

Using the Interactive Brokers (IB) Platform

This is complex trading platform with lots of features. If you have chosen this option, I recommend you download the full User's Manual here

<http://www.interactivebrokers.com/download/TWSGuide.pdf>

IB Platform questions:

1. Is there any way of placing a conditional order that triggers a limit order rather than just a "buy stop".
Yes. It is possible to place conditional orders.
2. Can you write covered calls on the same day as the underlying stock is purchased?
Yes, this is possible.
3. If a bull put spread is sold for a credit, does the margin requirement reflect the difference in the strikes or is it the full liability of the sold position?
Yes, the margin requirement for the spread is the difference between the two strikes. The margin requirement for a put spread is [aggregate long call strike - aggregate short call strike].
4. What are the charges to deposit and withdraw money?
No charges
5. Are there any charges to obtain daily / monthly trading and account statements?
No charges
6. Is there an inactivity charge?
Only if you are subscribed to market data. If you unsubscribe when your are inactive, then no charges.
7. What currency is my account denominated in AUD?
Accounts are normally denominated in AUD
8. What is the minimum account balance required to open an account (where I will be trading US futures contracts)?
Min account balance to trade US futures on the IB platform is USD 2000. However, if trading futures, more than this will be required to cover the margins.

Costs and Margin:

9. What are your margin rates on the IB platform?
These can be found on this website
<https://www.interactivebrokers.com/en/p.php?f=margin>
10. At what point are intraday margin calls made?
15 mins before the end of the normal trading day for that particular product

Here are the basics to get you started:

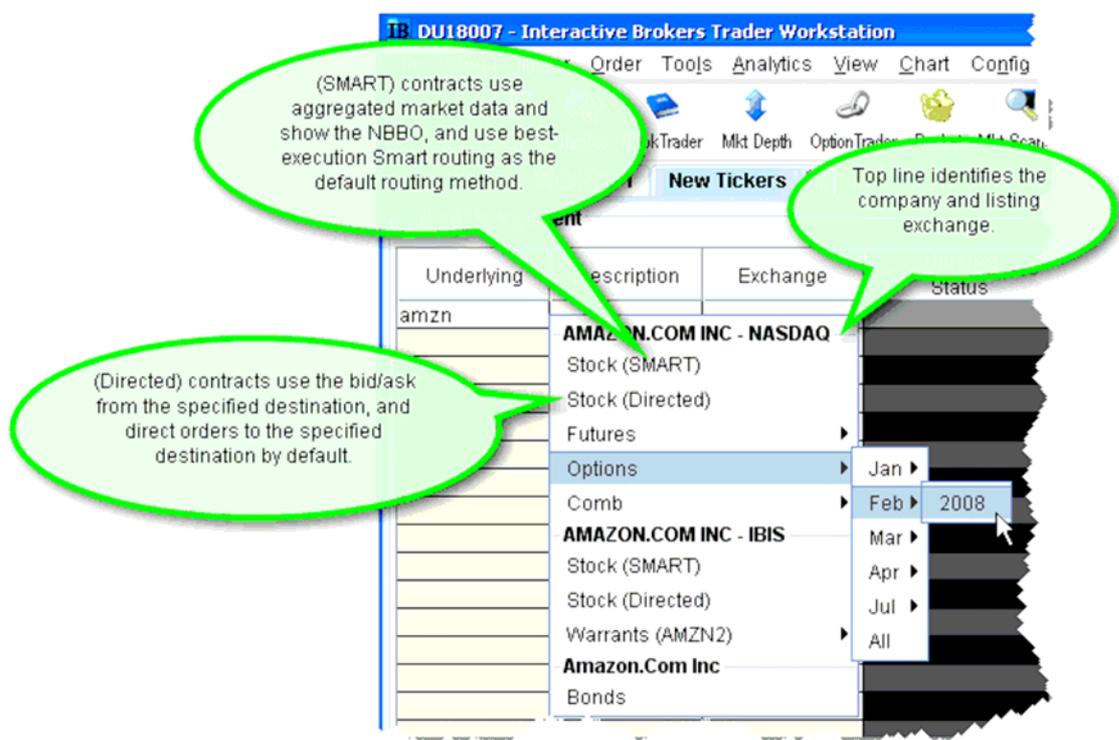
Add Market Data

Before you trade, you'll want to add market data lines for your assets. A market data line represents an individual ticker, and displays the product type, order destination,

