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Trading Station II / MetaTrader 4 Product Guide 21 12 December 2010

Notice

This product summary should be read in conjunction with our Terms of Business. Whilst every effort has been made to ensure the accuracy of the guide, this information is subject to change, often without notice and therefore is for guidance only. If you ever have any questions please contact FXCM directly.

Risk Warning

Leveraged contracts for difference (CFD) and foreign exchange (forex) trading carries a high degree of risk, and may not be suitable for all investors. The high degree of leverage can work against you as well as for you. Before deciding to trade CFDs and/or foreign exchange you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with CFD and forex trading, and seek advice from an independent financial advisor if you have any doubts.

FXCM CFD products are not offered in any way in connection with, or with the endorsement of the relevant underlying exchange. The use of the word futures contract and relevant exchange by FXCM is simply in order to indicate the characteristics of the product on offer and the characteristics of the service.

INDICES

Indices (Cash)

Instrument Name	Min Trade Size	Margin Requirement Per Min Trade Size								Target FXCM Spread	Minimum Stop Distance (Points)	Trading hours*	Break Time
		USD	GBP	EUR	CHF	NZD	AUD	JPY	CAD				
US30	1	90	60	60	80	125	100	8500	90	4 (6)	6	Sun 23.00 – Fri 21.00	daily from 21.15 until 21.30
SPX500	1	120	75	80	110	165	140	11000	120	0.5	20	Sun 23.00 – Fri 21.00	daily from 21.15 until 21.30
NAS100	1	25	17.5	20	20	35	30	2300	25	2	4	Sun 23.00 – Fri 21.00	daily from 21.15 until 21.30
UK100	1	90	60	60	80	125	100	8500	90	2 (3)	4	Daily 08.00 – 21.00	None
GER30	1	90	60	60	80	125	110	8500	90	2 (3)	5	Daily 07.00- 21.00	None
ITA40	1	250	160	170	230	350	300	23000	250	15	20	Daily 08.00 – 16.40	None
ESP35	1	200	125	140	180	275	240	18500	200	8	12	Daily 08.00 – 16.30	None
FRA40	1	60	40	40	60	80	70	5500	60	1 (2)	5	Daily 07.00 – 21.00	None
HKG33	10	750	450	525	690	1000	900	69500	750	15	25	Daily 01.45 – 08.15	daily from 04.30 until 06.30
JPN225	100	150	90	100	140	200	180	14000	150	15	25	Daily 00.00 - 21:15	None
SWE30	1	90	90	90	80	125	100	8500	90	1	2	Daily 08.00 – 16.20	None
SUI30	1	90	90	90	80	125	100	8500	90	4	8	Daily 06.50- 16.25	None
AUS200	1	60	40	40	60	80	70	5500	60	2 (4)	7	Daily 22.50 – 21.00	daily from 05.30 until 06.10

All trade times are GMT.

*The 'Minimum Stop Distance' also applies to Limits for MT4 Accounts.

1.1. Trading Hours

FXCM index trading hours are based on when their underlying reference markets are open. FXCM indices will not be open for trading during holidays in which the reference markets are closed. You may also note that some indices have an intraday break in addition to a daily closing. During these times you will still be able to place stop and limit orders¹. You will not be able to close existing positions or open new ones. All trading functionalities will cease upon the end of week closing.

1.2. Contract/Trade Size

FXCM utilises a lot based trading system. Therefore, you are only able to trade in the 'Minimum Trade Size' or multiples thereof. Whenever a trade is opened, a tick or pip value is associated with each lot to provide precise profit and loss calculations in real time. The pip cost associated with each instrument automatically converts your profit and loss into the currency of the account, therefore, negating any currency fluctuation risk.

1.3. Pip Cost

As profit and loss is converted into the account currency, a pip cost is associated with each product. For example, if the trading account is dominated in USD, then all of the profit and loss will be calculated in USD. If a client traded in the UK 100, which is priced in GBP, FXCM will automatically convert profit and loss into USD. The pip cost details the conversion rate, which, in this example, would be the GBP/USD exchange rate. If the GBP/USD exchange rate was 1.6400, then the pip cost would be 1.6400 converting all profit/loss from the UK100 trade into USD. The pip cost is displayed on FXCM Trading Station II (TSII). The pip cost on display in the TSII shows the cost per point for the minimum contract size.

