	-11.0

Total: 6 Profit/Loss: $ -200.00 Current time (GMT): 2007-02-22 12:47:59

When a flat exposure is made of two offsetting transactions, both are evaluated at the current market prices, that is, a long position is evaluated at the bid price, and a short position at the ask price, but in fact, both transactions are matched through the merger process.

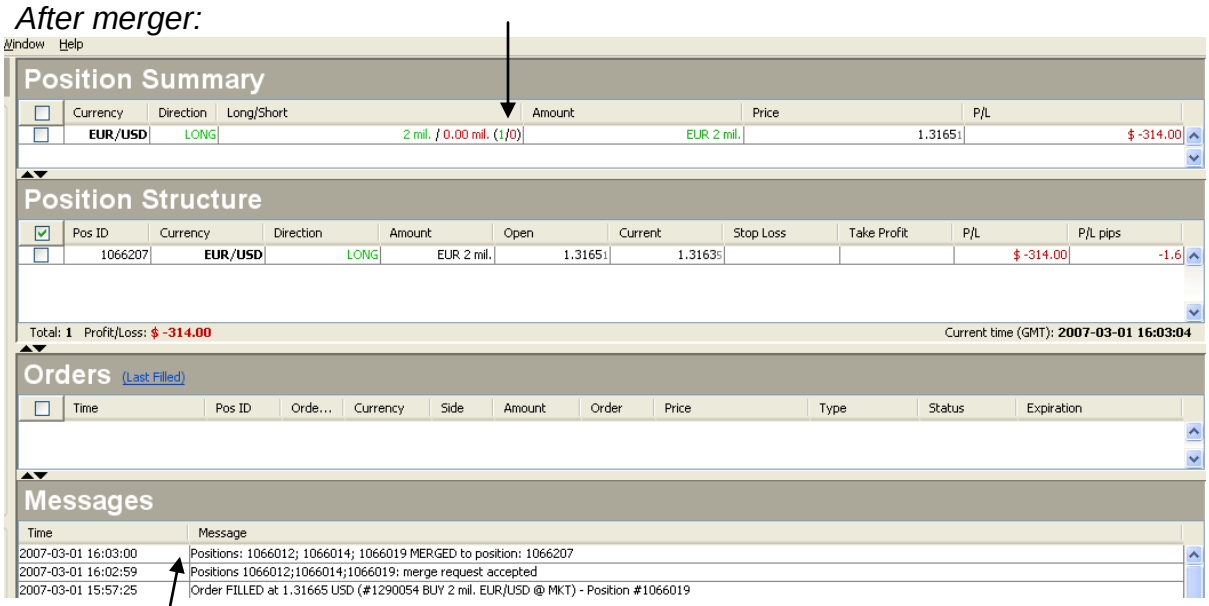
Merge can be performed on transactions where the exposure is not flat. This process just consolidates several transactions into a single one:

Before merger:



It is worth to note that in that example, components of exposure have not been modified; we consolidate three transactions into one.

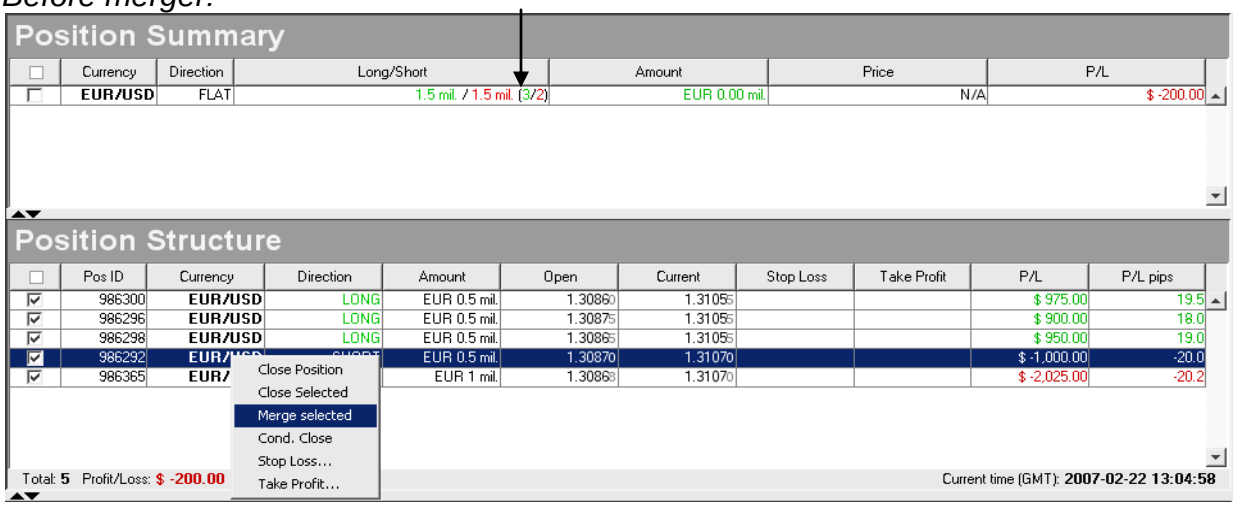
After merger:



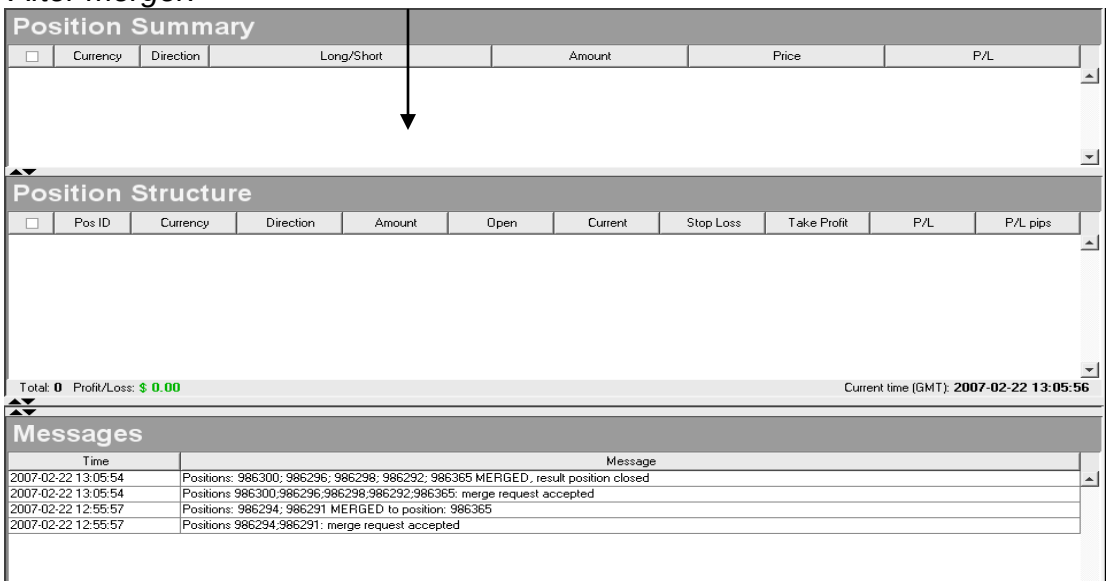
Merger orders issue messages like any other order, as shown above.

If merger involves all offsetting components, the transactions will disappear from the position structure and the exposure components will disappear from the position summary.

Before merger:



After merger:



It should be stressed at this point that merge requests have to be consistent with the trade selection, indeed, if selected transactions have different embedded conditions, it would not be possible to merge them without cancellation of such parameters that would make the merger inconsistent. Transactions subject to a merger must be free of any conditional order associated with the transactions.