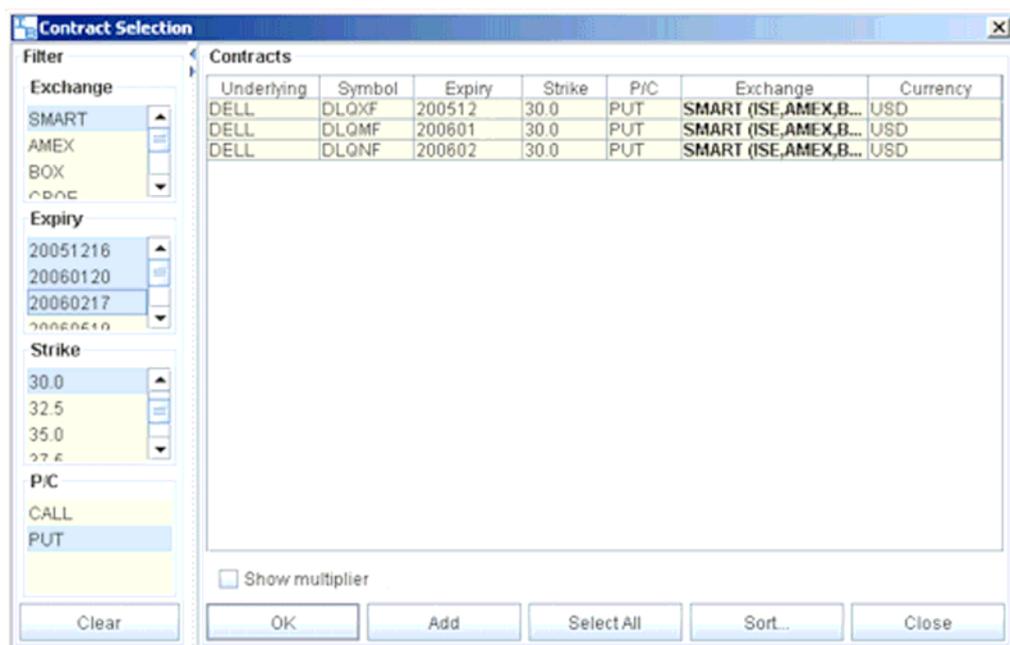
ask and bid prices, and other defining attributes. You can add a market data line by typing directly in the Underlying column of the trading screen, or by using the *Request Ticker by Underlying* box. **Note:** Advanced/options traders can add security definitions by entering the exchange contract class or contract symbol.

To add market data to the trading screen

1. Click in the *Underlying* field in an empty row.
2. Enter an underlying symbol and press **ENTER**.
3. Select a contract from the list on the trading screen. For instruments that require an expiry, choose a month and year, or select *All* to open the contract selection box. It's important to note that selecting *Smart* or *Directed* in this step affects both market data and default order routing, as explained in the bubbles below. You can modify the routing destination on a per-order basis using the *Destination* order field.



4. In the **Contract Selection** box, select a contract(s) and click OK. You can limit the contracts displayed in the right pane by selecting criteria from the Filter section. Choose Smart as the exchange to use SmartRouting.



- Market data lines are active when visible, regardless of where they originate.
- Each alarm always uses one line of market data whether or not you are viewing the asset that contains the alarm.
- Market data requested through an API has top priority, followed by data requested by alarms, and finally basic market data display. This means that if you are viewing a trading page that includes 100 lines of market data, and you also have price-activated alarms set for 6 other contracts, those 6 contracts will receive market data, and your trading page will only show data for 94 contracts.
- The option chains on OptionTrader do not count against available market data lines. For details on market data fees and allocation rules, see the Market Data and News Subscriptions overview on the IB web site.

Create an Order

There are many ways to create orders in TWS. This topic shows you how to create and transmit an order directly from a market data line in the trading window. **To create and transmit an order from the trading window**

Order Management									
Undrlyng	Exch	Description	Bid Size	Bid	Ask	Ask Size	Last	Change	
			TIF	Action	Quantity	Type	Lmt Prc	Dest	Status
IBM	SM...	Calendar Spread: ...	34	-0.30	0.70	73			
			DAY	BUY		1 LMT	0.70	SMART	T
IBM	SM...	JUL 18 08 85.0 C...	75	41.70	42.10	173	C42.00		
DELL	SM...	Stock (NASDAQ...	9	19.99	20.00	218	19.99	-0.01	

1. Click the "Ask" or "Bid" price of an asset (or use your buy or sell hot key on the selected Market Data line) to create an Order Management line directly below the selected asset.

- Click the **Ask Price** to create a **Buy** order.
- Click the **Bid Price** to create a Sell order.

Note: To trade more efficiently, create order Presets with default order settings using the Order Preset Strategies in Global Configuration.

2. On the Order Management line, modify the order parameters Time in Force, Action, Quantity, Price, Order Type, or Destination, if needed.
3. To transmit your order, click the "T" in the Status field.

Note: By default, a working order will display on any page that has the ticker, regardless of the page on which the order was created. You can modify where you want working orders to display from a specific page's settings. From Global Configuration, select Trading Window, then select Pages, then select a specific page. Select one of the following: Show all orders for tickers on this page - Displays working orders for all tickers on this page, regardless of where they were created. Show only orders created on this page- Orders created on the page will only display on the page. Show inactive orders only, move active orders to Pending page - Shows deactivated or non-transmitted orders only. Working orders created from this page will only display on the Pending page.