1.4. Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on TSII and detail the client's capital obligation to buy or sell the minimum contract of a single index. FXCM has standardised minimum trade size for each instrument to make calculating the margin required to place a trade straight forward.

For example, the MMR is detailed as \$90 for 1 US30. If a trade is placed for a larger amount, the total MMR will increase. Using the example for the US30, if a client placed a trade for 5 US30 the MMR would be 5 multiplied by the minimum MMR (\$90) creating a MMR of \$450 to open a trade for 5 US30.

¹ MT4 accounts will not be able to amend or place stops/limits when the instrument is closed.

The margins detailed are FXCM's default margin requirements. Should you wish to change your margin requirement please log on to myfxcm.com where you will be able to increase your default margin for oil, metal and index products

1.5. Minimum Spread

This is the tightest (smallest difference between our sell and buy price) FXCM will display in their pricing.

1.6. Overnight Credits/Debits (cash index products only)

1.7. Financing costs (cost of carry) and dividends make up the overnight credits/debits. The value of these two variables is independent of one another. The overall credit/debit that is applied to your account will depend on the size of the open trade.

1.7.1. Finance Charges

Interest rates are a factor in any market. FXCM's daily interest debit or credit amounts (hereafter "rollover") are based on the total face value the position. Our rollover rates are calculated by referencing the relevant 3 month LIBOR for all index products. Each day, the rollover amounts per lot are shown transparently in the simple dealing rates window. Index positions that are open at 22.00 GMT on Friday will incur a 3 day rollover.

For example, if 3 month USD LIBOR is 4.50% and FXCM is applying a haircut of +3/-3% a long position would pay 7.50%/360 per day, whereas a holder of a short position would receive 1.50%/360 per day.

It is worth noting that FXCM references the relevant underlying 3 months LIBOR rate for the native currency which an instrument is quoted. For example, GER 30 is quoted in euro, therefore, FXCM will reference 3 month euro LIBOR. Similarly, for clients who have open UK100 positions, the reference interest rate would be 3 month GBP LIBOR and so forth.

Financing Calculation

f = Overnight finance charge

s = Trade size

p = Closing price as determined by FXCM

r = Relevant LIBOR rate, add 300 basis points for long positions, or deduct 300 basis points for short positions (6.00% - 3.00%) = 3%

d = Number of days, i.e., 365 for GBP products and 360 for all others

And is calculated as follows: $f = (s \times p \times r) / d$

1.8. Dividends

Applicable to most cash indices, dividend payments will be applied as debit/credit along with the rollover to your open positions. Adjustments will apply on the eve of the ex-dividend date of the constituent members of the relevant Index. The adjustment will appear as part of the roll over debit/credit on your statement.

When an equity goes ex-dividend, the price of that equity theoretically decreases by the dividend amount. In practice, this does not always happen as there are many market forces affecting an equity price. The amount of points an index cash CFD drops by is dependent on the weighting of the equity within the index. If more than one constituent equity of an index CFD goes ex-dividend on the same day the amount of points each equity will theoretically cause the sector or index to drop by is added together to calculate the total amount of dividend points or 'drop points'. FXCM will either collect or pay dividends on the hedge positions that we have entered into against client issued CFDs.



Where an index is a Total Return Index, dividend payments will not be credited/debited. An example of a total return index is the GER 30 where the cash disbursements are reinvested back into the index

1.8.1. Final Thoughts on Credits and Debits

Please note that the Roll S and Roll B displayed in the dealing rates window are the costs per contract. Since such is the case, the clients will pay or earn whatever the charge is, times the size of the position the client is holding.

Example:

- Client is long 10 US 30.
- Current Roll (B) is $-\$0.88$ (as displayed in the dealing rates window).
- Assuming the client is a holder of this position through 17:00 (NY Time), they will be assessed a charge of $\$8.80$ for that particular trading day.