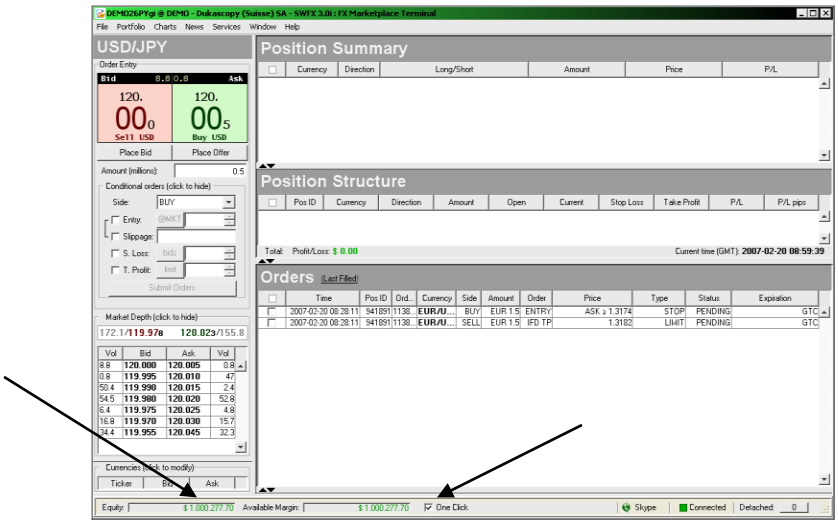
Cross mergers between different currency pairs are not possible.

Last but not least, using a merge function does not imply transactions in the market, meaning that no commission will be charged.

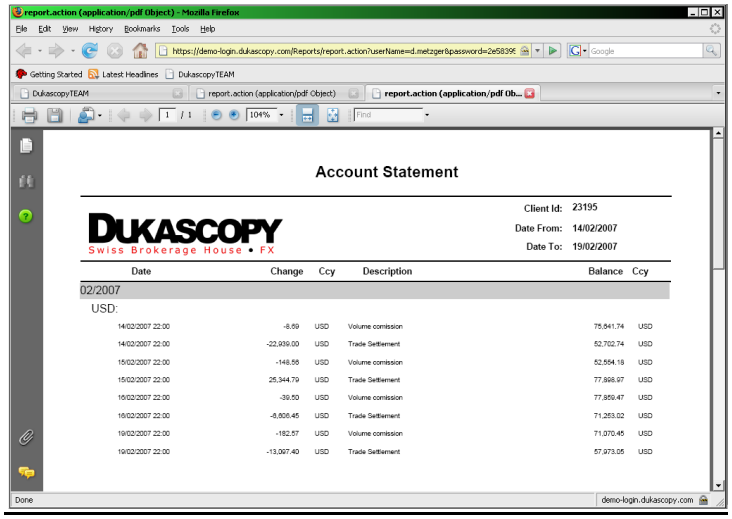
6. Report

6.1. Equity Management

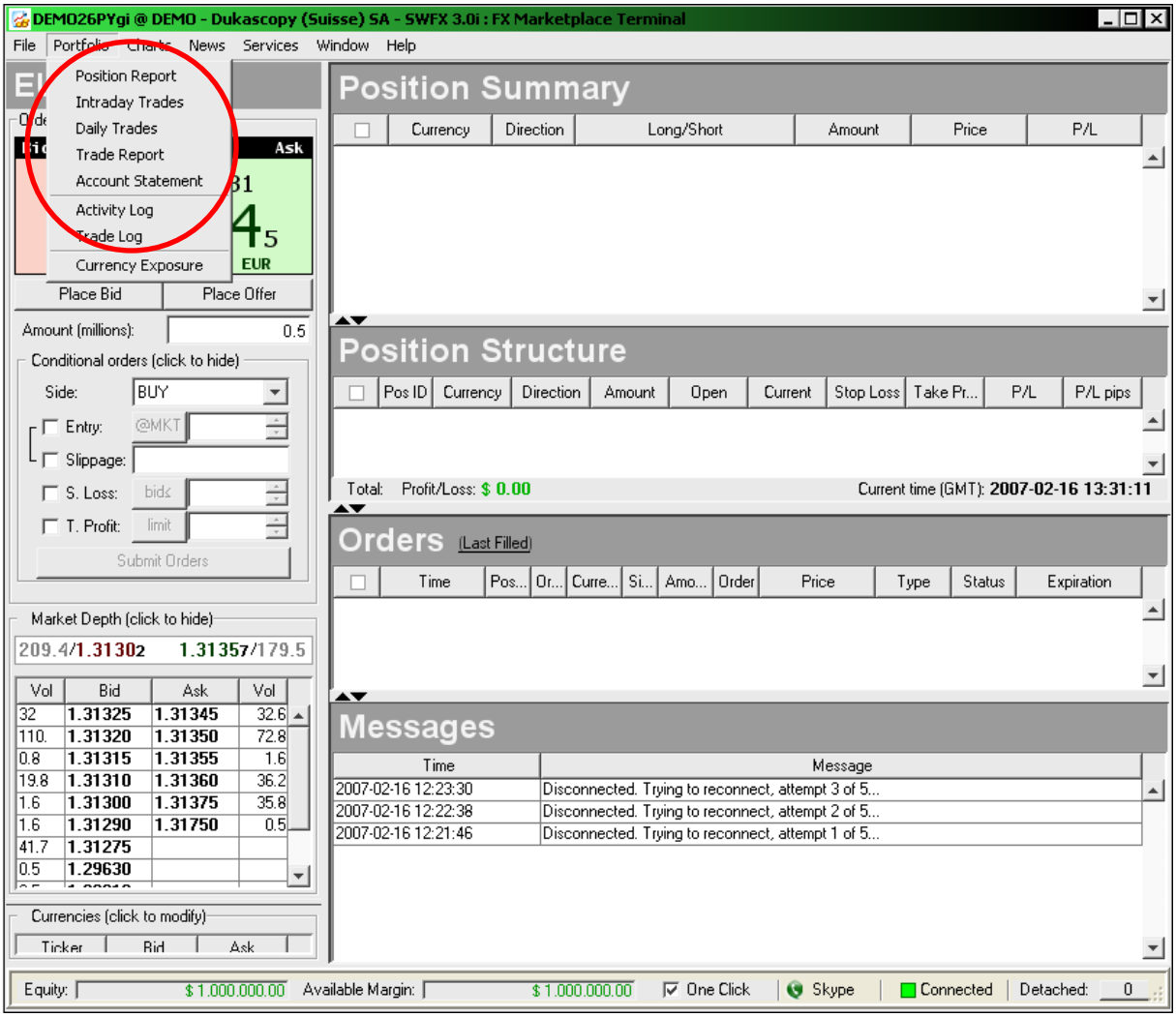
The platform provides the users with the visualization of their equity in real-time, the global impact of their current positions and their effect on equity are therefore easily readable as a result.
Transaction costs should be taken into account as well as they will impact the performance and are charged at end of each day.



At Trade Settlement time (22:00 pm GMT), the profit and loss is settled and the balance is adjusted as a result. Commissions are summed up at the same time, converted into the portfolio base currency and also settled in the balance.
The last account balance available is the balance for the previous end-of-day processing.
Balance history can be consulted in the account statement report, in the portfolio tab of the main window.



Trade reporting



6.1.1. Position Report

This report discloses opened positions, closed positions and merged closed positions, since portfolio inception.

Opened Positions:
Current open positions are evaluated with current prices. Profit and loss, volume commission, open date and time are available.

Closed Positions:
Closed positions are disclosed from the most recent to the older. Profit and loss, volume commission, open date and time, as well as closed date and time are available.

Merged Positions:
It discloses closed positions that have been part of a merged transaction.

