

About spread betting

Jargon busting

General Spread Betting Terms

Spread

The difference between the two prices quoted by City Index i.e. the lower 'bid' price and the higher 'offer' price.

Bid

The price at which a client can make a 'down bet' (sell) with City Index.

Offer

The price at which the client can make an 'up bet' (buy) with City Index.

Bull

Client who makes an 'up bet', hoping the market will rise.

Bear

Client who makes a 'down bet', hoping the market will fall.

Up Bet

Makes money if the market rises.

Down Bet

Makes money if the market falls.

Expiry Date

The date on which a bet expires.

Settlement Price

The price at which the bet expires. For financial markets this may be based on an official exchange price.

Contract Month

The month during which a bet expires, often quarterly for financial markets.

Rollover

Rolling over is a facility offered by City Index to those clients whose financial positions are due to expire within a short time and want to roll them into the next contract month. Normally Clients can roll positions from the expiring contract to the next contract month for a reduced spread.

About spread betting

Jargon busting

Point

The unit of a contract/bet. For example, UK shares one point equals one penny, for US shares one point equals one cent.

Tick

The smallest permitted price movement in a contract.

Tenth

A specific term used by Finance and Sports traders to indicate the bet is based on a tenth of a point in the underlying market.

Spot

Or "cash" is where the actual underlying market is trading.

Future

A futures market is an estimation of where the underlying market will trade at some date in the future.

Premium

The difference between the futures price and the spot price when the future is trading above the spot.

Discount

The difference between the futures price and the spot price when the future is trading below the spot.

Parity

When futures are trading at the same level as the spot.

Volatility

The relative rate at which the price of a market moves up and down.

Liquidity

Ease with which a security can be traded on the market.

Limit down

When a financial market has fallen to a level where, temporarily, no further sell orders are permitted.

About spread betting

Jargon busting

Limit up

When a financial market has risen to a level where, temporarily, no further buy orders are permitted.

Short

Having a 'down bet' in a market.

Long

Having an 'up bet' in a market.

Terms Specifically Relating to Stops and Limit Orders**Stop Loss**

A risk control mechanism designed to limit losses on an open position by closing the position at a pre-arranged level, which is worse than the current level, that is not guaranteed.

Guaranteed Stop

Is a stop loss guaranteed during and outside of market hours taken at the time of opening and for which a charge is levied.

Limit order

Order to buy or sell if the market reaches a more advantageous level as specified.

GTC, "good till cancelled"

An order to buy/sell at a certain price; the limit order stays in the market until cancelled.

GFD, "good for the day"

An order valid for the day of placement only.

OCO "one cancels the other"

Two orders are given, when one is executed, this immediately cancels the other.

Our Quote

Orders and stops may be left basis the City Index quote ("our quote").

Screen Quote

Orders and stops may be left based on when the underlying market trades at a price, confirmation of which appears on the dealer screens.

About spread betting

Jargon busting

Terms Specific to Margins and Margin Requirements

Margin

Funds that are required to be held with City Index against open positions. This represents the sum of the NTR and marked to market.

NTR (Notional Trading Requirement)

The level of funds required to be held with City Index at the opening of a trade. This amount is based upon market volatility.

Marked to Market

The profit/loss of the open bet when re-valued at the current price.

EFT (Electronic Funds Transfer)

An EFT or is required for margin calls of £10,000.00 or more.

Business Day

For margin purposes, a business day is classified as any day excluding Saturdays, Sundays and any UK Bank/Public holiday.

Terms Specific to the Trading of Options

Call Option

The right, but not the obligation, to buy a market at a specified price (the strike price) on a particular date in the future.

Put Option

The right, but not the obligation, to sell a market at a specified price (the strike price) on a particular date in the future.

In the money

An option where the strike price is below the current level for a call, or above the current level for a put.

At the money

Where the strike price of an option is equal to the current market level.

Out of the money

An option where the strike price is above the current level for a call and below the current level for a put.

About spread betting

Jargon busting

Close to the money

An option contract for which the strike price is close to the current market price of the underlying security.

Deep in the money

An option which is so far in the money that it is unlikely to go out of the money prior to expiration.

Deep out of the money

An option which is so far out of the money that it is unlikely to go in the money prior to expiration.

Straddles

An option strategy involving one call and one put with the same strike and same expiry date.

Strangle

An option strategy involving a call and a put with different strike and same expiry. Terms Specifically Relating To Single Stocks Trading.

Corporate Action

An event that will change the capital structure of a company including a rights issue, scrip issue or special dividend.

Rights issue

An invitation to existing shareholders to purchase additional shares in the company, usually at a discount to the current level.

Scrip issue

Shares are split or bonus shares are offered to reduce the current share price and improve liquidity/marketability.

Special Dividend

A return of capital to shareholders outside the normal dividend schedules.

SETS

The Stock Exchange Electronic Trading Service.

