

# Getting Started Manual: An Introduction to the Trader Workstation

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The following provides basic information on how to use Interactive Brokers' Trader Workstation (TWS). Read on and discover how easy it is to trade the very same system used by professional market makers every trading day.

## · Login to the TWS

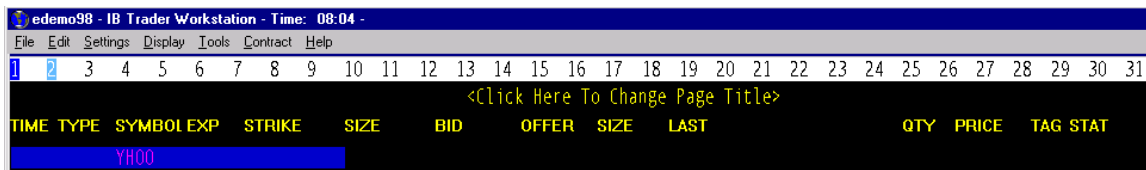
1. To access the TWS you must first dial up to the Internet. Next, double click on the TWS icon featuring a blue globe. The icon appears on your desktop after downloading the TWS from the IB website.
2. The Login window will appear prompting you for your username and password. Because IB's system is case sensitive, please make certain the Caps Lock feature on your keyboard is off. Type your username and press Enter. Next, type your password and press Enter.
3. The following message will appear: "Registering with the IB Network. Please wait..." If your username and password are valid, the TWS will come into view.

Password security should not be taken lightly! Anyone with access to your username and password may trade on your behalf. For your protection, we ask that you do not share your password with anyone.

## · Setup the TWS Screen

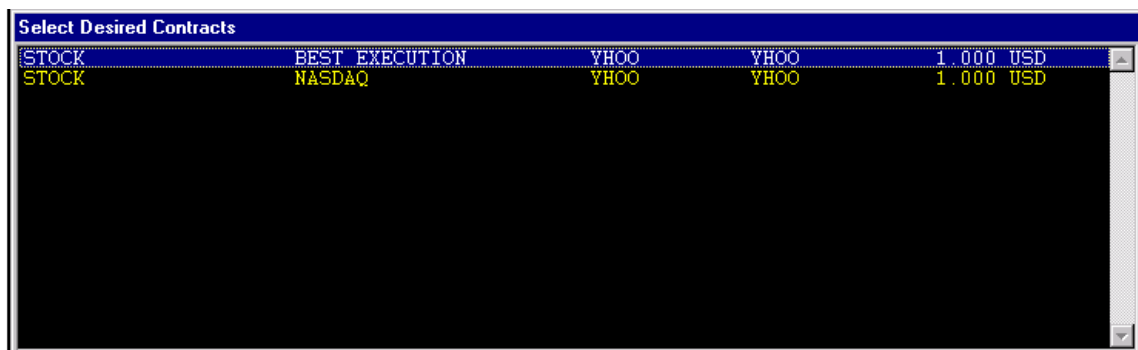
To view live quotes on the TWS the customer must first "list" contracts. By listing contracts, the customer is essentially telling the IB system which contracts he is interested in trading. To list a contract, follow the steps below:

1. Type the contract symbol under the **SYMBOL** column. For example, type **YHOO** to list Yahoo stock. **YHOO** will appear in purple text as shown below.



2. Click **Contract** on the gray menu bar at the top of the screen. A pop up menu will appear listing the following:  
STK (stock)                      FOP (options on futures)                      COMB (reserved for future use)  
IND (index)                      OPT (options)  
FUT (futures)                      WAR (warrants)

3. To trade YHOO stock, click STK. If the customer decides to trade options, the workstation will prompt the customer to select the contract's expiration month and year.
4. Next, the Select Desired Contracts window will appear as shown below.

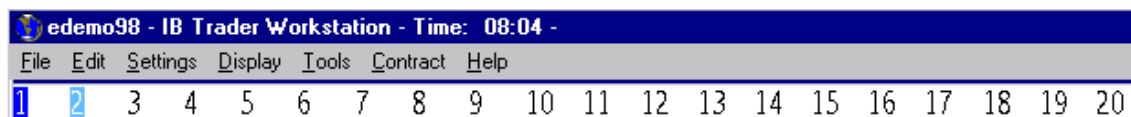


Click on the exchange where you would like to trade the contract and press Enter. For equity and equity options listed on multiple exchanges, “best execution” will appear as the first selection in the window. Best execution allows the system to monitor all bids and offers and display the best bid or offer. With best execution selected, your order is routed to the exchange with the best price at that moment.