6.1.2. Intraday Trades

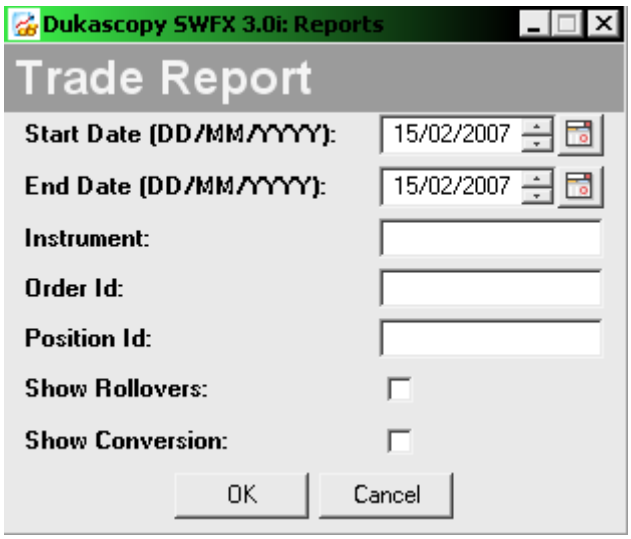
This report discloses trades executed within the day. Profit and loss is consolidated by currency pair.

6.1.3. Daily Trades

Allows users to select any date and see opening positions labeled as rollover open, intraday transactions, and finally open positions that are rolled over for next settlement (rollover close). This report shows as well the conversion of any profit and loss per currency, back into the portfolio base currency.

6.1.4. Trade Report

This report allows users to track transactions in a more specific way. Trades can be tracked within a time period selection, per instrument, showing rollovers and conversion transactions or not. Trades associated with a single order can be requested, as well as those associated with a single position.



Then trades satisfying the search criteria are disclosed in chronological order, segregated by currency pair, with the conversion of profit and loss into the portfolio base currency at the bottom of the report.

6.1.5. Position Summary

Open positions are consolidated by currency pair, then detailed with currency, direction of the net position, disclosure of both sides of the position in case of a position being partially or fully hedged, net position amount, gross breakeven price, and net profit and loss.

6.1.6. Position Structure

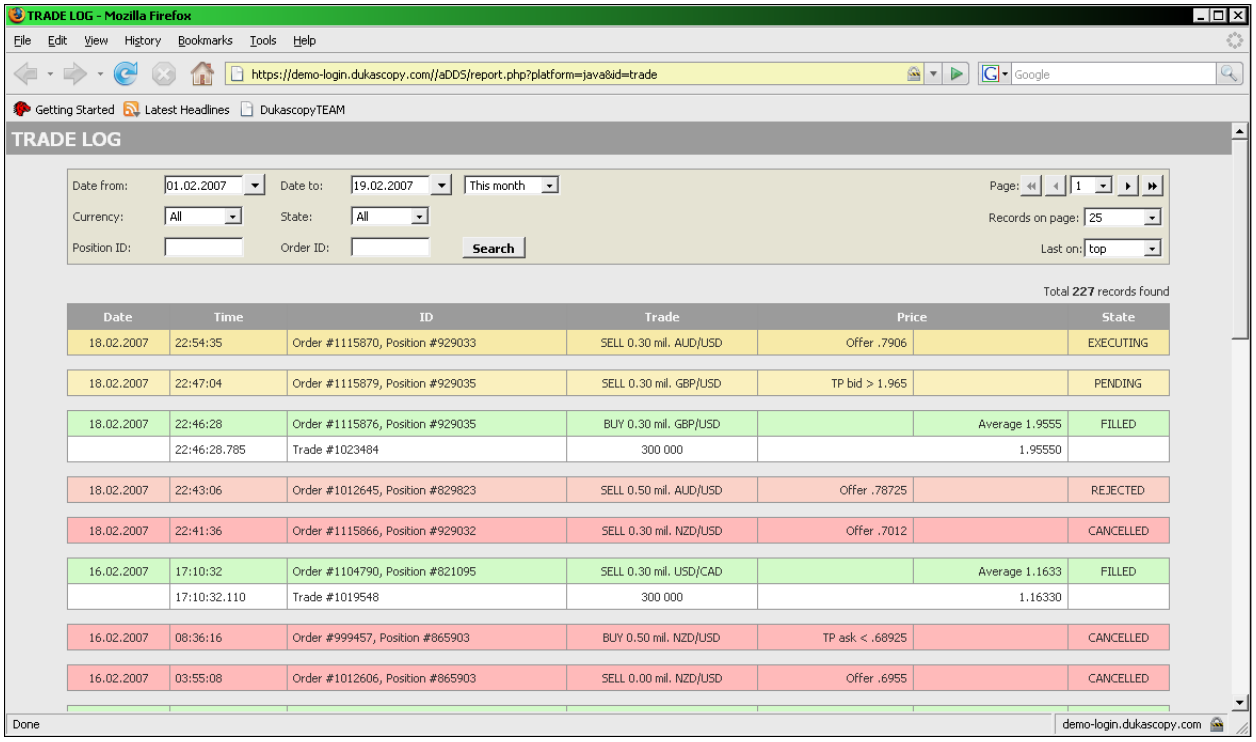
Open positions are not consolidated in this pane, so each open position is displayed with its own details. In addition, current price, stop-loss and take profit levels are shown with the profit and loss associated with the position.

6.1.7. Orders

This pane discloses all orders pending or placed.
Orders are flagged as pending when they would need a trigger to be sent.
Orders are flagged as placed when they are bids and offers in the market.

6.1.8. Trade Log

Trade log enables users to see and track orders activity's history. Client may filter any search by currency pair, state, and refine the time period they want to get reporting from.



Date	Time	ID	Trade	Price		State
18.02.2007	22:54:35	Order #1115870, Position #929033	SELL 0.30 mil. AUD/USD	Offer .7906		EXECUTING
18.02.2007	22:47:04	Order #1115879, Position #929035	SELL 0.30 mil. GBP/USD	TP bid > 1.965		PENDING
18.02.2007	22:46:28	Order #1115876, Position #929035	BUY 0.30 mil. GBP/USD		Average 1.9555	FILLED
	22:46:28.785	Trade #1023484	300 000	1.95550		
18.02.2007	22:43:06	Order #1012645, Position #829823	SELL 0.50 mil. AUD/USD	Offer .78725		REJECTED
18.02.2007	22:41:36	Order #1115866, Position #929032	SELL 0.30 mil. NZD/USD	Offer .7012		CANCELLED
16.02.2007	17:10:32	Order #1104790, Position #821095	SELL 0.30 mil. USD/CAD		Average 1.1633	FILLED
	17:10:32.110	Trade #1019548	300 000	1.16330		
16.02.2007	08:36:16	Order #999457, Position #865903	BUY 0.50 mil. NZD/USD	TP ask < .68925		CANCELLED
16.02.2007	03:55:08	Order #1012606, Position #865903	SELL 0.00 mil. NZD/USD	Offer .6955		CANCELLED

6.1.9. Portfolio Statement

The portfolio statement report integrates information from equity and trade management, providing interactive reporting, and data management facility to the users. Before exploring this section, it is worth to note that a day is defined by the 24 hours between settlement times, settlement time occurs at 21:00 GMT.

The portfolio information is organized into the three following levels of details:

Summary

At the summary level, users can see the activity on a daily basis, consolidated in every kind of account activity: trading profit and loss per currency pair, global commission accounting, and cash flow activity. These figures added for balance and equity daily changes.

Because the activity of the current day is floating until settlement time, the trading profit and loss in every currency pair is labeled as “unsettled” while historical daily activity in every currency pair is labeled as “settlement for” Trading profit and loss is shown in the second currency of the currency pair considered in the column “balance change”, then translated in the portfolio base currency. Reloading allows for mark-to-market the current intraday portfolio.

By clicking on a currency pair in the report, users access the order detailed level for the selected currency pair.

By clicking on a date, users access the order detailed level for all currency pairs for which there is activity in that day.