About spread betting

Jargon busting

SEAQ

The Stock Exchange Automated Quotations system for UK securities which displays market maker quotations.

FTSE 100

An index of the top 100 largest companies in the UK calculated by market capitalisation.

FTSE 250

An index of the next largest 250 companies in the UK by market capitalisation.

FTSE 350

The above two combined.

AIM

AIM is the London Stock Exchange's "Alternative Investment Market".

NMS

NMS or "normal market size" as defined by the London Stock Exchange for each stock and may be used to determine when a trade is required to be reported.

General Terms relating to Sports trading

In-running

When an event, such as a football match, is televised, we will change some of our quotes as the game progresses in accordance with events taking place on the field.

Make-up

When a match or competition finishes the result of the markets that we quote are then apparent and the end result referred to as the "make up".

Maximum make up

Normally applied to markets to avoid ludicrous make ups which could not be accurately determined, such as a horse falling after one fence when it is the subject of a lengths market with another horse. As detailed in the terms and conditions in accordance with the sport taking place.

Your choice

Sometimes a match will be so close that we give each team the same chance of winning. The quote will be given as "your choice" meaning the quote is the same for each team and you will have to advise our trader, which team you wish to support at the given price.

About spread betting

Jargon busting

Terms specific to Rugby Union and Rugby League

Team supremacy

The number of clear points one team will beat another team by in one game.

Times of tries

Relates to the time of the first try in a match scored by a specified team. If no try is scored, the make up is 80 and if in injury time in the first half, make up is 40, injury time second half is 80.

Total points

Represents the total number of points scored by each team added together. Therefore a score of 21–30 will result in a total make up of 51. (includes points scored during injury time).

Team performances

Markets created to reflect the overall performance of a team. Make up includes points awarded for tries scored and converted kicks with points deducted for missed kicks and sin bins among others.

Try scorers shirt numbers

The shirt numbers added together of all try scorers (penalty tries count as 8 in Rugby Union and 7 in Rugby League).

Hot-hands

We will allocate 'hot hands' status to individual players who, if they score a try, will receive twenty-five (25) points towards the 'hot hands' total.

Long term markets

Championship Index. This index is related to the winners of the championship and each team in the division is allocated a spread as to where they will end up at the end of the season. The winner of the championship is awarded 100 points, runner-up 75, the third place 50, 30, 20 and 10 points for 4th, 5th and 6th places respectively. All others make up zero. (Make-ups may differ from market to market). City Index also makes markets on major competitions such as the Rugby World Cup, Six Nations and European Cup tournaments.

About spread betting

Jargon busting

Terms specific to Football

Team supremacy

Represents the winning margin of one team over another. When quoted, the favourite team is always named first regardless of the fact that they may be the away team.

Total goal minutes

Is the number of minutes, cumulatively, it takes for each goal to be scored.

Total goals

Relating to any particular individual game are quoted in tenths. i.e. one goal = ten units. Therefore £10.00 per tenth = £100.00 per whole goal. (Total Goal markets relating to entire tournaments or seasons would normally be quoted in whole goals).

Multi-corners

The total number of corners in the first half multiplied by the total number of corners in the second half.

Scorer's shirt numbers

Are the individual shirt numbers, added together, of all those players who score in an individual match.

Hotshots

Are similar to hot hands. We will allocate 'hot shots' status to individual players who, if they score, will receive twenty-five (25) points towards the 'hot shots' total.

Bookings

On individual games are as follows. One yellow card equals ten points; one red card equals twenty-five points; maximum make up for one individual player is 35 points.

Team performances

Whereby points are awarded for win or draw, first goal in the game, each subsequent goal, corners, and deducting points for a yellow or red card.

Corners

Total number of corners taken by BOTH teams in one game normally quoted in tenths if related to an individual game.

Win indices

Whereby points are awarded for a win or draw.

About spread betting

Jargon busting

Times of goals

Are bets on the time of the first goal in a match scored by a specified team.

Long term markets

Premiership and Division

One team points is a bet on the total number of points gained by a specified team in a season.

Premiership and Division one index

Prices are offered on the performance of each individual team in a league. Points are awarded to the top four teams at the end of the season with the remainder making up zero.

Golden Boot index

Is based on the top scorer in the English Premier League, and relates to Premier League goals only.

Terms specific to Cricket

Team runs

Represent a bet placed on the total number of runs scored by a team in a particular innings.

Opening partnership

Are the runs scored in one innings by the two batsmen who start the innings and makes up as soon as one is given out.

Individual batsmen's runs

Is a bet on the number of runs scored, in one innings, by an individual batsman.

Team win index

Whereby points are awarded for a win or draw.

Long term markets are also available when betting on a series of matches such as a test match series. These include long term runs scored by individuals, wickets taken by bowlers, highest series partnership and many others.

Terms specific to Tennis

Match supremacy

Is the number of games one player beats another by.