**Note:** To select multiple contracts in the Select Desired Contracts window, click on the first selection, drag the mouse to the last selection and press Enter. To select multiple contracts not listed next to each other, hold down the Control key, click on each contract and press Enter.

## • TWS Pages

The numbers 1 through 33 listed at the top of the screen represent TWS pages. The example below shows a portion of the row of page numbers seen on the TWS screen.



To create a page, simply click on the page number. Customers may find it useful to group products of the same type on one page. For instance, a customer may list technology stocks on one page and blue chip stocks on another.

To title a TWS page, click within the text <Click Here to Change Page Title>. The yellow text will turn purple. Next, type the appropriate title. To delete a title, click on the gray CLEAR button on the TWS screen. **Please note that the CLEAR button does not cancel an order.**

## · Decoding TWS Colors

The most important colors on the TWS are the color-coded bars that appear under the STAT column. (See the example below).



QTY	PRICE	TAG	STAT
BY	100	163 3/8	C M T

The various colors indicate whether the request to send or cancel an order has been received. Before placing a trade, please review the following:

**Light blue:** Indicates an order is in transit to an exchange.

**Dark blue:** Indicates a simulated order has been acknowledged by IB and is pending. (For an explanation of simulated orders, see [Order types](#) on the IB website).

**Green:** Indicates an order has been received and is working at an exchange.

**Fuchsia:** Pink or purple, depending on your screen resolution, indicates the request to cancel an order has been acknowledged.

**Red:** Indicates an order has been canceled.

(For additional information, see [TWS colors](#) on the IB website.)

## · Exchange Symbols

- A = AMEX
- C = CBOE
- P = PHLX
- p = PSX
- I = ISE

## · Sending an Order

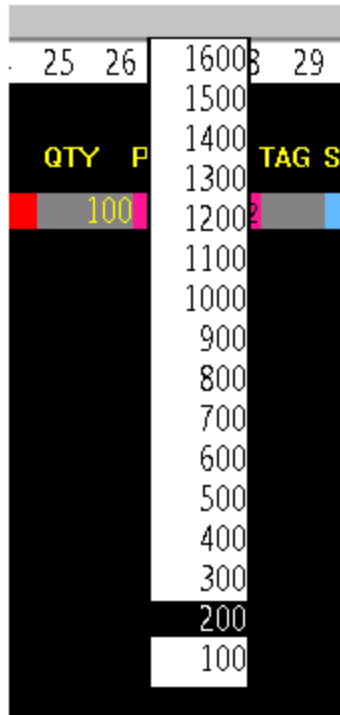
Once the customer has listed a contract on the screen, an order may be sent through the TWS. This is accomplished by clicking on appropriate locations within the contract line. Please understand that the IB system operates on the principle that the customer sells the bid and buys the offer. To initiate a sell order, the customer clicks on the bid listed in the contract line. To initiate a buy order, the customer clicks on the offer.

The following provides instructions on how to enter and transmit an order.

1. For example, to sell YHOO stock click on the bid in the YHOO contract line. The contract line will turn gray. SL, for sell, will appear in red on the right hand side of the screen as shown below. (To buy YHOO, click on the offer. BY, for buy, will appear highlighted in blue).

TYPE	SYMBOL	EXP	STRIKE	SIZE	BID	OFFER	SIZE	LAST	QTY	PRICE	TAG	STAT
STOCK	YH00			20	162 7/16	162 9/16	10	- 162 1/2 + 15/16	10	162 5/16		M

2. Locate the QTY (quantity) column on the right hand side of the screen and point to the quantity. Next, click on the quantity and hold down the mouse button. As shown below, a pop up menu will appear listing various quantities. Scroll to the desired quantity and release the mouse button.



3. Locate the PRICE column on the right hand side of the screen and point to the price. Next, click on the price and hold down the mouse button. A pop up menu will appear listing various prices. Scroll to the desired price and release the mouse button.
4. To send the order, click on "T" for transmit on the far right hand side of the screen. The order line will drop one line. A light blue bar under the STAT column will appear. The bar will change from light blue to dark blue or green. The order is working once a dark blue or green bar appears. To cancel the order click "C." (For a further explanation, see p. 5 Canceling an Order).

The price and quantity of an order alternatively may be entered with the gray ORDER button. The following steps explain.