Time: 17:36:33

Since 15.06.2007 till 15.06.2007 By month... Detail level: Summary Reload Print Export Back

Date	Description	Balance change	Conv.Price	Balance change (USD)	Balance
15.06.2007	Daily Change			527 867.88 USD	29 435 671.70 USD
	Settlement for AUD/JPY	18 774 120.00 JPY	0.0081	152 070.37 USD	
	Settlement for CAD/JPY	8 053 560.00 JPY	0.0081	65 233.83 USD	
	Settlement for EUR/CHF	42 075.00 CHF	0.8057	33 901.39 USD	
	Settlement for EUR/JPY	24 397 365.00 JPY	0.0081	197 618.65 USD	
	Settlement for NZD/USD	73 005.00 USD	1.0000	73 005.00 USD	
	Settlement for USD/CHF	-73 470.00 CHF	0.8057	-59 197.51 USD	
	Settlement for USD/JPY	8 053 845.00 JPY	0.0081	65 236.14 USD	

Order level

This level provides trading activity detailed per order, for the time period selected.
Example below shows the order detail level of AUD/JPY on 06/20/2007, at 17:04:19 real-time.

In such instance, the exposure is marked to market at the prevailing market rate, and the column “settl.price” shows the prevailing spot market rate. Rollover open shows the exposure existing at the beginning of the day.

Time: 17:04:19

Since 20.06.2007 till 20.06.2007 By month... Detail level: Order Detail Reload Print Export Back

Instrument AUD/JPY Position Order

Date	Time	ID	Position ID	Trade	Price	Settl.Price	P/L Gross	Comiss.	P/L Net
19.06.2007	21:00:01.258	Rollover Open		BUY 15.00 AUD/JPY	104.433	104.570	16 594.77 USD		16 594.77 USD
20.06.2007	09:02:18.143	Order 656643	358905	BUY 5.00 AUD/JPY	104.520	104.570	2 021.75 USD		2 021.75 USD

Example below shows the order detailed level of AUD/JPY on 06/19/2007, but consulted on 06/20/2007, therefore, the activity is a historical one, and exposures are valued at the settlement price of the day, that is, the rate of the first leg of the spot swap. Rollover close shows the first leg of the swap, meaning that the existing exposure is closed for the day, and swapped to next settlement through a rollover open transaction.

Time: 17:09:48

Since 19.06.2007 till 19.06.2007 By month... Detail level: Order Detail Reload Print Export Back

Instrument AUD/JPY Position Order

Date	Time	ID	Position ID	Trade	Price	Settl.Price	P/L Gross	Comiss.	P/L Net
19.06.2007	14:48:40.130	Order 654773	358097	BUY 10.00 AUD/JPY	104.370	104.445	6 080.25 USD		6 080.25 USD
19.06.2007	15:11:01.619	Order 655158	358097	BUY 5.00 AUD/JPY	104.290	104.445	6 282.92 USD		6 282.92 USD
19.06.2007	21:00:01.258	Rollover Close		SELL 15.00 AUD/JPY	104.445	104.445			

Several options are available then: users have the possibility to get back the previous portfolio statement query, can obtain directly the components of a single order, the components of a single position, and those of a rollover, either close or open.
At each of these levels, the users can see the date, time, transaction detail, transaction price, transaction valuation price, and profit and loss associated, both gross, and net, that is, adjusted for commissions.

Trade level

Trade level is the ultimate detail level and shows each single transaction component on a currency pair, an order, or a position.
Example below shows the trade level of USD/JPY intraday activity. Since it is the current day, the transactions are marked to market at the prevailing spot market rate.

Time: 17:24:24

Since 20.06.2007 till 20.06.2007 By month... Detail level: Trade Detail Reload Print Export Back

Instrument USD/JPY Position Order

Date	Time	ID	Position ID	Trade	Price	Settl.Price	P/L Gross	Comiss.	P/L Net
19.06.2007	21:00:01.258	Rollover Open	348716	15 000 000	123.348	123.610	31 789.57 USD		31 789.57 USD
19.06.2007	21:00:06.077	Trade 686906	348716	-250 000	123.220	123.610	-788.78 USD		-788.78 USD
19.06.2007	21:00:06.077	Trade 686907	348716	-250 000	123.220	123.610	-788.78 USD		-788.78 USD
19.06.2007	21:00:06.078	Trade 686908	348716	-300 000	123.220	123.610	-946.53 USD		-946.53 USD
19.06.2007	21:00:06.140	Trade 686909	348716	-200 000	123.205	123.610	-655.29 USD		-655.29 USD
19.06.2007	21:00:06.598	Trade 686910	348716	-14 000 000	123.205	123.610	-45 870.30 USD		-45 870.30 USD
20.06.2007	07:46:25.466	Trade 687573	359226	5 000 000	123.300	123.610	12 539.50 USD		12 539.50 USD
20.06.2007	08:56:33.061	Trade 687708	359226	5 000 000	123.405	123.610	8 292.25 USD		8 292.25 USD
20.06.2007	12:02:56.393	Trade 688198	359226	5 000 000	123.555	123.610	2 224.75 USD		2 224.75 USD

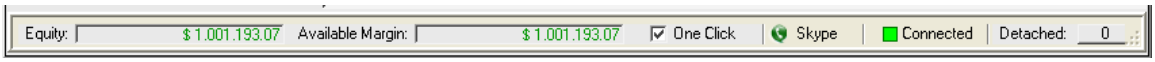
A great deal of interactivity is available from this point, users are encouraged to use these functions, and navigate throughout the report, doing so has the potential to bring some light on trading activity, and additional information on trading activity structure and processes.
Ongoing development is conducted on the report, to improve the layout, and add useful features. Any comments from the users are welcomed.

6.2. Margin & Free Credit Line : Calculation and Monitoring

Margin is defined by the leverage authorized to the portfolio. Necessary margin to run an exposure is computed, and updates the available margin at trade inception. In case of bid and ask orders, the necessary margin is included in the available margin calculation at orders inception.

Users must always keep in mind that the use of leverage magnifies losses as well as profits, and equity can easily and quickly vanish in situations where the market prices exhibits strong volatility, potentially creating an adverse environment for the highly leveraged participant.

Free credit line is the total exposure that may be taken, given current equity, authorized leverage and current exposures. In case there is no exposure, nor any bid and ask orders on file, the free credit line is computed as the product of equity and the leverage factor, in the portfolio base currency. Any exposure is then substracted from the free credit line, and used leverage computed. Margin, free credit line and used leverage are real-time updated.



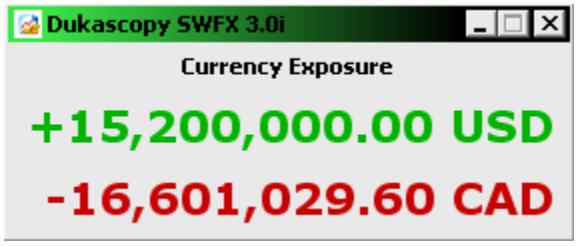
Examples :
Situation with no exposures and no orders.
Leverage authorized to the portfolio = 100
Equity = USD 100,000.00
Free credit line = USD 100,000.00 * 100 = USD 10,000,000.00
Use of leverage = 0

Situation with an exposure of USD 1,000,000.00 at trade inception [no profit and loss]
Leverage authorized to the portfolio = 100
Equity = USD 100,000.00
Free credit line = [USD 100,000.00 * 100] – [USD 1,000,000.00] = USD 9,000,000.00
Use of leverage = 1,000,000.00 / 10,000,000.00 = 0.10 = 10 %

Situation with a original exposure of USD 1,000,000.00 and a current loss of USD 20,000.00
Leverage authorized = 100

Equity = USD 100,000.00 – USD 20,000.00 = USD 80,000.00
Free credit line = [USD 80,000.00 * 100] – [USD 1,020,000.00] = USD 6,980,000.00
Use of leverage = 1,000,000.00 / 8,000,000.00 = 0.125 = 12.50 %

Running losses increase the exposure, decrease the available margin, while running profits decrease the exposure and increase the available margin.
Free credit line is readily observable along with the equity and enables users to monitor their exposures in terms of used leverage. Overall currency exposures can be seen under the « portfolio » tab of the main window.



6.2.1. Margin Call

When used leverage reaches 100 %, no available margin remains ; necessary margin to run current exposures is fully used.
Should the portfolio continue to experience losses, available margin starts to become negative.

