"clearing"	the process of establishing binding settlement obligations for transactions effected on or through the facilities of an exchange
"derivative"	a generic term for the range of exchange-traded and over-the-counter-traded instruments that have developed around securities, currency and commodity markets. The four principal classes are forwards, futures, swaps and options. They are derivatives because their price behaviour comes from the underlying asset's price movement
"EIPO"	Electronic Initial Public Offering, an IPO partially effected utilising electronic application instructions submitted by CCASS Participants
"eligible security"	a security which is for the time being accepted as eligible by HKSCC for deposit, clearance and settlement in CCASS
"expiry date"	the date on which an option contract terminates
"futures contract"	a contract *(i)* to make or take delivery of a standardised amount of an underlying asset or financial instrument at an agreed price at an agreed future time or *(ii)* under which the parties agree to make an adjustment between them at an agreed future time according to whether the agreed underlying asset or financial instrument is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making the contract
"H shares"	shares issued by a mainland China-incorporated entity and listed on the Stock Exchange
"IPO"	initial public offering, the first offering to the public of a company's shares
"margin"	for futures and option contracts, the deposit demanded by a clearing house or broker from a market participant to indicate good faith in meeting contractual obligations and to minimise its credit risk
"market maker"	a financial intermediary who is prepared to quote simultaneously firm bid and offer prices for a security or instrument at which he will transact business
"novation"	the legal act of substituting an existing contract between two parties with a new contract between the same parties or between different parties, the consideration therefor being the discharge of the old contract

"open contract"	an option contract or a futures contract that has not been closed out by the sale or purchase of an offsetting contract, by delivering or taking delivery of the underlying asset or by the settlement of the contract in cash
"open outcry"	a method of trading on an exchange whereby traders must shout out their buy or sell offers and if a trader shouts he wants to sell at a particular price and a trader shouts he wants to buy at that price a contract will then be made between the two traders that will be recorded
"option contract"	a contract granting the right, but not the obligation, to purchase or sell an underlying asset during a specified period or on a specified date at a specified price
"option series"	all option contracts with the same underlying asset and of the same option type and with the same exercise/strike price and expiry date
"option type"	refers to the two basic types of options: calls and puts. Call options give the holder of the option the right to buy the underlying asset. Put options give the holder of the option the right to sell the underlying asset
"position limit"	a formal limit on the number or amount of a position held by a single participant in order to limit an exposure to a particular risk
"price discovery"	the determination of a prevailing price for an asset by market forces
"red chip company"	a company incorporated outside mainland China which has at least 35 per cent. of its issued shares held by mainland China-incorporated entities or which is otherwise determined by the Stock Exchange to have a strong mainland China influence
"settlement"	the exchange of an underlying asset for cash or the making of payments under a contract
"turnover velocity"	a measure of stock market liquidity as measured by equity turnover in dollar terms over a prescribed period as a percentage of market capitalisation as at the end of that period
"underlying asset"	refers to the asset to be purchased or sold if the option under an option contract is exercised, or the asset by reference to which a futures contract is made
"volatility"	the degree to which the price of a security or futures contract tends to fluctuate over a specified period of time