



# L2 Forex Direct

# L2 Forex Direct

## Introduction

---

L2 Forex Direct is a professional-level dealing service exclusively for IG's Institutional and high volume professional FX clients. L2 Forex Direct is available on the L2 platform, but is not suitable for, nor available to all L2 clients.

L2 Forex Direct facilitates forex trading based on prices derived from IG's Currenex liquidity pool. The L2 platform offers our clients the full benefits of our multi-bank portal together with Currenex's own liquidity allowing you to execute directly into the order book in our name, and at the same time automatically create a forex trade position with IG Markets.

How it works: once you submit an order via L2 against our order book our system performs an instantaneous margin check to ensure the trade can be done. If authorised a mirror order is sent to the Currenex market by IG Markets and you will simultaneously enter in to a forex trade transaction with us. Our system will exactly mirror all orders and deals and give an exact corresponding OTC forex trade position (please ask for details or visit our site for OTC forex contract details).

## Functionality and Features

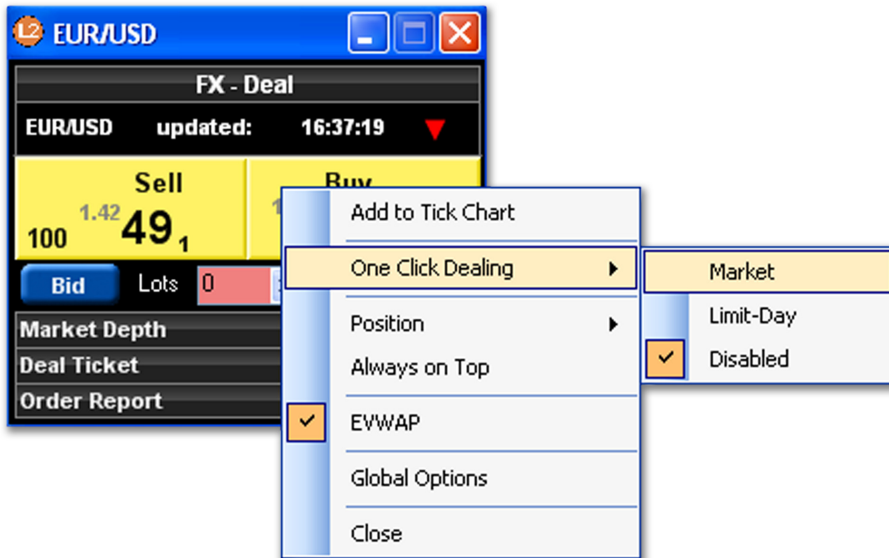
---

### Contracts and Lot sizes

L2 Forex Direct deals transacted via the L2 platform are submitted in terms of Standard Lots. One standard lot is the equivalent of 100,000 of the first named currency. For more details please see our contract details on our website or call our customer services desk for details.

### One-click dealing

For quick dealing each deal ticket can be set to one click dealing by right clicking on the Deal Ticket and choosing either the Limit-Day or MKT mode under the One Click Dealing option or the Global Options.



One click dealing in Limit – Day mode sends your order to the exchange as a Good For Day Limit order at the rate you click on. Therefore if the price you click on is available in the amount you are requesting, your order will be executed. If however the full size you have requested is not available in the price you have clicked on or the market moves, your order will be executed in up to the amount available and the remainder will continue to work as an order at the rate you clicked on until the end of the day 22:00 UK time. You may of course amend or cancel any order or remainder of an order at any time.

One click dealing in MKT mode sends an instruction to deal at market i.e. at the prevailing market rate for the size you have requested. Therefore in some cases it may be that your order is executed at a rate different to the one you clicked on as the market may move.

Please note that all Limit-Day and MKT one click orders will be booked as one position at the average rate you receive for the transaction i.e. partial fills will not be booked as separate deals.

Limit-Day orders which have been partially filled will not be booked to your account until the whole order has been filled or the remainder of the order (if you have received a partial fill) has been cancelled.

## Order functionality

The L2 platform facilitates a wide range of orders including Market, Stop, Limits, OCO and At Best orders all of which can be left either GTC or Good for Day which can be left via the Deal Ticket drop down.

Further the L2 platform enables you to elect whether your Stop orders are triggered basis the Bid or Ask price.

For example the current bid/ask for GBPUSD is showing 2.0345 – 2.0346. You leave a Stop to buy 50 lots of GBPUSD at a price of 2.0360 and chose that the stop be triggered basis the Bid price. Therefore your order will be triggered when the market Bid price reaches 2.0360 at which point we will execute a buy 50 lots of GBPUSD at Market order on your behalf.

If however you had chosen to trigger the Stop order basis the Ask price your order would have been triggered when the market Ask price reached 2.0360 at which point 50 lots of GBPUSD would be bought at the prevailing market Ask price.

Please note that all Good for Day orders will last until 22:00 UK time at which point they will be cancelled.

All orders with the exception of GTC orders will be booked to your account at the average price executed for the order. No part of an order will be filled until the whole order has been executed or the order ( if it has been partially filled) has been cancelled.

GTC orders will be booked to your account immediately as each partial fill is executed.

## Market depth

Each Deal Ticket allows you to see the order book for each currency pair to 10 levels thus allowing you to monitor the progress of your orders.

The market depth shows the quantity in terms of Lots for every price available.