At this point a margin call notification is issued, and the net exposure cannot be increased until the available margin recovers eventually and becomes positive again. However, no covering nor reducing of exposure occurs at this stage yet, and users still have some room for managing their exposures ; they may decrease their exposures by hedging, and/or closing some of the current exposures ; in case the exposures are organized into several transaction components, a merging could be necessary at this point to reduce the exposure, because closing one of the components could effectively have the effect of increasing the exposure, which is restricted when the portfolio is under a margin call situation.

Clients have the discretion as well to fund their account with funds in order to increase their available margin; once the margin is reinstated back to a positive level, users are able to increase exposure again.
Should the available margin not be reinstated, and losses continue to mount, the portfolio will reach the cut-off zone.

6.2.2. Cut-off Level

As previously mentioned, once a margin call is issued, clients have still room to maintain their exposures. If the equity continues to decrease however, and the exposures not reduced nor closed, available margin starts to become negative, and used leverage goes over 100 % of the authorized leverage.
When 200 % of the authorized leveraged is used, Dukascopy will hedge current exposures until the available margin is reinstated back to zero, and will continue to do so, following the same process, should the market continue to go against the client's positions, and remaining exposure still exists.

Users must monitor the activity of their portfolio very carefully, especially when the available margin is shrinking.
Margin and used leverage is related to equity. When available margin starts decreasing, a minor move of the underlying asset price could lead to quick, and severe losses, even with large equity base, assuming that the portfolio is highly leveraged.

Dukascopy reserves the right to take any action judged necessary to reduce, or eliminate the shortfall risk associated with portfolios having a zero or negative available margin, even in case it would not be in accordance, in whole or in part, with the above described procedure.

6.3. Positions Rolling

Transacting spot in foreign exchange market means that settlement and money exchange would take place at trade date + 2 days for the currency pairs available for trading except for USD/CAD, where the spot settlement occurs at trade date + 1 day. However, clients cannot experience settlements in different currencies since they do not hold segregated accounts in these currencies. As a result, open currency exposures need to be swapped for next spot settlement, and so on as long as open exposures do exists.
Clients are able to earn, or to be charged for, the interest rate differential implied in swap rates, as long as this differential is wide enough. Positions are swapped each business day at 22:00 GMT. Users are able to see the swap points on the report, swaps are labeled as rollover closed and rollover open in the reports.

6.4. Trade Settlement, Volume Commissions

At the end-of-day processing, open positions are rolled over to the next spot settlement, daily profits and losses are converted back to the portfolio base currency, commissions are debited from the account and any cash move, whether deposits or withdrawals, are accounted for with the following labels :

Trade settlement	- Profit and loss conversion and booking
Volume commissions	- Commissions conversion and booking
Debit/Credit	- Cash deposits and/or cash withdrawals booking

Profit and loss balances in appropriate currency pairs are shown and consolidated at the bottom of the intraday trade statement, with exchange rates used for conversion back into the portfolio base currency.

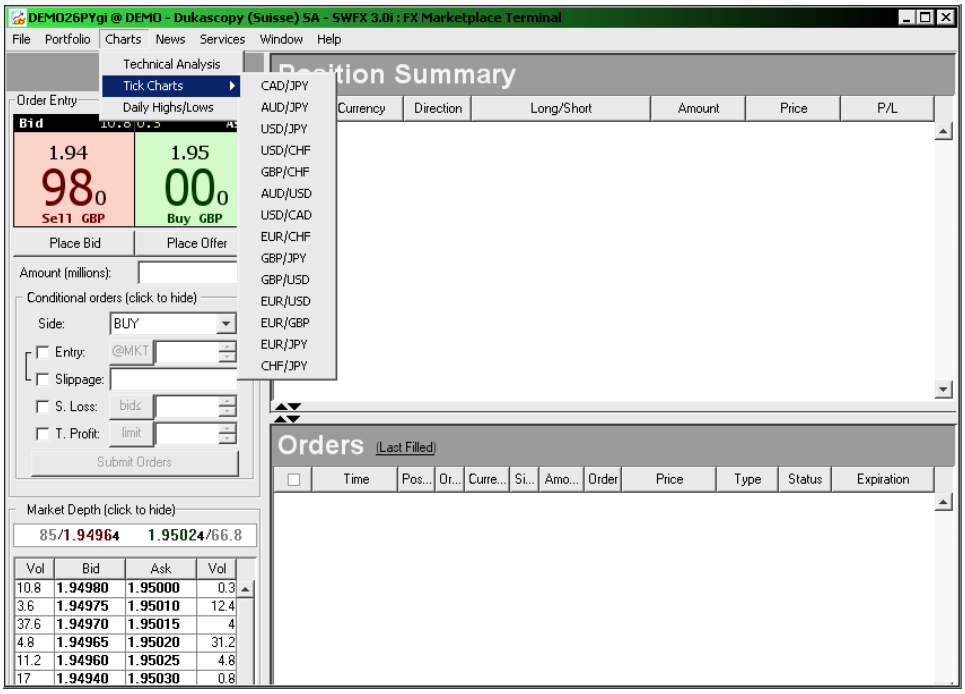
7. Charts

Price charts are available under the technical analysis sub-tab.
Users are encouraged to look at the « help » tab of the technical analysis section. Help file provides support about the features available, as well as more details on each technical indicator.
Several charts can be managed in the workspace, organization of the chart workspace is performed with the tools provided in the « window » tab of the technical analysis section.

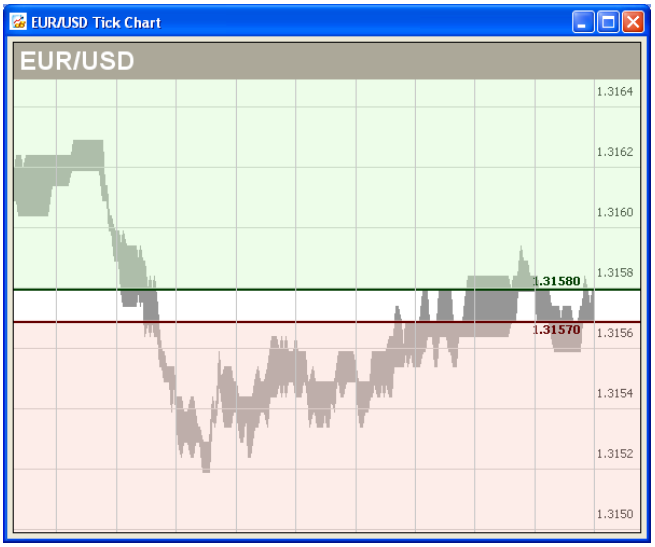
7.0. Disclaimer

Although users have the ability to look at prices reporting on charts, either historical, or bid and ask prices, they should not infer any trading activity under the assumption that prices have been reported in the chart tool. Several factors and parameters are taken into account to report prices on charts, in order to reflect the most possible complete picture of the price action in the market, however, execution process is a different thing than just reporting prices. Sometimes, prices reported are outside the control of Dukascopy, that is, some price report provider could feed either bid, ask, or even reported executed price that would not come from a true market transaction. As everything is done to minimize to the greatest extent such occurance, it must be stressed that price reported on a chart can never be used to get any right to an execution « a priori », which means that any situation where the client is claiming execution will be analyzed in details, to see if such execution would effectively had a chance to be processed, but in no instance can an execution being granted just on the basis of chart price reporting.