1.9. Cash Index Contract Expiration

All cash index positions will remain open until they are closed by the client or the position is liquidated due to insufficient margin to support the open position.

OIL

Energy													
Instrument Name	Minimum Trade Size	Margin Requirement Per Min Trade Size								Target FXCM Spread	Minimum Stop Distance (Points)	Trading hours*	Break Time
		USD	GBP	EUR	CHF	NZD	AUD	JPY	CAD				
USOil	1	200	125	140	180	280	240	18500	200	0.05	0.1	Sun 23.00 – Fri 21.00	daily from 22.15 until 23.00
UKOil	1	200	125	140	180	280	240	18500	200	0.05	0.1	Sun 23.00 – Fri 21.00	daily from 23.00 until 01.00

*All hours are stipulated in GMT.

1.10. Trading Hours

FXCM Oil trading hours are based on when the underlying reference market prices and opening hours. US Oil and UK Oil will not be open for trading during holidays in which the reference market is closed. Similar to many indices, US Oil and UK Oil have a daily break in addition to a daily closing; during this time you will still be able to place stops and limits.² You will not be able to close existing positions or open new ones. All trading functionalities will cease upon the week end closing.

1.11. Oil Pricing

FXCM receives its US Oil and UK Oil prices from various liquidity providers. The only variation in the FXCM price from its reference market will be a small mark up on the bid and offer.

1.12. Contract Size/Trade Size

FXCM utilises a 'lot-based' trading system. This means that all FXCM products are aggregated into standardised trade sizes. These sizes generally replicate the underlying reference instrument (the futures or cash instrument) or are a fraction of that figure. This simplifies trading by allowing clients to trade in lot increments, and also provides a price for each lot size rather than averaging open and close prices when multiple positions are taken in the same instrument. A tick or pip value is associated with each lot for precise

² MT4 accounts will not be able to amend or place stops/limits when the instrument is closed.

calculations, and profits and losses on a position are automatically converted into the currency of the particular account. For example, a euro-denominated account will experience real-time profit or loss in euro when trading any instrument, whether it is UK 100 or US Oil.

1.13. Pip Cost

Pip cost is determined in the same manner as it is done for the various indices offered. Please refer to page 5 for the detailed explanation.

1.14. Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on the TSII and detail the client's capital obligation to buy or sell 1 contract of a US Oil or UK Oil. FXCM has standardised minimum/incremental trade sizes for each instrument. To calculate the margin required to place the minimum trade size, simply multiply the minimum trade size by the margin required (per contract) displayed in the dealing rates window.

- US Oil Minimum trade size is 1 contracts
- MMR is USD\$200 per contract
- 1 contract x \$200= \$200

The margins detailed are FXCM's default margin requirements. Should you wish to change your margin requirement please log on to myfxcm.com where you will be able to increase your default margin for oil, metals and index products

1.15. Minimum Spread

This is the tightest (smallest difference between our sell and buy price) FXCM will display in their pricing.

1.16. Overnight Credits/Debits

Since US Oil and UK Oil product are forward products, no overnight credits/debits or dividends are applicable.

1.17. Expiration

US Oil has a monthly expiration (please see the table below). Clients that hold an open position on the 'FXCM Expiration' will be closed at our bid/offer at 22:15 GMT*, the only consequence of this is the client will realise any floating P/L at the time it is closed. There are no rollovers for all oil contracts offered.

*FXCM's official monthly expirations are based on Eastern Time (5:15 p.m. ET) or New York time. Due to the observance of Daylight Saving time in the United States, monthly expirations listed in GMT are subject to change.

Example:

- Client is long 5 US Oil @ 72.00.
- On the day of FXCM Expiration, the expiring month is trading at 73.00.
- The customer position is closed at 73.00 and the profit is credited to the clients trading account.
- All pending stop and limit orders that are associated with the expiring contract will be cancelled.