You can also set the order book to show in EVWAP view which fixes the quantities each price is good in allowing you to make trading decisions much more clearly.



## Liquidity and OTC contracts

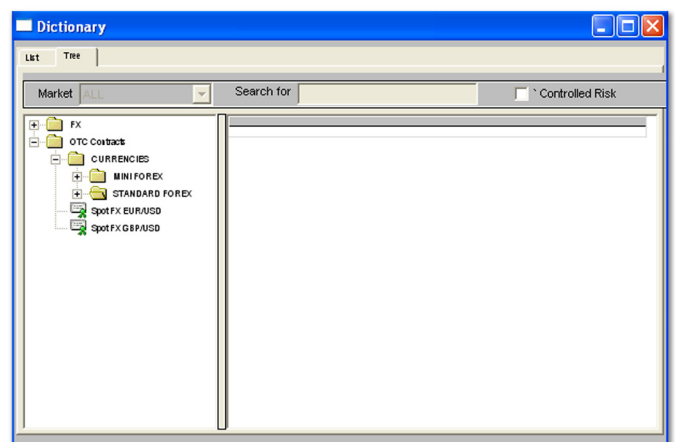
The Currenex order book contains not only Currenex's own pool of liquidity but also liquidity from up to 15 top tier banks at any time.

However should you have any concerns regarding liquidity, the L2 dealer also allows our customers the opportunity to deal exactly the same contracts against the dealing desk via our OTC fixed spread offering.

This means you can for example open a position via the L2 Forex Direct service and close it by dealing our OTC fixed spread offering with the dealing desk or vice versa open a contract against our OTC fixed spread offering and close it via the L2 dealer.

You can even leave orders against specific positions for our order server to watch rather than place it in the Currenex Forex Direct order book.

Our OTC fixed spread offering can be found in the Currencies sub folder within the OTC Contracts folder in the Dictionary Tree.



## Example

You buy 50 lots of USDCAD via L2. You wish to place a stop on the position overnight but are concerned that a possible lack of liquidity in the overnight session may mean that the price at which your order may be executed will not be favourable to you. You may therefore decide to leave a stop with our order server to monitor and execute for you. In this case you would attach a stop to your position from our Open Positions monitor or leave an order via our OTC deal tickets.

## Our charges

Please note that trading with us via L2 Forex Direct attracts a different range of charges than our other forex products including our OTC fixed spread offering.

A standard commission of \$30/million USD dealt will be charged to your account with each trade placed through the L2 Forex Direct order book.

The below are two examples of how the commission will be calculated:

### Example 1

Client buys 10 lots of EURUSD ( 1 contract = EUR100,000) at a rate of 1.3800.

The notional amount of EUR being dealt is therefore EUR1,000,000 ( 10lots at EUR100,000 per lot).

The notional amount of USD dealt is therefore 1,379,900 ( (EUR1000,000 \* 1.3799 ( being the mid rate of our EURUSD quote at the time the deal was booked to your account)

Therefore after we apply the \$30/million USD charge, the commission charged for the deal will be \$41.40 ( (USD1,379,900 / 1000,000) \* 30)

### Example 2

Client buys 20 lots of GBPJPY (1 contract = GBP100,000) at a rate of 2.3700. The notional amount of USD being dealt is therefore calculated as follows:

The notional amount of GBP dealt is 2,000,000 ( 20 lots at GBP100,000 per lot).

The notional amount of USD is therefore 4,040,000 ( GBP 2,000,000 \* 2.0200 ( being the mid rate of our GBPUSD quote at the time the deal was booked to your account).

Therefore after we apply the \$30/million USD charge the commission charged for the deal will be \$121.20 ( (USD4,040,000 / 1,000,000)\* 30).

All commission will be booked to the account in USD unless otherwise agreed.

There will be a minimum charge of \$30.

No Commission will be charged for dealing our OTC fixed spread offering. The charges for these transactions are contained within our spread (details of which can be found in our contract details).

## Conditions of Use / Rules of Engagement

---

The L2 Forex Direct service is intended for use by Institutional and high volume professional forex traders. This product is a sophisticated offering and is therefore not suitable for, nor available to everyone.

Please note that IG has established relationships in good faith with liquidity providing banks to allow our clients access to their dealing rates within the L2 Forex Direct order book. Complaints arising from our liquidity providing banks regarding the dealing or dealing patterns of a particular L2 Forex Direct customer may lead to any or all the dealing rates provided by our liquidity providing banks being removed from their Forex Direct order book.

Persistent misuse of the platform or failure to transact sufficient volume each month may also lead to dealing privileges being restricted or access to the L2 Forex Direct platform being removed.

### Getting started

---

If you would like access to L2 Forex Direct please call in to our Institutional Support desk on who will be happy to discuss your requirements and assist you in the set up process.

Once you have spoken to our Institutional Support desk and have been granted access to the L2 Forex and received a username and password for the L2 dealer you can follow our system requirements and installation process for the L2 dealer via our website.



IG Markets, Inc.  
Suite 2650  
311 South Wacker Drive  
Chicago IL 60606  
Reception: 312 981 8040  
Customer Services: 866 748 1340  
Fax: 312 981 5050  
Email: [clientservices@igmarkets.com](mailto:clientservices@igmarkets.com)  
[www.igmarkets.com](http://www.igmarkets.com)