7.1. Charts –Tick Charts

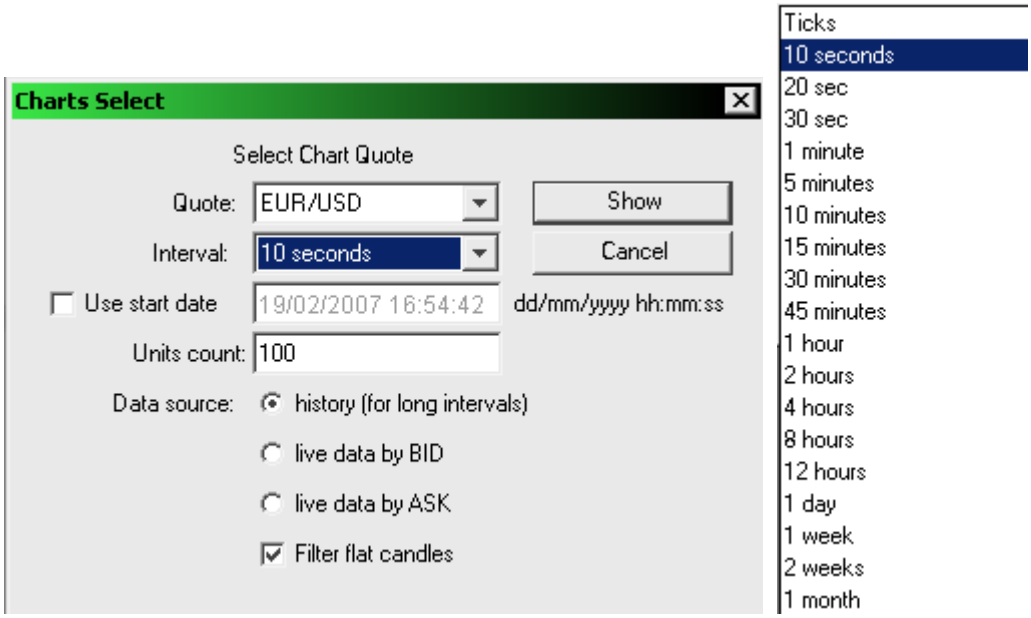


Tick charts allow a thorough monitoring of the real-time activity, and visualization of the spread.



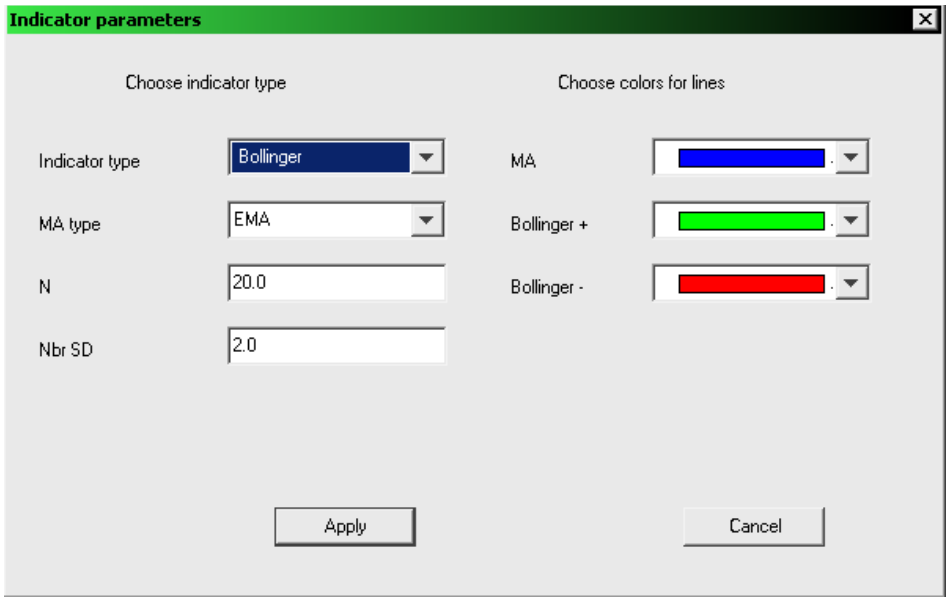
7.2. Technical chart

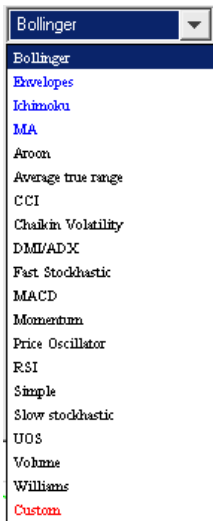
Price charts can be plotted with various time intervals, as shown below.



Below is an example of daily candles chart with a time period of hundred days.

Some technical analysis can be performed with the chart tools, various technical indicators may be configured through the below table. The example below shows Bollinger bands.





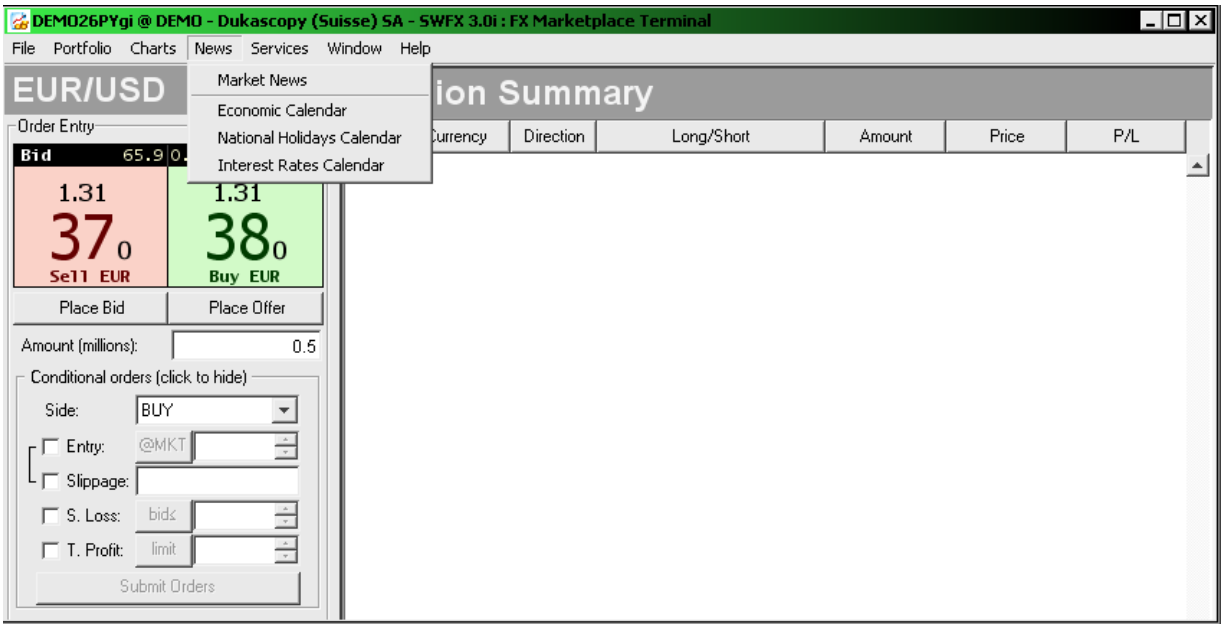
Other technical tools enable the user to plot either trend lines, parallel lines, horizontal and vertical lines, Fibonacci retracements and comments.

Technical analysis tools and charts available on the platform are subject to an ongoing development process, researchers are working on new visual definitions as well as on more sophisticated and useful tools to assist any clients and cater to individual strategies and investment styles.