1. Initiate a buy order by clicking on the offer or initiate a sell order by clicking on the bid.

2. Click the gray ORDER button.
3. Type the size and price in the appropriate field.
4. Select an order type from the Pricing field.
5. Click Accept to confirm the information. Note that Accept does **NOT** transmit an order. To transmit an order click "T." (To clear the information in the order box, click Abort. Abort does **NOT** cancel an order. To cancel an order click "C.")

To preset an order's size follow the steps below.

1. Click Settings on the gray menu bar at the top of the screen.
2. Click on Default Sizes.
3. Enter a default size for the type of contract.
4. Click Done. This size will appear on the contract line each time the customer initiates a buy or sell order.

### · **Modifying an Order**

The customer may modify the price and/or quantity of an order as explained in steps number 2 and 3 of Sending an Order. In addition, the customer may modify the price and/or quantity using the **right mouse key method**. The following steps explain.

1. **Click on "M" for modify on the right hand side of the screen.**
2. **To increase the price or quantity, RIGHT CLICK on the UPPER portion of the price or quantity. For example, to increase a quantity from 1 to 3 click on the top portion of the "1" twice.**
3. **To decrease the price or quantity, RIGHT CLICK on the LOWER portion of the price or quantity. For example, to decrease a quantity from 3 to 1 click on the bottom portion of the "3" twice.**

### · **Canceling an Order**

Orders are not canceled until a red bar appears in the STAT column. If any part of your order is filled prior to receiving the cancellation, only the unfilled portion is canceled. Also if you click on "T" and decide to modify the order, you may still get filled on the original order if the status bar was green. Please be aware of this to prevent double fills.

To cancel a modification to an order prior to clicking "T":

1. **Click on "C" for cancel on the right hand side of the screen.**
2. **The modification is canceled and the order returns to its previous state.**

To cancel an order after clicking "T":

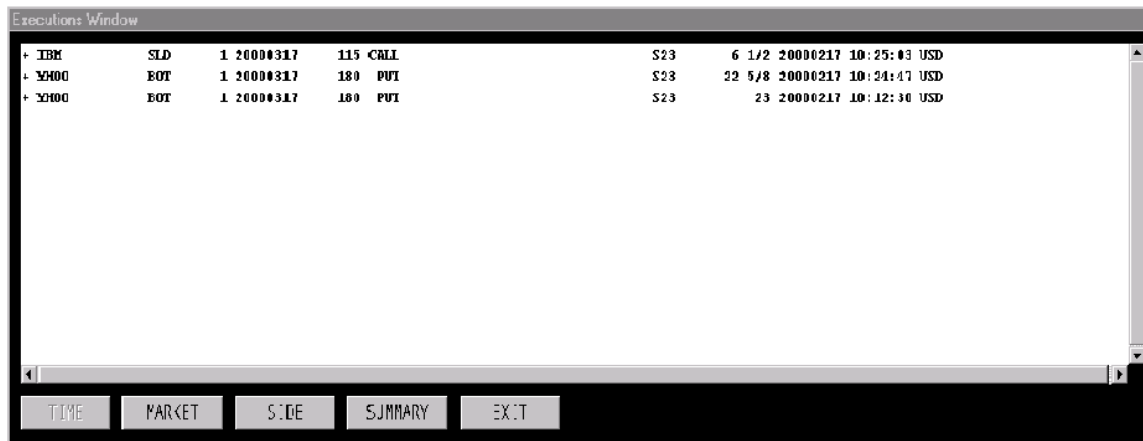
1. **Click on "C" for cancel on the right hand side of the screen.**
2. **First, a fuchsia bar will appear in the STAT column. This indicates the request to cancel an order has been acknowledged by IB. Next, the bar will turn red indicating an order has been canceled.**

To cancel all pending orders:

1. Click on the gray CANCEL ALL button.
2. A pop up window will appear asking: "Are you sure you want to cancel all open orders? Click YES or NO."

## · Receiving an Execution

To check that your trades have been executed, click on the gray EXECUTIONS button. The executions window will appear as shown below.



The window will list executions either by TIME, MARKET or SIDE. TIME lists executions in order from the earliest trade executed on that day to the most recent trade. MARKET lists options followed by stocks. SIDE lists buy positions followed by sells. SUMMARY displays the contract's net position **for the day**. EXIT closes the execution window.

## · Viewing Account Balances

The account status window, located at the bottom of the TWS, displays the customer's account balances and overall intraday position. See the example below.

