Market Order

How is a Market Order being executed?

- A Market Order will be executed during **Continuous Trading Session**.

- A market order will be executed for the largest quantity possible until **reaching the highest/lowest limit price(See next slide).**

- **Any unfilled quantity** of the Market Order **will be automatically cancelled immediately.**

Upper/Lowest limit price of a Market Order

The **Highest price** for a **Buy order**(取更高者):

- Nominal Price + 5 spreads or
- Nominal + 5%

Nominal Price	+5 Spread	+5%
$8.00	$8.05	$8.40 (Maximum Buy Price)

The **Lowest Limit** Price for a **Sell Order**(取更低者):

- Nominal Price - 5 spreads or
- Nominal - 5%

Nominal Price	-5 Spread	-5%
$8.00	$7.95	$7.6 (Maximum Sell Price)

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Case 1: Full execution of Market Order

The nominal price of that stock is HKD8.00 with a price spread of HKD0.01.
Maximum Buy price: $8*1.05 = $8.4 **(Nominal + 5%)**

Client has placed a Market Order to buy 5,000 shares of a stock.		
Ask Price	Ask Quantity	Filled Quantity(Buy)
$8.00	1,000	1,000 shares @$8.00
$8.01	2,000	2,000 shares @$8.01
$8.02	2,500	2,000 shares @$8.02
Filled Quantity: 5000 shares		

Result:
The Market Order of buying 5,000 shares is **fully executed**.

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Case 2: Partial execution of Market Order

The nominal price of that stock is HKD0.25 with a price spread of HKD0.005
Maximum Buy Price: $0.25*+5 spreads =$0.27 **(Nominal Price + 5 spreads)**

Client has placed a Market Order to buy 10,000 shares of a stock.		
Ask Price	Ask Quantity	Filled Quantity(Buy)
$0.25	1,000	1,000 shares @$0.25
$0.255	1,000	1,000 shares @$0.255
$0.26	1,000	1,000 shares @$0.26
$0.265	1,000	1,000 shares @$0.265
$0.27	1,000	1,000 shares @$0.27
Filled Quantity: 5000 shares **Unfilled Quantity: 5000 shares**		

Result:
The Market Order is **partially executed** by buying **5,000 shares**.
Remaining **5,000 shares** will be **automatically cancelled**.

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What is the Margin Requirement when placing Market Order?

Stock Category	**Margin Requirement**	**Example**
70-100% marginable stock (Cat SA, A, B) e.g. **700**	**105%** * Nominal Price *Quantity	**Buy Order: Buy 100 shares of 700.HK** Nominal Price: $600 Margin Requirement: $600*105%*100 shares =$63,000
1-60% marginable stock (Cat C, D, E, F) e.g. **8**	**120%*** Nominal Price *Quantity	**Buy Order: Buy 100 shares of 8.HK** Nominal Price: $5.2 Margin Requirement: $5.2*120%*1000 shares =$6,240
Non-Marginable Stock e.g. **2617**	**150%*** Nominal Price *Quantity	**Buy Order: Buy 500 shares of 2617.HK** Nominal Price: $156 Margin Requirement: $156*150%*500 shares =$117,000