



FX-TOUCH OPTIONS

VALUE PROPOSITION

Saxo Bank's proposition to the FX options trader is truly unique given the quality of the analytics provided, the depth of the product offering, and the level of service available. Saxo Bank provides access to a grade of trading capabilities that affords the client maximum flexibility to implement trading strategies and market views.

Saxo Bank's FX Touch option offering provides the possibility to both buy and sell One Touch and No Touch options, giving clients the opportunity to express a directional view in two different ways.

EXAMPLE: WILL EURUSD TRADE AT 1.15 BEFORE THE END OF THE WEEK?

Yes → Buy a 1.15 One Touch option and pay a premium **OR** sell a 1.15 No Touch option and receive a premium

No → Buy a 1.15 No Touch option and pay a premium **OR** sell a 1.15 One Touch option and receive a premium

CHARACTERISTICS & TRADING

Crosses: EURUSD, GBPUSD, EURGBP, USDJPY, EURJPY and AUDUSD.

Type: One Touch (OT) and No Touch (NT) options are available.

Buy (Hold) / Sell (Write): The holder of an option (long) pays a premium and possibly receives a payout. The writer of an option (short) receives the premium and possibly has to pay the payout.

Amount: Expressed as the potential payout. The maximum streaming amount is 25,000 units of base currency, with a minimum ticket size of 100 units. Notional amounts above the maximum streaming amount are available on a Request for Quote (RFQ) basis.

Maturity: Tradable tenors from 1 day to 12 months.

Barrier (trigger): Clients can trade barriers above or below the current spot price, in increments of 50 pips.

Price (premium): Expressed as a % payout in the 1st currency.

Premium: When buying an option the maximum loss is the premium paid, but when selling an option the writer receives the premium. The payout is reserved on account (and can not be used as collateral).

Trigger: When the spot price touches the barrier.

Expiry/ Exercise: OT options will generate the payout automatically if triggered before expiry. Otherwise (if the barrier has not been touched) the option will automatically expire and cease to exist at 10am EST (New York time). NT options will cease to exist if triggered before expiry (the barrier level is touched). If a NT has not been triggered prior to expiry, the payout will automatically be generated.

Venue: Tradeable from an option trade ticket, or from the Options Board.

RFQ: For transactions above the maximum streaming amount, clients can Request for Quote.

Spread: Defined as the distance between the bid/ask price, which can vary depending on market liquidity and conditions.

P/L: Can be followed in the account summary, listed in the 1st currency (i.e. EUR for EURUSD).

No Margin: The FX option margin calculation does not apply.

Orders: Not available. Trading is only available on live quotes.

Opening Hours: Open for trading 24/6 (like FX Spot and Vanilla options).

MAIN BENEFITS OF TRADING TOUCH OPTIONS WITH SAXO BANK

- Full pre-trade transparency of potential profit and loss
- Limited risk in that Touch options cannot lose more than the respective premium or payout
- Automatic continuous monitoring of market-trigger events
- Automated cash settlement
- Can be bought or sold until maturity
- Broad market coverage

RISK WARNING: None of the information contained herein constitutes an offer (or solicitation of an offer) to buy or sell any currency, product or financial instrument, to make any investment, or to participate in any particular trading strategy. This material is produced for marketing and/or informational purposes only and Saxo Bank A/S and its owners, subsidiaries and affiliates whether acting directly or through branch offices ("Saxo Bank") make no representation or warranty, and assume no liability, for the accuracy or completeness of the information provided herein. In providing this material Saxo Bank has not taken into account any particular recipient's investment objectives, special investment goals, financial situation, and specific needs and demands and nothing herein is intended as a recommendation for any recipient to invest or divest in a particular manner and Saxo Bank assumes no liability for any recipient sustaining a loss from trading in accordance with a perceived recommendation. All investments entail a risk and may result in both profits and losses. In particular investments in leveraged products, such as but not limited to foreign exchange, derivatives and commodities can be very speculative and profits and losses may fluctuate both violently and rapidly. Speculative trading is not suitable for all investors and all recipients should carefully consider their financial situation and consult financial advisor(s) in order to understand the risks involved and ensure the suitability of their situation prior to making any investment, divestment or entering into any transaction. Any mentioning herein, if any, of any risk may not be, and should not be considered to be, neither a comprehensive disclosure or risks nor a comprehensive description such risks. Any expression of opinion may be personal to the author and may not reflect the opinion of Saxo Bank and all expressions of opinion are subject to change without notice (neither prior nor subsequent). This disclaimer is subject to Saxo Bank's Full Disclaimer available at www.home.saxo/legal/disclaimer/saxo-disclaimer.