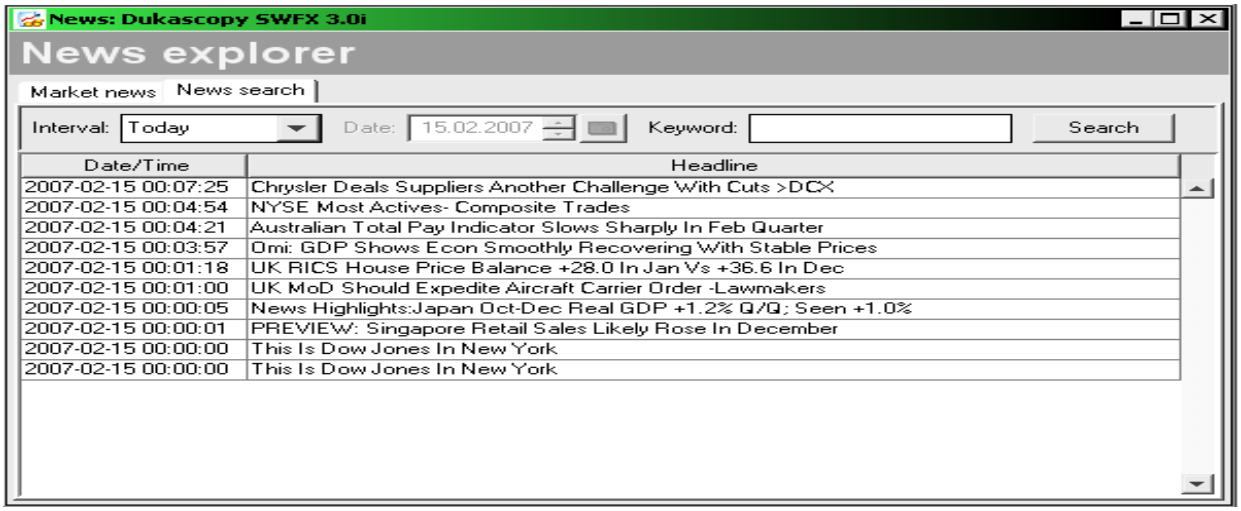
8. Market analysis

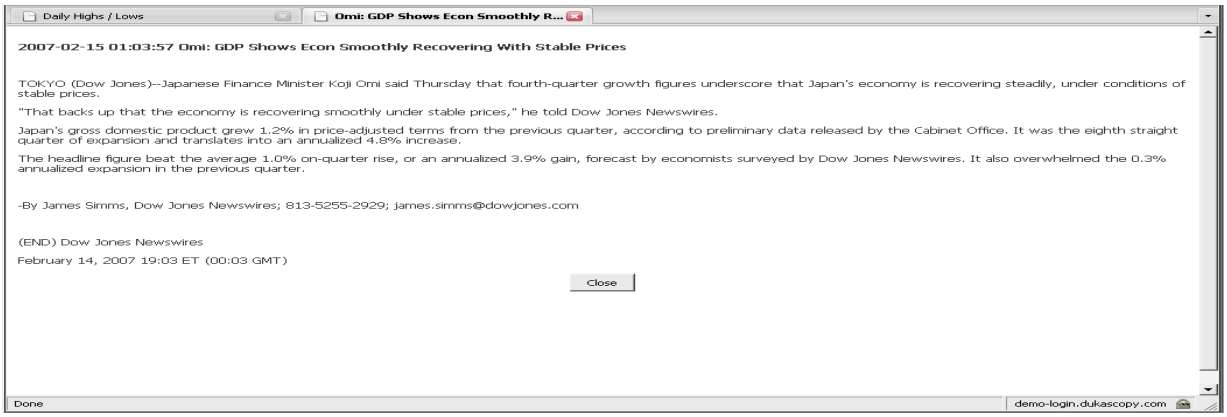
8.1. Market News

The platform provides general market news, as well as useful information on economic calendar, holiday's calendar and interest rates information.



Market news function gives access to a wide array of economic news, provided from sources as AFX and Dow Jones. Headlines are associated with a search engine. Double-click on headline discloses the full news content.





Daily Highs / Lows | Omi: GDP Shows Econ Smoothly R...

2007-02-15 01:03:57 Omi: GDP Shows Econ Smoothly Recovering With Stable Prices

TOKYO (Dow Jones)--Japanese Finance Minister Koji Omi said Thursday that fourth-quarter growth figures underscore that Japan's economy is recovering steadily, under conditions of stable prices.

"That backs up that the economy is recovering smoothly under stable prices," he told Dow Jones Newswires.

Japan's gross domestic product grew 1.2% in price-adjusted terms from the previous quarter, according to preliminary data released by the Cabinet Office. It was the eighth straight quarter of expansion and translates into an annualized 4.8% increase.

The headline figure beat the average 1.0% on-quarter rise, or an annualized 3.9% gain, forecast by economists surveyed by Dow Jones Newswires. It also overwhelmed the 0.3% annualized expansion in the previous quarter.

-By James Simms, Dow Jones Newswires; 813-5255-2929; james.simms@dowjones.com

(END) Dow Jones Newswires

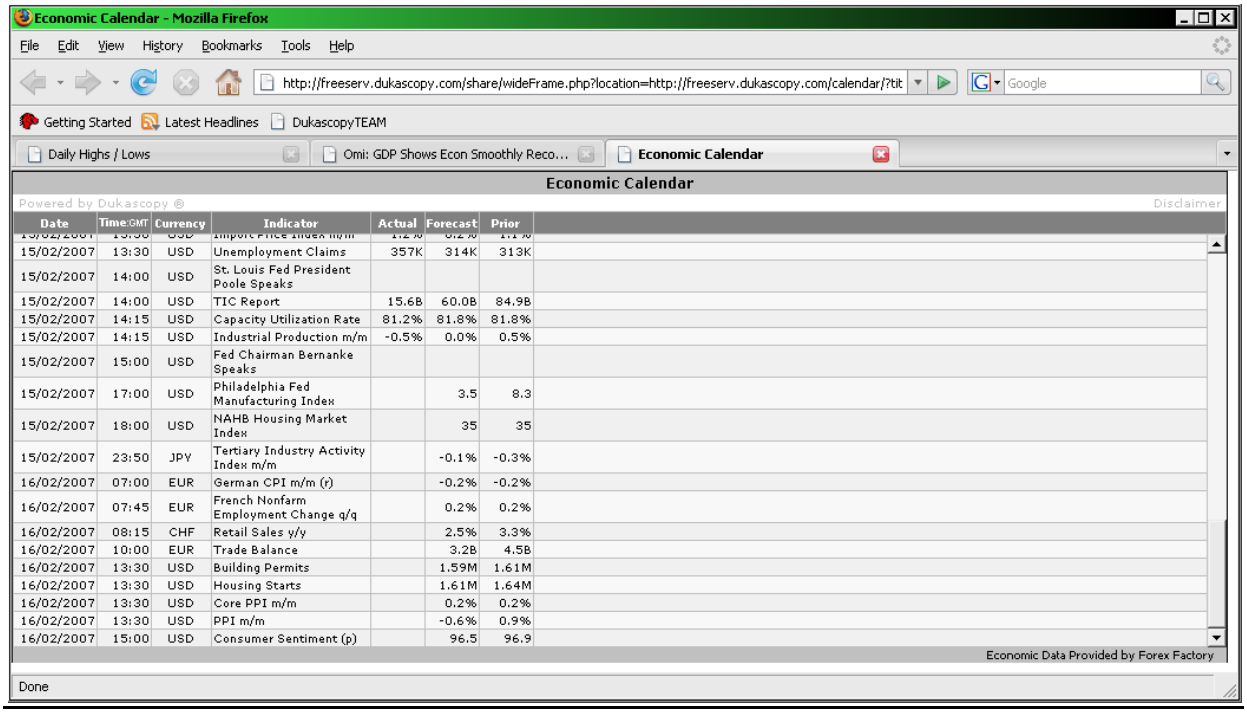
February 14, 2007 19:03 ET (00:03 GMT)

Close

Done | demo-login.dukascopy.com

8.1.1. Economic calendar

Economic calendar provides users with major scheduled announcements of economic figures sorted by chronological order, showing the currency concerned with prior, forecasted and actual figures.