US OIL			
	Contract Month	Reference Expiration	FXCM Expiration
2010	December	18-Nov	17-Nov
	January	17-Dec	16-Dec
	February	19-Jan	18-Jan
	March	18-Feb	17-Feb
	April	21-Mar	18-Mar
	May	18-Apr	15-Apr
	June	19-May	18-May
	July	20-Jun	17-Jun
	August	19-Jul	18-Jul
	September	19-Aug	18-Aug
	October	19-Sep	16-Sep
	November	19-Oct	18-Oct
2011	December	17-Nov	16-Nov

UK Oil			
	Contract Month	Reference Expiration	FXCM Expiration
2010	December	15-Nov	12-Nov
	January	16-Dec	15-Dec
	February	14-Jan	13-Jan
	March	11-Feb	10-Feb
	April	16-Mar	15-Mar
	May	14-Apr	13-Apr
	June	16-May	13-May
	July	15-Jun	14-Jun
	August	14-Jul	13-Jul
	September	16-Aug	15-Aug
	October	15-Sep	14-Sep
	November	14-Oct	13-Oct
2011	December	15-Nov	14-Nov

METALS

Instrument Name	Minimum Trade Size	Margin Requirement Per Min Trade Size								Target FXCM Spread	Minimum Stop Distance (Points)	Trading hours*	Break Time
		USD	GBP	EUR	CHF	NZD	AUD	JPY	CAD				
XAU/USD	1	4	3	3	4	5	5	350	4	0.5	0.1	Sun 23.00 – Fri 21.00	Daily 22.00 until 23.00
XAG/USD	50	7.5	5	5	7.5	10	9	700	7.5	0.05	0.01	Sun 23.00 – Fri 21.00	Daily 22.00 until 23.00

*All hours are stipulated in GMT.

1.18. Trading Hours

Metal trading is available to trade 23 hours per day. The metal market at FXCM is open from 23.00 on Sunday to 21.00 on Friday. Please note that the opening times are GMT. During these hours you are able to open and close trades and place limit and stop orders.³ When the market is closed you will not be able to place any trades or stops or limits.

1.19. Metal Pricing

Our aim is to provide you with very competitive transaction costs—tight bid/ask spreads on every metal product.

1.20. Contract Size/Trade Size

FXCM utilises a 'lot-based' trading system. This means that all FXCM products are aggregated into standardised trade sizes. This simplifies trading by allowing clients to trade in lot increments, and also provides a price for each lot size rather than averaging open and close prices when multiple positions are taken in the same instrument. A tick or pip value is associated with each lot for precise calculations, and profits and losses on a position are automatically converted into the currency of the particular account. For example, a euro-denominated account will experience real-time profit or loss in euro when trading any instrument, whether it is XAU/USD or XAG/USD.

³ MT4 accounts will not be able to amend or place stops/limits when the instrument is closed.

1.21. Pip Cost

Pip cost is determined in the same manner as it is done for the various indices offered. Please refer to page 5 for the detailed explanation.

1.22. Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on TSII and detail the client's capital obligation to buy or sell the minimum trade size of gold or silver. FXCM has standardised minimum/incremental trade sizes for each instrument. To calculate the margin required to place the minimum trade size, simply multiply the trade size by the margin required (per contract), which is displayed in the dealing rate.

The margins detailed are FXCM's default margin requirements. Should you wish to change your margin requirement please log on to myfxcm.com where you will be able to increase your default margin for oil, metal and index products

1.23. Minimum Spread

This is the tightest (smallest difference between our sell and buy price) FXCM will display in their pricing.

1.24. Overnight Rollover

All open metal positions are rolled to the next trading day. Depending on whether you are long (buy) or short (sell) you will either be debited or credited rollover interest on a daily basis. Details of FXCM's rollover rates (rolls) are detailed on the TSII in a transparent manner. Please note that all open positions at the close of business on Wednesday at 21.00 GMT incur a 3 day rollover debit/credit, and bank holiday will affect the number of days that a position is rolled forward.

1.25. Expiration

All metal trades will remain open until such time the client closes the position or there is insufficient margin to support the open position. In this instance the open position will be closed by FXCM.