



Option Spread Risk Disclosure

Option Spread 風險聲明

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.
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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在使用第一證券 Option Spread 界面之前，Option Spread 交易者必須了解此種交易類型涉及到更多風險。

雖然投資者普遍認為 Spread 交易可能會降低購買普通期權所產生的風險，但投資者/交易者必須意識到這種避險對沖可能會導致其他方面的風險。

1. 提前行權或被行權造成風險及損失。Spread 交易受限於提前行權或被行權，從而會抵消掉投資者所尋求的安全保障，因而產生融資保證金而導致更大的損失。
2. Spread 訂單成交“並非交易員授權成交”，而是自由成交。Spread 交易並非交易所標準看漲或看跌期權，而是看漲和看跌期權的結合。證券市場中並沒有“逐筆成交時間和價格”或者以“全國最佳競價原則”為標準的 Spread 市場，所以市場並不能“掌控”一個價位。
3. Spread 成交與“legged”訂單不同。Spread 交易被投資策略者作為風險控制、提高收益為目的，並且將其作為投資回報的結果。然而，這一策略也建立在訂單成交產生差價的設想下，儘管市場推動力可能會造成訂單無法成交。Spread 交易是直接執行，並非“legged”或與獨立訂單分次成交。例如：對於 Spread 投資者而言，跨市場期權價格成交是存在誤導性的，一個期權或許在一個交易所中要價，和在另一個市場中出價而可能會讓交易者認為 Spread 訂單會被成交。然而，實際上出價和要價必須在同一交易所才能被成交。所以直接 Spread 訂單都需經由同一個交易所成交。
4. Spread 訂單進入同一交易所並由做市商執行操作。Spread 訂單成交經由交易所做市商判定執行，當訂單取消或成交，需要由做市商手動操作並進行申報。成交申報延遲和訂單取消可迅速導致風險或改變市場。通過第一證券 Spread 交易界面遞交的訂單將承受上述風險與情形。