



Option Spread Risk Disclosure

Option Spread 风险披露

Before using our spread order entry screen, options spread traders must understand the additional risks associated with this type of trading.

While it is generally accepted that spread trading may reduce the risk of loss of trading of the outright purchase of a standardized option contract, an investor/trader MUST understand that the risk reduction can lead to other risks.

1. Early exercise and assignment can create risk and loss. Spreads are subject to early exercise or assignment that can remove the very protection that the investor/trader sought. This can lead to margin calls and greater losses than anticipated when the trade was entered. Firsttrade reserves the right to close an option position that may be subject to exercise or assignment (in- or out-of-the money), depending upon account equity, buying power, and market conditions.
2. Execution of spread orders is "not held" and discretionary. Spreads are not standardized contracts as are exchanged traded put and calls. Spreads are the combination of standardized put and call contracts. There is NO spread market in securities that are subject such benchmarks such as "time and sales" or "NBBO" (National Best Bid/Offer) and therefore the "market" cannot be "held" to a price.
3. Spreads are executed differently than "legged" orders. Spreads are used by strategists as examples of risk protection, profit enhancement and as a basis for results and return on investments. However, these strategies assume that the trade can actually be executed as a spread when market forces may and can make the actual execution impossible. Spreads are a bona-fide trades and not "legged" or "paired" of individual separate trades. For example: options prices on cross-markets are misleading for the spread trader. An option may be offered on one exchange and bid on another exchange that can lead the trader to believe that their spread trade should be filled, when, in fact, the bids and offers must be on the SAME exchange. As all bona-fide spreads are routed and executed on "one" exchange.
4. Spreads are entered on a single exchange and are acted upon by a market maker. Spreads are executed at the discretion of a market maker and when cancelled or filled require that the market maker take manual action and require manual reporting at times. Delays for reporting of fills and cancels may create additional risks in fast or changing markets. Spreads entered through Firsttrade's spread order entry screen are ALWAYS entered as spreads and as such are subject to the market risk and conditions as explained above.

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在使用第一证券 Option Spread 界面之前，Option Spread 交易者必须了解此种交易类型涉及到更多风险。

虽然投资者普遍认为 Spread 交易可能会降低购买普通期权所产生的风险，但投资者/交易者必须意识到这种避险对冲可能会导致其他方面的风险。

1. 提前行权或被行权造成风险及损失。Spread 交易受限于提前行权或被行权，从而会抵消掉投资者所寻求的安全保障，因而产生融资保证金而导致更大的损失。根据账户净值，购买力和市场风险状况，第一证券有权利平仓关闭在价内或价外可能会被自动行权或被行权的期权。
2. Spread 订单成交“并非交易员授权成交”，而是自由成交。Spread 交易并非交易所标准看涨或看跌期权，而是看涨和看跌期权的结合。证券市场中并没有“逐笔成交时间和价格”或者以“全国最佳竞价原则”为标准的 Spread 市场，所以市场并不能“掌控”一个价位。
3. Spread 成交与“legged”订单不同。Spread 交易被投资策略者作为风险控制、提高收益为目的，并且将其作为投资回报的结果。然而，这一策略也建立在订单成交产生差价的设想下，尽管市场推动力可能会造成订单无法成交。Spread 交易是直接执行，并非“legged”或与独立订单分次成交。例如：对于 Spread 投资者而言，跨市场期权价格成交是存在误导性的，一个期权或许在一个交易所中要价，和在另一个市场中出价而可能会让交易者认为 Spread 订单会被成交。然而，实际上出价和要价必须在同一交易所才能被成交。所以直接 Spread 订单都需经由同一个交易所成交。
4. Spread 订单进入同一交易所并由做市商执行操作。Spread 订单成交经由交易所做市商判定执行，当订单取消或成交，需要由做市商手动操作并进行申报。成交申报延迟和订单取消可迅速导致风险或改变市场。通过第一证券 Spread 交易界面递交的订单将承受上述风险与情形。