		Contract	Position	Mark Price	Time	Value
Acct #:	S23	Stock And Options				
Initial Margin Requirement:	6,812 USD	IBM	MAR2000	115.00 C	-1	6 1/2 10:29
Maintenance Margin Requirement:	6,812 USD	YHOO	MAR2000	180.00 P	2	22 3/8 10:29
Market Value:	3,825 USD					
Cash Balance:	46,081 USD					
Net Liquidating Value:	49,906 USD					

The left-hand side of the window lists the customer's account balances. The balances are calculated in real-time and reflect changes in market conditions. Please note the difference between the following.

**Initial margin requirement:** Initial amount of money needed to establish the position and satisfy regulatory requirements.

**Maintenance margin requirement:** Must be maintained at all times to avoid liquidation. As your position registers gains and losses, the equity in your account fluctuates. If your equity falls then the margin loan is re-evaluated. Regulatory requirements set a maintenance margin requirement below where IB will attempt to liquidate the position.

**Cash balance:** The balance of cash deposited by the customer not being used as margin in a margin account to be secured in a cash account.

**Net liquidating value:** The total of your assets (position value and cash deposited at IB) marked to market at the time and price listed on the TWS.

**Option Value:** Option Value equals the total number of contracts times the current market value times 100 shares.

Example: Long 5 calls of XYZ Corp Jan 35 at 7

Long 10 calls of ABCD Corp Jan 25 at 4 ½

5 calls X 7 premium X 100 shares = option value of 3500

10 calls X 4.5 premium X 100 shares = option value of 4500

Total Option Value is 8000 (3500 plus 4500 equals 8000)

The option value will total all options contracts and will net all long and short positions together.

Options cannot be used toward any margin purchases at this time.

Long options: buyer of options contracts

Short options: seller of options contracts

**Stock Value:** Stock Value is the total number of shares of securities times the current share price. For the calculation of the total stock value, long positions the current bid price is used, and for short positions the ask price is used. Stock Value is based on the bid price of long securities held.

Example: Long 1000 shares of WWXY priced at 45 equals 45,000

Long 1000 shares of ABCD priced at 27 equals 27,000

Long 1000 shares of EFGH priced at 4 equals 4,000

Total Stock Value is 76,000 (45,000 plus 27,000 plus 4,000 equals 76,000)

**Equity with Loan Value:** Equity with Loan Value is the total value of all equity positions held within the margin account that can be used as collateral toward future margin purchases plus the cash balance held in the account. The Equity with Loan Value is based on the bid price of long securities held.

Example: Long 1000 shares of WWXY priced at 45 equals 45,000

Long 1000 shares of ABCD price at 27 equals 27,000

Total Stock Value is 72,000 (45,000 plus 27,000 equals 72,000)

All securities are marked to the market to ensure that the securities value and cash within a margin account is in compliance with the maintenance requirements.

## • Reading TWS Bulletins

### **Why you must read bulletins**

TWS bulletins communicate important messages, such as network problems, pricing difficulties and system updates. **It is essential that you read bulletins as soon as possible.**

### **A globe indicates a bulletin**

When a blue globe appears in the lower left-hand corner of the screen, go immediately to File on the gray menu bar at the top of the screen and click on Bulletin. A window will appear stating the bulletin.

### **Do not be too quick to close bulletins!**

Please read the entire bulletin before exiting the bulletin window. After exiting the window, the globe on the screen will disappear until a new bulletin is sent.

### **· Deleting a Contract**

1. Click on the contract symbol under the SYMBOL column. A pop up menu will appear reading: "Are you sure you want to delete the symbol?"
2. Click KEEP or DELETE

### **· Shutting Down the TWS**

Click on File on the gray menu bar at the top of the screen and select Exit. A window will appear asking whether you want to STAY or LOGOUT. Click LOGOUT to shutdown the TWS. To set your TWS to automatically shutdown, click on Settings on the gray menu bar and then click Default Sizes. Type in the time that you want the TWS to shutdown, select AM or PM and click Done.

### **· Online Help Function**

To access the online help function, click on Help listed on the gray menu bar at the top of the TWS screen and select Help Index. Click SEARCH to browse various TWS topics. Once you have selected a topic, click "Go to selection" and a window will appear with an explanation of the feature.

Another option is to click on Help on the gray menu bar at the top of the TWS screen and select Context Sensitive. The customer may then point to any portion of the TWS for a description of that particular feature. We also invite customers to go to [About TWS](#) on IB's website to take a tour of the TWS and learn about additional features, such as TWS "hot keys."