Economic Calendar - Mozilla Firefox

File Edit View History Bookmarks Tools Help

http://freeserv.dukascopy.com/share/wideFrame.php?location=http://freeserv.dukascopy.com/calendar/?tit

Getting Started | Latest Headlines | DukascopyTEAM

Daily Highs / Lows | Omi: GDP Shows Econ Smoothly Reco... | Economic Calendar

Economic Calendar

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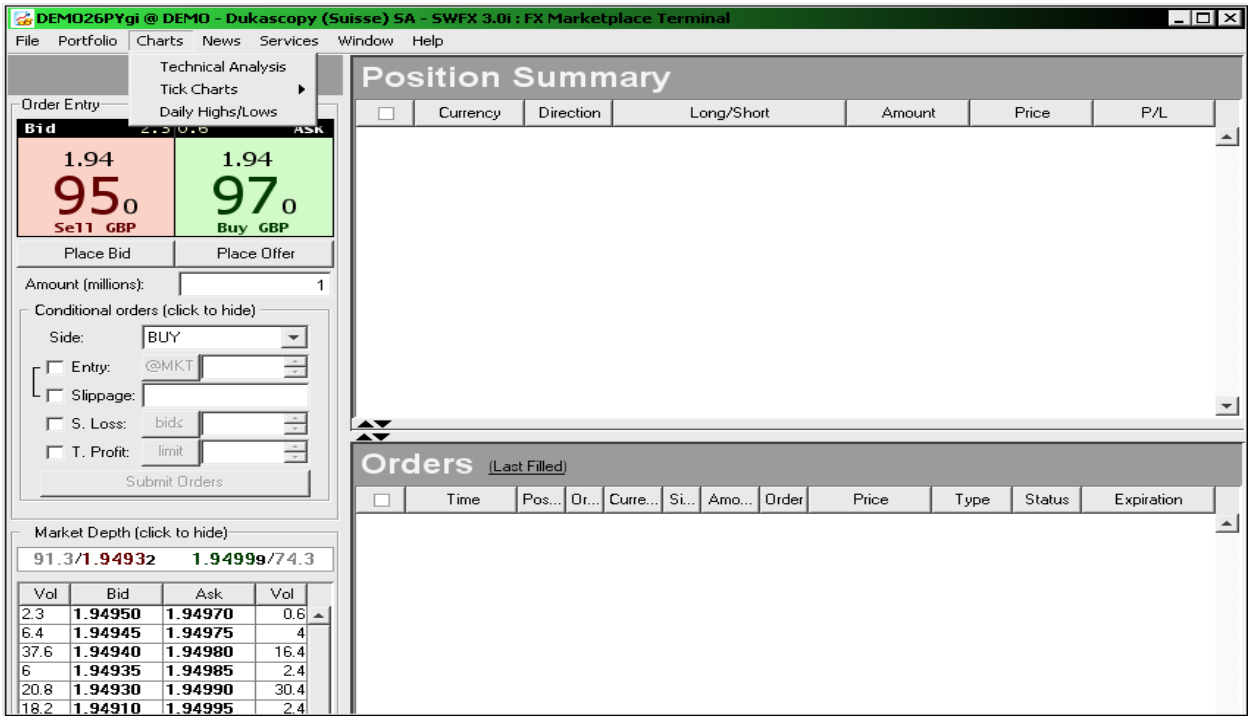
Date	Time:GMT	Currency	Indicator	Actual	Forecast	Prior
15/02/2007	13:30	USD	Import Price Index m/m	1.2%	0.2%	1.1%
15/02/2007	13:30	USD	Unemployment Claims	357K	314K	313K
15/02/2007	14:00	USD	St. Louis Fed President Poole Speaks			
15/02/2007	14:00	USD	TIC Report	15.6B	60.0B	84.9B
15/02/2007	14:15	USD	Capacity Utilization Rate	81.2%	81.8%	81.8%
15/02/2007	14:15	USD	Industrial Production m/m	-0.5%	0.0%	0.5%
15/02/2007	15:00	USD	Fed Chairman Bernanke Speaks			
15/02/2007	17:00	USD	Philadelphia Fed Manufacturing Index		3.5	8.3
15/02/2007	18:00	USD	NAHB Housing Market Index		35	35
15/02/2007	23:50	JPY	Tertiary Industry Activity Index m/m		-0.1%	-0.3%
16/02/2007	07:00	EUR	German CPI m/m (r)		-0.2%	-0.2%
16/02/2007	07:45	EUR	French Nonfarm Employment Change q/q		0.2%	0.2%
16/02/2007	08:15	CHF	Retail Sales y/y		2.5%	3.3%
16/02/2007	10:00	EUR	Trade Balance		3.2B	4.5B
16/02/2007	13:30	USD	Building Permits		1.59M	1.61M
16/02/2007	13:30	USD	Housing Starts		1.61M	1.64M
16/02/2007	13:30	USD	Core PPI m/m		0.2%	0.2%
16/02/2007	13:30	USD	PPI m/m		-0.6%	0.9%
16/02/2007	15:00	USD	Consumer Sentiment (p)		96.5	96.9

Economic Data Provided by Forex Factory

Done

8.2. Daily High/lows

In the Charts section, users can find high-lows for various currency pairs.



High-lows panel needs to be reloaded to get last available update. High-lows are defined within a GMT time period from 00:00:00, to 11:59:59 pm. Users should keep in mind that some currency pairs for which we provide high-lows are not tradable through the SWFX market place at this time.

Pair	time GMT	Highs	Lows	time GMT	Amplitude, %
*AUD/JPY	08:32:00	94.24	93.815	12:19:00	0.45
*AUD/USD	07:01:00	.7885	.7847	11:03:00	0.48
*CAD/JPY	16:01:00	102.87	102.515	10:30:00	0.35
*CHF/JPY	16:34:00	97.055	96.73	07:00:00	0.33
*EUR/CHF	07:03:00	1.6233	1.6199	10:29:00	0.21
*EUR/DKK	16:34:00	7.4543	7.4553	16:34:00	0.01
*EUR/GBP	10:31:00	.6757	.6727	07:37:00	0.44
*EUR/JPY	09:49:00	157.35	156.86	10:30:00	0.31
*EUR/NOK	16:34:00	8.1193	8.1221	16:34:00	0.03
*EUR/SEK	16:34:00	9.0425	9.045	16:34:00	0.03
*EUR/USD	05:16:00	1.3163	1.31235	10:53:00	0.30
*GBP/CHF	02:59:00	2.4126	2.398	10:31:00	0.61
*GBP/JPY	09:50:00	233.64	232.16	10:31:00	0.63
*GBP/USD	02:59:00	1.956	1.9432	10:31:00	0.65
*USD/CAD	13:30:00	1.1659	1.1633	07:15:00	0.22
*USD/CHF	11:00:00	1.2352	1.2326	07:56:00	0.21
*USD/JPY	09:47:00	119.725	119.34	07:09:00	0.32
*EUR/AUD	16:34:00	1.6808	1.6814	16:34:00	0.04
*NZD/USD	03:05:00	.7028	.6992	11:04:00	0.51

Generate time range (GMT): February 19, 2007, 00:00:00 - 16:35:27 Reload

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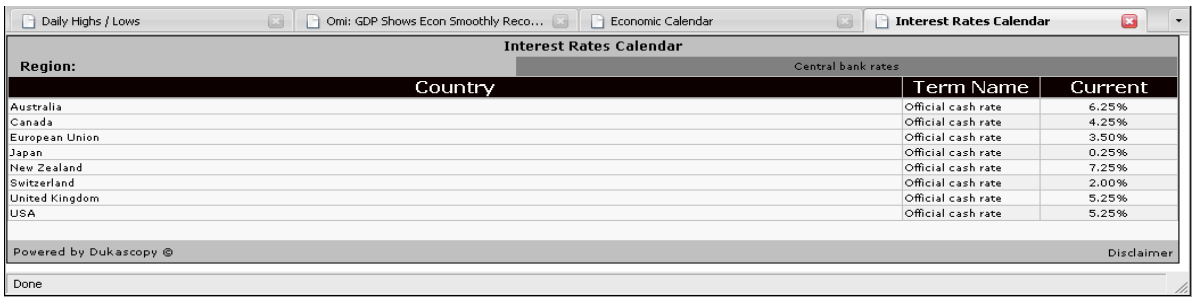
8.3. Interest rates calendar

Interest Rates Calendar provides users with current cash rates of the major developed market currencies.
Therefore, users may get an estimate of the gross interest rate differential implied in currency pairs.



9. Other services

9.1. Call Level

By creating a request with the call level window, users can request a phone call from Dukascopy when price defined in the request is reached in the market in any currency pair selected by the user.