Transmit an Order

Once you have verified the order parameters on an order management line, you are ready to transmit your order. **To transmit an order**

Undrlyng	Exch	Dscrptn	Bid Size	Bid	Ask	Ask Size	Last	Change	Status	Dest	Aux
			TIF	Action	Quantity	Type	Lmt Price				
IBM	SMAR...	Stock (N...	3	125.59	125.57	1	125.59	-0.27	T	SMART	
			DAY	BUY	100	LMT	125.59				
DELL	SMAR...	Stock (N...	112	24.16	24.17	16	24.18	+0.03			
CSCO	SMAR...	Stock (N...	150	26.33	26.34	25	26.35	-0.08			
SPY	SMAR...	Stock (A...	33	136.62	136.26	15	136.62				
MSFT	SMAR...	Stock (N...	2	27.69	27.70	207	27.69	-0.02			
JAVA	SMAR...	Stock (N...	1	10.15	14.15	2	12.15				

- Click the "T" in the Status field, or
- Use the right-click menu on the order management line and select *Transmit*.

After a transmitted order is accepted at the order destination, it becomes a "working" order. All working orders appear on the Pending page and on each page that displays the asset. The page name on any page that displays the asset will turn red.

Placing a Stop Loss Order

A Stop order becomes a market order to buy or sell securities or commodities once the specified stop price is attained or penetrated. A Stop order is not guaranteed a specific execution price. **To create a Stop order**

- 1 Click the **Ask** price to create a BUY order, or the **Bid** price to create a SELL order.
- 2 In the *Type* field select **STP** as the order type.
- 3 Enter the Stop Election price in the *Aux. Price* field.
- 4 To transmit the order, click the "T" in the Status field.

Order Management											
Underlying	Exchange	Description	Bid Size	Bid	Ask	Ask Size	Last	Change	Dest	Sta	
			TIF	Action	Quantity	Type	Aux. Price	Lmt Price			
YHOO	SMART (A...	Stock (NASD...	60	27.07	27.08	6	26.96	-0.18			
			DAY	SELL	1,000	STP	28.03		SMA...	T	
IBM	ISLAND	Stock (NYSE)	1	128.24	128.27	LMT	127.87				
IBM	SMART (A...	Stock (NYSE)	14	128.25	128.27	MKT	127.87	+0.35			
DELL	SMART (A...	Stock (NASD...	8	20.37	20.39	MTL	20.34	+0.28			
YHOO	BOX	JUN 20 08 27...				STP	C1.54				
YHOO	BOX	JUN 20 08 27...				MIT	C1.81				

Trailing Stop

A trailing stop sell order sets the initial stop price at a fixed amount below the market price. As the market price rises, the stop price rises by the trailing amount, but if the stock price falls, the stop price remains the same. When the stop price is hit, a market order is submitted. Reverse this for a buy trailing stop order. This strategy may allow an investor to limit the maximum possible loss without limiting possible gain.

Order Management										
Underlying	Exchange	Description	Bid Size	Bid	Ask	Ask Size	Change	Last	Lmt P	
			TIF	Action	Quantity	Type	Stp Prc	Trailing Amt.		
DELL	SMART...	Stock (N...	182	20.41	20.42	17		C20.63		
			DAY	BUY	100	TRAIL		1.00		
YHOO	SMART...	Stock (N...	42	26.94	26.95	LMT		C27.75		
MSFT	SMART...	Stock (N...	346	30.26	30.27	MKT		C30.45		
IBM	SMART...	JUN 20 0...	15	43.00	43.50	MTL		C43.70		
IBM	SMART...	JUL 18 0...	91	43.00	43.60	STP		C43.85		
IBM	SMART...	Stock (N...	2	127.94	127.96	MIT		C128.46		
IBM	SMART...	Calendar ...	78	-0.50	0.60	STP LMT				
						LIT				
						TRAIL				

To create a trailing stop order

1. Click in the **Ask Price** to initiate a BUY order, or the **Bid Price** to initiate a SELL order.
2. Click in the **Type** field and select TRAIL from the dropdown list of order types.
3. Enter a value in the **Trailing Amt** field. This is the amount is used to calculate the initial Stop Price, by which you want the limit price to trail the stop price. To change the absolute value to a percent of the best bid/ask, click in the field to initiate a dropdown arrow, and then choose *Amt* or *%*.
 - a. **Stop Price - This field is optional.** By default, the initial Stop Price is calculated as: *market price - trailing amount*. You can modify the stop price, but if it is lower than the calculated value, it will be discarded when the order is submitted. Note that the value you enter may display in the Stop Price field even if it is not used.
 - b. **Limit Price** - this value defaults to the current best bid/ask. The limit price will move with the trailing stop price based on the delta between the two prices (initial stop price - initial limit price = limit delta). If the limit price and stop price are equivalent, they will move together with a zero delta.
4. To transmit the order, click the "T" in the Status field. For a more detailed description of Trailing Stop orders visit the Order Types information page.

This is complex trading platform with lots of features. If you have chosen this option, I recommend you download the full User's Manual here:

<http://www.interactivebrokers.com/download/TWSGuide.pdf>

If you have further questions, please consult your broker for additional assistance.

Halifax:

Support/trading:

Chris Lasses	lasses@halifaxonline.com.au
Brad Gordon	gordon@halifaxonline.com.au
David Bily	bily@halifaxonline.com.au

Phone: Sydney:	02 9241 4321 Option 3
Australia Toll Free :	1300 363 505
Outside Australia :	61 2 9241 4321 Option 3