About spread betting

Jargon busting

Tournament Indices

Is similar to the team index in football only the bet is placed on an individual player to win a tournament. Normally, points are awarded to the winner of the tournament, losing finalists and the fourth round losers with the remainder making up zero.

Total Games

Is simply the total number of games played in a match no matter who won the games.

Horse Racing

Double card numbers

The aggregate total of the race card numbers of the winning horses at a race meeting multiplied by two.

Racing post favourites

The tabloid edition of the Racing Post will, every morning, post details of their favourites in the paper. Points are awarded for a win, second and third place.

Favourites

Is a market on the performance of the favourites at a days racing at a particular meeting with points being awarded for favourites finishing in first, second and third place.

Winning SP's

Is the aggregate of the starting prices of the winners in a particular race meeting.

Number 1's

Is a bet on the results from the number 1 horses on the race card with points being awarded for these horses finishing first, second or third.

Jockey Indices

Whereby every winner ridden by the named jockey, is awarded points.

Horse racing 'match bets'

Is based on one horse beating another in a specified race. Maximum make-ups are 12 lengths for Flat racing and 15 lengths for National Hunt.

Race indices

Whereby points are awarded for first second and third places (and sometimes fourth). Points awarded are dependent upon the number of runners in any particular race.

About spread betting

Jargon busting

Distances

Is a market about the aggregate number of lengths between the winner and the second placed horse at a particular race meeting. Maximum make up for Flat racing is 12 and for National Hunt 30 per race.

Terms specific to Golf

Tournament indices

Relate to bets on individuals in golf tournaments with points being awarded to the winner, runner up and third placed player.

18 and 72 hole player match bets

Relate to matches between two players either on the basis of one or four round totals.

Players finishing positions*

Is based on where the player finishes in the competition with the winner making up one and the player in fiftieth making up fifty. *These bets are one of the rare occasions when one sells the quote if you think the individual will do well.

Tournament hotshots

Relate to four players selected by City Index from all those players in the tournament and points are awarded if any of them win the tournament, finish in the top 10, and if all four make the cut.

Long term markets – "The Majors Index"

A bet placed on an individual player in direct relation to their finishing position in the Majors during the season. (If you are in any doubt as to what constitutes the Major tournaments please seek advice before placing a bet).

Terms specific to Motor Racing

Index for each F1 Grand Prix

Is a market offered on selected individual drivers and often includes 'the field' (all others drivers), in any stated Grand Prix. Points are awarded for a top four finish.

Drivers match bets (Qualifying and Race)

Two drivers selected by City Index offered head to head in either the qualifying session or in the Grand Prix itself.

About spread betting

Jargon busting

Long term markets – Drivers season's points

Total number of points won by a driver having completed a minimum of 8 Grand Prix.

Constructors match bets

One manufacturer total season points/another manufacturer.

Terms specific to NFL

Match supremacy

Represents the winning margin of one team over another. When quoted, the favourite team is always named first regardless of the fact that they may be the away team.

Touchdown shirt numbers

Is the shirt numbers added together of all touchdown scorers.

Total Points

Is the total of the points scored by both teams combined (including overtime).

Team mini performances

Is a bet on the performance of one team which is made up of 25 points for a win, 1 (one) point for each point scored and 5 points for leading at the end of each of the 1st, 2nd and 3rd quarters.

Each quarter's points

Is the total number of points scored by both teams combined at the end of each quarter.

Long term markets – Divisional Indices

Allow bets on the winners on the regional divisions with points being awarded to the top three teams.

Terms specific to Darts

Match bets

Relates to one player/another and is normally made up as 10 points for winning and 3 points per leg won by.

Tournament indices

Is similar to the team index in football only the bet is placed on an individual player to win a tournament. Points are awarded to the winner of the tournament, losing finalist, semi-finalists and quarter finalists with the remainder making up zero.

About spread betting

Jargon busting

Terms specific to Greyhounds

K9 capers

At specific greyhound meetings City Index may offer a market in the aggregate total of multiplied forecast trap numbers (e.g. Trap 4 beats Trap 6=24).

Favourites

Works on the principle that a returned favourite is awarded a specified number of points for winning a race and a specified number for finishing second.

Match bets

Are bets involving two dogs as nominated by City Index in a specified race.

Distances

Are the accumulated winning margin distances of the winning dog against the second placed dog at a specified meeting.

Terms specific to Snooker

Match bets

Relates to one player/another with points awarded for winning and 'per frame' won by.

Tournament indices

Is similar to the team index in football only the bet is placed on an individual player to win a tournament. Points are awarded to the winner of the tournament, losing finalist, semi-finalists and quarter finalists with the remainder making up zero.

Terms specific to Boxing

Fight Indices

One boxer to beat another with points being awarded according to the conclusion of the match. (I.e. knockout, stoppage or points win).

Total fight minutes

Relates to the total number of minutes a fight lasts in whole minutes rounded up.

Round by round

(also known as 'get a round in') where we offer a spread on the round in which the fight ends.